

Monument Mining Ltd. Reports Fourth Quarter and Fiscal 2021 Results

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VANCOUVER, Sept. 24, 2021 - [Monument Mining Ltd.](#) (TSX-V: MMY and FSE: D7Q1) "Monument" or the "Company" today announced its annual financial results for the year ended June 30, 2021. All amounts are in United States dollars unless otherwise indicated (refer to [www.sedar.com](#) for full financial results).

President and CEO Cathy Zhai commented: "During this fiscal year, Monument has focused on consolidating the asset portfolio by spinning off the Mengapur base metal project and placing the Tuckanarra Gold Project into a joint venture. The restructured gold focused portfolio provides potential catalysts for re-rating the share price going forward into fiscal 2022 and beyond for our shareholders.

"For the same reason, as of June 30, 2021, we established a solid financial position with \$38.62 million in cash and cash equivalents on hand. The strengthened cash reserves allow us to support and implement the corporate value creation strategies, especially to fund the Selinsing gold treatment plant expansion and exploration of Murchison. Monument is open to all corporate development opportunities to optimize our future growth and shareholders value moving forward".

Ms. Zhai further commented: "With the continued challenges from the global Covid-19 pandemic that caused more than six weeks mine shut down during the year, *Selinsing Gold Mine* produced positive cash flow in 2021 from mining super-low grade ore, leachable sulphide ore and Peranggih materials, which has brought our aggregated Selinsing Gold Mine production to 325,509 ounces at an average cost of \$535 per ounce with gross revenue of \$452.1 million, gross margin of \$279.3 million and net cash from production of \$275 million. Looking forward, our management team will continue to work hard with the "Can Do" attitude and the philosophy of "being a doer" in delivering our commitment to our shareholders."

Fiscal 2021 Highlights:

- Restructured assets to a gold focused portfolio by spinning out Mengapur copper and iron project;
- Two staged Selinsing gold plant conversion with the flotation plant construction commenced and fully funded;
- Murchison Project exploration strategized to test potential gold discovery and upside;
- Tuckanarra Joint ventured with Odyssey fast tracking exploration and development;
- Selinsing Gold Mine continued with leachable sulphide ore production transitioning to new life of mine

Fourth Quarter and Fiscal 2021 Production and Financial Highlights

	Three months ended June 30, Year ended June 30,			
	2021	2020	2021	2020
Production				
Ore mined (tonnes)	72,074	42,331	427,528	263,074
Waste removed (tonnes)	687,255	463,228	3,639,490	2,887,441
Ore processed (tonnes)	94,940	68,961	579,569	675,708
Average mill feed grade (g/t)	0.72	1.06	0.84	1.11
Processing recovery rate (%)	64%	67%	61%	71%
Gold production ⁽¹⁾ (oz)	1,838	2,311	10,282	17,360
Gold sold (oz)	3,473	3,282	12,850	19,401
Financial (in thousands of US dollars)	\$	\$	\$	\$
Revenue	6,085	5,404	23,236	29,971
Gross margin from mining operations	1,270	2,652	8,103	12,944

Net income before other items	(1,009)	704	1,696	4,509
Net loss	(2,702)	(1,273)	(99,318)	(275)
Cash flows generated from operations	2,208	657	1,654	6,273
Working capital	48,539	18,786	48,539	18,786
Loss per share before other items - basic (US\$/share)	(0.00)	0.00	0.01	0.01
Loss per share - basic (US\$/share)	(0.01)	(0.00)	(0.31)	(0.00)

	Three months ended June 30, Year ended June 30,			
	2021	2020	2021	2020
Other	US\$/oz	US\$/oz	US\$/oz	US\$/oz
Average realized gold price per ounce sold ⁽²⁾	1,812	1,684	1,864	1,563
Cash cost per ounce ⁽³⁾				
Mining	496	233	397	223
Processing	711	454	602	507
Royalties	167	143	169	136
Operations, net of silver recovery	12	8	10	12
Total cash cost per ounce	1,386	838	1,178	878
All-in sustaining costs per ounce ⁽⁴⁾				
By-product silver recovery	1	1	1	1
Operation expenses	119	179	46	40
Corporate expenses	3	6	6	6
Accretion of asset retirement obligation	9	12	10	9
Exploration and evaluation expenditures	25	45	22	32
Sustaining capital expenditures	104	174	162	171
Total all-in sustaining cost per ounce	1,647	1,255	1,425	1,136

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

(2) Exclude gold prepaid delivery for comparison purposes.

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.

All-in sustaining cost per ounce includes total cash costs, operation expenses, and adds sustaining capital expenditures, corporate administrative expenses for the Selinsing Gold Mine including share-based compensation, exploration and evaluation costs, and accretion of asset retirement obligations. Certain other cash expenditures, including tax payments and acquisition costs, are not included.

2021 Gold Production

Production Analysis

- Gold production of 10,282oz, a 41% decrease as compared to 17,360oz of the previous year. Gold production for the year ended June 30, 2021 was mainly from transitional leachable sulphide ore from Selinsing Pit 4 & Pit 5, oxide ore from Peranggih and old tailings materials. This resulted in lower mill feed grades and lower recovery rates.
- 2021 mining activities delivered 427,528 tonnes of ore from Selinsing (259,459 tonnes), Buffalo Reef (27,642 tonnes), Felda (13,022 tonnes) and Peranggih (127,405 tonnes). Mining costs for Peranggih were recorded against inventories for 127,405 tonnes during the year, of which 118,688 tonnes were fed into the mill.

- Ore processed decreased to 579,569 tonnes from 675,708 tonnes last year. The decrease was due to the lack of availability of stockpiled ore. Ore stockpile has significantly reduced mainly due to the adverse impact of the shortage of explosive supplies in the first quarter resulting in a lower mining rate. COVID-19 pandemic has not helped in achieving the target. The Company has devoted its effort to improve the stockpile balance.
- Total production costs \$15.13 million as compared to \$17.03 million of last year. Cash cost per ounce increased by 34% to \$1,178/oz as compared to \$878/oz of last year. The increase was attributable to a 24% decrease in the mill feed grade from 1.11g/t to 0.84g/t and a decrease in recovery to 60.8% (2020: 70.9%) as a result of processing significantly more leachable sulphide ore and other low recovery ores.

Financial Analysis

- Gold sales generated revenue of \$23.24 million for the year as compared to \$29.97 million from last year. Gold sales revenue was derived from the sale of 10,700oz (2020: 16,750oz) of gold at an average realized gold price of \$1,864 per ounce (2020: \$1,563 per ounce) and the delivery of 2,150oz (2020: 2,651oz) in fulfilling gold prepaid obligations at an average London Fix PM gold price of \$1,525 per ounce (2020: \$1,429 per ounce).
- Mining operations before non-cash amortization and depreciation generated a gross margin of \$8.10 million, a decrease of 37% from \$12.94 million from the previous year. The decrease in gross margin was attributable to the decrease in gold sold offsite by a higher average realized gold price.
- Cash and cash equivalents balance as at June 30, 2021 was \$38.62 million, an increase of \$28.50 million from the balance at June 30, 2020 of \$10.13 million. As at June 30, 2021, the Company had positive working capital \$48.54 million (June 30, 2020: \$18.79 million). The increase in working capital was mainly due to the increase in cash and cash equivalents.
- Cashflow from investing activities for the year was \$26.87 million (2020: outflow of \$5.47 million), which was mainly from the sale of the Mengapur project of \$29.16 million and the sale of 80% interest in Tuckanarra project of \$2.66 million.

Development

Selinsing Gold Mine

This year the Company commenced to develop the Selinsing Sulphide Project into production through a two stages de-risking process in order to reduce the initial upfront investment required. Stage 1 is the construction of a flotation plant aimed to produce saleable gold concentrates and stage 2 is the construction of a BIOX® leaching plant to treat third party concentrates should a niche market be successfully established.

Selinsing Flotation construction will take approximately 15 months to be completed for an estimated \$20 million, including flotation plant optimization and engineering, procurement, construction and commissioning, and securing off-take agreements. Flotation test work was completed at the Selinsing on-site lab to determine the optimum concentrate gold grade and recovery for maximizing revenue. The positive results were independently tested at Bureau Veritas Laboratory under Orway Mineral Consultant's ("OMC") supervision.

OMC completed the process plant design in June 2021, and submitted the flotation process engineering design including the process design criteria, major equipment summary, flowsheet, mass balance and consumables estimates, as a modification to the flotation conceptual engineering design that reported in the Snowden feasibility study in February 2019. The new set of design criteria would allow Selinsing to produce gold concentrates as a final product for sale.

Further development work was carried out including: an underground mining desktop study, Tailings Storage Facility development, and mining cutback and test work for oxide mining assessment at Peranggih in order to sustain Selinsing gold production.

Murchison Gold Project

At Murchison development work took place to re-assess early production opportunity. The mine plan was

completed by management and the independent review conducted by SRK, which covered geotechnics, hydrology and environmental compliance in addition to resource modelling, mining optimization and scheduling, and metallurgical recoveries. The follow up work has been recommended and considered by the Company. As a part of the value creation strategies, the Company has taken direction to focus on regional exploration to test potential for larger gold production at Murchison pending on new gold discoveries. The geological study has been conducted to further identify and optimize regional exploration targets. Geological data has been further investigated and integrated to the database. As a result, the phase one exploration program was commenced subsequent to the end of the year in July 2021.

Major Transactions

Tuckanarra Joint Venture ("JV")

In October 2020 Monument entered into a JV arrangement with Odyssey Gold Ltd. ("Odyssey") to advance the Tuckanarra Gold Project, and in December 2020 sold an 80% interest in Tuckanarra to Odyssey for AUD\$5 million subject to certain conditions, leaving Monument with a 20% free carried interest and a 1% NSR royalty over Odyssey's 80% interest in the property. Odyssey will be solely responsible for funding the exploration and evaluation activities at Tuckanarra until a decision to mine is reached. The future processing of ore from tenements held by Odyssey through the Burnakura plant remains an option should commercial terms be reached.

Mengapur Copper-Iron Project Divestment

Monument closed a transaction with Fortress Minerals in April 2021 to sell 100% interest in the Mengapur Copper and Iron Project. The sale is part of the Company's corporate restructuring to focus on the development of the gold portfolios in both Malaysia and Western Australia. Monument sold Mengapur Copper and Iron Project for US\$30,000,000 in cash, and will also receive a 1.25% gross revenue royalty on all products produced at the Mengapur Project.

Exploration

Malaysia

A Reverse Circulation (RC) drilling program was completed at Selinsing which consisted of 1,128m over 19 holes at Pits 4, 5, and 6. A total of 1,335 including 225 QAQC samples were assayed. The drill program aimed to identify and define mineralization areas with average grades that can be immediately mined economically in the current CIL plant. The main drilling target was the shallow dipping structure extension close to the east flank of the pits. The drilling program resulted with several significant intercepts.

An RC drill program was undertaken at Peranggih to upgrade the grade and ounces of mineralized material based on previous close spaced drilling results. The first phase was completed in April 2021 with 1,697m drilled over 34 holes. The second phase drilling includes completing 420m over 9 holes and additional drilling progressed at year end. Drill assays received from the Selinsing Mine lab showed moderate to high grade interceptions. RC drilling costs were recorded under Exploration and Evaluation assets.

Western Australia

In fiscal 2021, Monument announced the results of the drilling program carried out from February to May 2020, which confirmed the continuity of gold mineralization within identified structures and favorable lithology from existing mineral resources. The Company decided to begin regional exploration potential assessment and commenced work on a 2-year exploration strategy designed to test beneath cover for potential mineralization that is aimed to lead to the discovery of shallow stand alone or satellite gold deposits, aiming to add significant additional resources to the current resource base. The strategy will involve testing down dip of high-grade mineralization underneath existing pits as well as test some of the high priority regional targets through Greenfield exploration of the land package at Burnakura and Gabanintha. Field work permitting activities have continued with ground preparation activities during the fourth quarter, and the first stage of drilling started, subsequent to the end of the year.

About Monument

[Monument Mining Ltd.](#) (TSX-V: MMY, FSE:D7Q1) is an established Canadian gold producer that owns and operates the Selinsing Gold Mine in Malaysia. Its experienced management team is committed to growth and is also advancing the Murchison Gold Projects comprising Burnakura, Gabanintha and Tuckanarra JV (20% interest) in the Murchison area of Western Australia. The Company employs approximately 200 people in both regions and is committed to the highest standards of environmental management, social responsibility, and health and safety for its employees and neighboring communities.

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This news release includes statements containing forward-looking information about Monument, its business and future plans ("forward-looking statements"). Forward-looking statements are statements that involve expectations, plans, objectives or future events that are not historical facts and include the Company's plans with respect to its mineral projects and the timing and results of proposed programs and events referred to in this news release. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". The forward-looking statements in this news release are subject to various risks, uncertainties and other factors that could cause actual results or achievements to differ materially from those expressed or implied by the forward-looking statements. These risks and certain other factors include, without limitation: risks related to general business, economic, competitive, geopolitical and social uncertainties; uncertainties regarding the results of current exploration activities; uncertainties in the progress and timing of development activities; foreign operations risks, including risks related to changes in mining license rights, tax rates and government royalty requirements; other risks inherent in the mining industry and other risks described in the management discussion and analysis of the Company and the technical reports on the Company's projects, all of which are available under the profile of the Company on SEDAR at www.sedar.com. Material factors and assumptions used to develop forward-looking statements in this news release include: expectations regarding the estimated cash cost per ounce of gold production and the estimated cash flows which may be generated from the operations, general economic factors and other factors that may be beyond the control of Monument; assumptions and expectations regarding the results of exploration on the Company's projects; assumptions regarding the future price of gold of other minerals; the timing and amount of estimated future production; the expected timing and results of development and exploration activities; costs of future activities; capital and operating expenditures; success of exploration activities; mining or processing issues; exchange rates; expected mining rights, tax rates, and government royalty requirements in the jurisdictions in which the Company operates; and all of the factors and assumptions described in the management discussion and analysis of the Company and the technical reports on the Company's projects, all of which are available under the profile of the Company on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

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