

Monument Mining Ltd. Reports Second Quarter Fiscal 2021 Results

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VANCOUVER, March 01, 2021 - [Monument Mining Ltd.](#) (TSX-V: MMY and FSE: D7Q1) "Monument" or the "Company" today announced its second quarter production and financial results for the six months ended December 31, 2020. All amounts are expressed in United States dollars ("US\$") unless otherwise indicated (refer to [www.sedar.com](#) for full financial results).

President and CEO Cathy Zhai commented: "During the first six months of fiscal 2021, the Company has completed the economic valuation of each of its wholly-owned projects, closed the Tuckanarra JV Transaction, and streamlined the gold portfolio by entering into the definitive agreement to sell the Mengapur base metal project subsequent to the second quarter. Upon closing the Mengapur transaction, the Company's strategy will be to "Unblock the Value" with the proceeds from the transaction available to advance the Company's gold portfolio in Western Australia and Malaysia, and to support corporate development."

Second Quarter Highlights:

- 3,754 ounces ("oz") of gold sold for \$6.84 million (Q2 2020: 4,473oz for \$6.61 million);
- Average quarterly gold price realized at \$1,889/oz (Q2 2020: \$1,486/oz);
- Cash cost per ounce sold was \$1,103/oz (Q2 2020: \$903/oz);
- Gross margin increased by 5% to \$2.69 million (Q2 2020: \$2.57 million);
- 2,963oz of gold produced (Q2 2020: 4,827oz);
- All-in sustaining cost ("AISC") increased to \$1,601/oz (Q2 2020: \$1,245/oz);
- Sold 80% interest in Tuckanarra Project to Odyssey to advance exploration; and
- Completed due diligence on the Mengapur Transaction.

	Three months ended December 31,		Six months ended December 31,	
	2020	2019	2020	2019
Production				
Ore mined (t)	112,073	88,255	193,649	135,052
Ore processed (t)	152,836	215,305	319,268	449,334
Average mill feed grade (g/t)	0.89	0.98	0.94	0.98
Processing recovery rate (%)	58%	66%	61%	69%
Gold recovery (oz)	2,560	4,456	5,903	9,783
Gold production ⁽¹⁾ (oz)	2,963	4,827	6,467	9,679
Gold sold (oz)	3,754	4,473	6,854	8,796
Financial (expressed in thousands of US\$)	\$	\$	\$	\$
Revenue	6,835	6,606	12,754	12,949
Gross margin from mining operations	2,694	2,566	5,753	5,213
Income before other items	1,159	653	3,102	1,399
Net loss	(649)	(1,829)	(511)	(1,621)
Cash flows (used in) provided by operations	796	(783)	1,543	429
Working capital	20,384	20,351	20,384	20,351
Loss per share - basic and diluted (US\$/share)	(0.00)	(0.01)	(0.00)	(0.01)
	Three months ended December 31,		Six months ended December 31,	
	2020	2019	2020	2019
Other	US\$/oz	US\$/oz	US\$/oz	US\$/oz

Average realized gold price per ounce sold ⁽²⁾	1,889	1,486	1,899	1,481
Cash cost per ounce sold:				
Mining	365	230	323	205
Processing	552	527	520	532
Royalties	172	135	168	129
Operations, net of silver recovery	14	11	10	14
Total cash cost per ounce sold	1103	903	1021	880
By-product silver recovery	1	1	1	1
Operation expenses	40	0	26	0
Corporate expenses	104	111	96	124
Accretion of asset retirement obligation	9	10	10	11
Exploration and evaluation expenditures	19	49	15	49
Sustaining capital expenditures	324	170	219	198
By-product silver recovery	1	1	1	1
Total all-in sustaining costs per ounce sold	1,601	1,245	1,389	1,264

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

(2) Monument realized 1,889US\$/oz and 1,899US\$/oz for the three months and six months ended December 31, 2020.

(3) Total cash cost per ounce 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, idle production costs, capital costs, exploration costs and corporate administration costs. Readers should refer to section 14 "Non-IFRS Performance Measures".

All-in sustaining cost per ounce includes total cash costs 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. Readers should refer to section 14 "Non-IFRS Performance Measures".

Production Analysis

- Q2 2021 gold production of 2,963oz, a 39% decrease as compared to 4,827oz of Q2 2020. For the six months ended December 31, 2020, gold production of 6,467oz, a 33% decrease as compared to 9,679oz for the six months ended December 31, 2019. The decrease mainly resulted from reduction in mill feed caused by shortage of crushed ore and lower recovery rate brought about by gold locked in leachable sulphide ore and gold taken from circuit with lower Au loading in carbon.
- Q2 2021 ore processed decreased to 152,836t from 215,305t of Q2 2020. For the six months ended December 31, 2020, ore processed decreased to 319,268oz from 449,334oz for the six months ended December 31, 2019. The decreased mill feed was mainly due to crushed ore shortage from low mining output, which was in turn caused by shortage of explosive supply, and lack of stockpiled super low-grade oxide ore. Average mill feed grade was 0.89g/t as compared to 0.98g/t of Q2 2020. For the six months ended December 31, 2020, average mill feed grade was 0.94g/t as compared to 0.98g/t for the six months ended December 31, 2019. Q2 2021 processing recovery rate decreased to 58% from 66% of Q2 2020. For the six months ended December 31, 2020, processing recovery rate decreased to 61% from 69% for the six months ended December 31, 2019. The decrease in processing recovery rate was mainly due to lower recoveries obtained from processing leachable sulphide ore materials.
- Q2 2021 cash cost per ounce increased by 22% to \$1,103/oz from \$903/oz of Q2 2020. For the six months ended December 31, 2020, cash cost per ounce increased by 16% to \$1,021/oz from \$880/oz for the six months ended December 31, 2019. The increase was mainly due to additional mining services of pit dewatering, establishing Peranggih mining and hauling ore to Selinsing, additional reagents, processing time and energy required in leaching sulphide materials and lower mining rate with relatively fixed overheads.

- Ore stockpile has reduced mainly due to adverse impact from shortage of explosive supply resulting in lower mining rate that has yet to be caught up. COVID-19 pandemic has not helped in achieving the target. The Company has devoted its effort to improve the stockpile balance.

Financial Analysis

- Q2 2021 gold sales generated revenue was \$6.84 million as compared to \$6.61 million from Q2 2020. Gold sales revenue was derived from the sale of 3,754oz (Q2 2020: 4,473oz) of gold at an average realized gold price of \$1,889 per ounce (Q2 2020: \$1,486 per ounce) and the delivery of 704 oz (Q2 2020: 723oz) in fulfilling gold prepaid obligations at an average London Fix PM gold price of \$1,525 per ounce (Q2 2020: \$1,429 per ounce). For the six months ended December 31, 2020, gold sales revenue was \$12.75 million as compared to \$12.95 million for the six months ended December 31, 2019. For the six months ended December 31, 2020, gold sales revenue was derived from the sale of 6,854oz (six months ended December 31, 2019: 8,796oz) of gold at an average realized gold price of \$1,899 per ounce (six months ended December 31, 2019: \$1,481 per ounce) and the delivery of 704oz (six months ended December 31, 2019: 1,446oz) in fulfilling gold prepaid obligations at an average London Fix PM gold price of \$1,525 per ounce (Q2 2020: \$1,429 per ounce).
- Q2 2021 total production costs increased by 3% to \$4.14 million as compared to \$4.04 million from Q2 2020. For the six months ended December 31, 2020, total production costs decreased by 10% to \$7.00 million as compared to \$7.74 million for the six months ended December 31, 2019. The increase/decrease is in line with the increase/decrease in gold sales revenue and reflected timing difference of gold sold and higher mining and processing costs as compared to the same period last year.
- Gross margin for Q2 2021 was \$2.69 million before operation expenses and non-cash amortization and accretion. That represented a 5% increase as compared to \$2.57 million from Q2 2020. Gross margin for the six months ended December 31, 2020 was \$5.73 million, a 10% increase as compared to \$5.21 million for the six months ended December 31, 2019. The increase in gross margin was attributable to an increase in a higher average realized gold price but offset by less gold sold and higher mining and processing costs.
- Net loss for Q2 2021 was \$0.65 million, or (\$0.00) per share as compared to net loss of \$1.83 million or (\$0.01) per share from Q2 2020. Net loss for the six months ended December 31, 2020 was \$0.51 million or (\$0.00) per share as compared to net loss of \$1.62 million or (\$0.01) per share from the six months ended December 31, 2019. The variance was caused by higher income from mining operations.
- Cash and cash equivalents balance as at December 31, 2020 was \$14.57 million, an increase of \$4.44 million from the balance at June 30, 2020 of \$10.13 million. As at December 31, 2020, the Company had positive working capital of \$20.38 million which was comparable to that at June 30, 2020 of \$18.79 million.
- Cash provided from operating activities for Q2 2021 was \$0.80 million (Q2 2020: cash used in operating activities of \$0.78 million) For the six months ended December 31, 2020, cash provided from operating activities was \$1.54 million (six months ended December 31, 2019: \$0.43 million).

Development

Selinsing Gold Mine

During the second quarter, Selinsing gold mine prioritized flotation plant construction as the first phase of the sulphide gold production project. Orway Mineral Consultants have been engaged to optimize the flotation conceptual design based on the completed feasibility study work in order to produce saleable gold concentrates. The onsite laboratory continued test work for bioleach inoculum adaptation and propagation stage on flotation concentrate, including gravity recoverable gold (GRG) and carbon in leach (CIL) tests on samples of external concentrates, bioleach batch amenability test (BAT) on a selected sample of external concentrate, CIL bottle roll test on the bioleach solid residue, diagnostic leach tests on selected samples, cleaner flotation test program on BRC3 transition ore and routine GRG and CIL testing of Selinsing grade control samples.

Further development work was carried out on an underground mining desktop study, TSF development, mining cutback and test work for oxide mining assessment at Peranggi in order to sustain Selinsing gold

production.

Murchison Gold Project

Ongoing development work at Murchison aims to optimize regional exploration target to establish Murchison and potetail corner stone project, and assess early production opportunity. The mine plan was completed by management and the independent review carried out by SRK has continued into the third quarter, covering but not limited to resource modelling, mining optimization and scheduling, metallurgical recoveries and compliance, targeting completion in March 2021. In parallel geophysics from historical surveys (predominantly magnetics and EM) for both Burnakura and Gabanintha were reviewed and exploration target shapes, rankings and explanations were refined.

Transaction

During the quarter, in October 2020, the Company entered into a Joint Venture Arrangement (the "Transaction") with Odyssey Gold Ltd (ASX: "ODY"), and the transaction closed in December 2020. Pursuant to the Transaction, the Company sold 80% of its interest in Tuckanarra Gold Project to Odyssey for an aggregated consideration of AUD\$5.00 million cash (or equivalent \$3.81 million), retains a 1% net smelter return royalty over ODY's percentage share, and a 20% interest in the Tuckanarra Gold Project free carried until a decision to mine, provided preferentially ODY's gold ore will be processed through Monument's Burnakura gold plant subject to commercial terms. Odyssey and Monument will jointly develop the Tuckanarra Gold Project through an unincorporated joint venture to advance the Tuckanarra Gold Project located in the Murchison Goldfield.

Exploration Progress

Malaysia

An exploration RC drill program was completed in Q2 consisting of 947m over 14 holes at Pits 4, 5, and 6. The program commenced in early December 2020, and will continue in Q3 2021 with additional 181m over four holes remaining to be drilled in January 2021. A total of 1,051 samples were collected. Significant high grade drilling interception from the program is as follows: MSMRC 167; 1m @ 14.20g/t Au from 26m; MSMRC 179; 3m at 21.48g/t Au from 72m include 1m at 60.71g/t; and MSMRC 179; 17m at 2.10g/t Au from 5m. The drill program aims to identify mineralization areas with average grades that can be mined economically in the short run. Once those areas are defined, materials will be mined to feed into the processing plant.

At the Peranggih Prospect, the shallow RAB drilling program continued in October 2020. During the quarter, an additional 12,591m of closed-spaced, 5x5m shallow GC holes with a maximum depth of 10m were drilled to infill the existing gap and extend the coverage of the surface mineralization along the 540m strike length and sterilizing the waste material that is needed to be removed for mining purposes. The ongoing GC drilling program allowed identifying 82,674tons at 0.89g/t Au with 2,365oz contained gold for a combined total of 154,785tons @ 0.89g/t Au with 4,418oz.

Western Australia

During the quarter, a grab sampling program was completed at the Gabanintha project towards confirming the historical JORC complaint resources. The program was completed on a historical mining dump at Tumblegum Deposit. The grab samples returned an average grade of 1.79g/t Au from ALS and comparative results from Minanalytical, Canning Vale returned 1.77g/t Au via the Chrysos Photon Assay technique. The material could form early low cost ore feed in a mine startup. Organization of the geology data on the server was further improved during the quarter and new data rooms were generated for each of the projects. This will greatly improve efficiencies which will be especially important as Monument advances preparation for extensive exploration programs and possible mine startup.

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 advancing several exploration and development projects including the Mengapur Copper-Iron Project, in Pahang State of Malaysia, and the Murchison Gold Projects comprising Burnakura, Gabanintha and 20% of Tuckanarra through a joint venture 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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Forward-Looking Statement

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; 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 or 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; 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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