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News Release

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## Monument Reports Second Quarter Fiscal 2016 Results Gross Revenue of \$5.68 Million and Cash Cost of US\$639/Oz

Vancouver, B.C., February 29, 2016, 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 and six months ended December 31, 2015. 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 Robert Baldock commented on second quarter fiscal 2016 financial results: “During the second quarter of fiscal 2016 operations continued to process mainly super low grade ore through the Selinsing Gold Plant in transition from oxide ore production to sulphide ore production, while gold market prices remain depressed for the third consecutive year. Even though the Company is able to generate free cash flow to fund its operations and business activities, the production gross margin is expected to vary from time to time due to lower grades, lower recovery rates and volatile gold prices. The production is anticipated to pick up when the Felda land oxide deposit is put into production and when the Intec plant is built successfully. A NI43-101 report is underway to update the Selinsing/Buffalo Reef Resources and the life of mine, targeting completion by June 2016”.

He further stated: “Monument is continuously looking for high quality gold projects in this market downturn with the objective to bring blue-sky to the Company and all shareholders.”

### Second Quarter Highlights:

- Gold production of 5,050 ounces (“oz”) (Q2 fiscal 2015: 9,950oz);
- Cash cost per ounce of US\$639/oz (Q2 fiscal 2015: US\$597/oz);
- Gross revenue from gold sales of \$5.68 million on 5,100oz sold (Q2 fiscal 2015: \$13.83 million on 11,400oz sold);
- Net Loss of \$2.5 million (Q2 fiscal 2015 Net Profit: \$3.1 million);
- Profit from gold production of \$1.54 million (Q2 fiscal 2015: \$4.54 million);
- Average ore head grade of 0.83g/t Au (Q2 fiscal 2015: 1.46g/t Au);
- Processing recovery rate of 63.5% (Q2 fiscal 2015: 84.6%);
- Completed heap leach engineering design and CAPEX/OPEX estimates at Burnakura;
- Completed the Intec Pilot Plant commissioning and first pilot plant run; and
- Carried out studies and due diligence on DRC based gold projects.

### Second Quarter Production and Financial Highlights

	Three months ended December 31,		Six months ended December 31,	
	2015	2014	2015	2014
<b>Production</b>				
Ore mined (tonnes)	96,602	89,667	201,929	164,051
Ore processed (tonnes)	254,413	233,799	486,531	487,313
Average mill feed grade (g/t)	0.83	1.46	0.89	1.56
Processing recovery rate (%)	63.5%	84.6%	70.4%	84.5%
Gold production <sup>(1)</sup> (oz)	5,050	9,950	10,113	19,696
Gold sold (oz)	5,100	11,400	15,100	17,700
<b>Financial (in thousands of US dollars)</b>				
Revenue	\$ 5,681	\$ 13,830	\$ 14,010	\$ 22,009
Net income before other items	644	3,128	2,213	4,329
Net income (Net loss)	(2,511)	3,058	(4,468)	4,583
Cash flows from operations	751	9,621	81	11,269
Working capital excluding derivative liabilities	27,584	35,493	27,584	35,493
EPS (loss) before other items – basic (US\$/share)	(0.01)	0.01	(0.01)	0.02
EPS (loss) – basic (US\$/share)	(0.01)	0.01	(0.01)	0.02

	Three months ended December 31,		Six months ended December 31,	
	2015	2014	2015	2014
<u>Other</u>	US\$/oz	US\$/oz	US\$/oz	US\$/oz
Average realized gold price per ounce sold	<b>1,114</b>	1,213	<b>1,131</b>	1,243
<u>Cash cost per ounce</u> <sup>(2)</sup>				
Mining	<b>94</b>	230	<b>92</b>	243
Processing	<b>483</b>	305	<b>392</b>	328
Royalties	<b>59</b>	61	<b>40</b>	62
Operations, net of silver recovery	<b>3</b>	1	<b>2</b>	1
<b>Total cash cost per ounce</b>	<b>639</b>	597	<b>526</b>	634

(1) Defined as good delivery gold bullion according to London Bullion Market Association ("LBMA"), net of gold doré 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 operations continued to process super low grade ore in transition to treat sulphide ore which resulted in lower recovery rates. As a result, gold production for the quarter, net of gold doré in transit and refinery adjustment, was 5,050oz (defined as good delivery gold bullion according to the London Bullion Market Association), a 49% decrease compared to 9,950oz in the corresponding period last year. Gold production can be improved once the Felda land deposit is put into production which was planned to commence in December, however it is postponed due to timing of the conversion of certain Felda land to mining land. The conversion process was initiated and anticipated to be complete by June 2016.

In comparison to the corresponding period last year, in second quarter ended December 31, 2015, ore mined increased to 96,602t from 89,667t, plant throughput increased by 9% to 254,413t from 233,799t. Average ore head grade decreased by 43% to 0.83g/t Au from 1.46g/t Au and processing recovery rate decreased by 25% to 63.5% from 84.6%.

## Financial Results and Discussion

For the three months ended December 31, 2015, compared to the corresponding period last year, income from mining operations was \$1.54 million from \$4.54 million and corporate expenses reduced by 37% to \$0.89 million from \$1.41 million. For the six months ended December 31, 2015, compared to the corresponding period last year, income from mining operations was \$3.87 million from \$6.67 million and corporate expenses reduced by 28% to \$1.66 million from \$2.31 million.

Net loss for the quarter was \$4.58 million, or \$0.01 per share (basic) (Q2 fiscal 2015: \$3.06 million or \$0.01 per share (basic)). The decrease in earnings is mainly due to income tax expenses of \$4.00 million (Q2 fiscal 2015: \$0.33 million) and foreign exchange loss of \$1.34 million (Q2 fiscal 2015: gain of \$0.23 million). The Company had enjoyed the "Pioneer Status" from February 2010 to January 2015 with a 100% tax exemption for production from the Selinsing Gold Plant and is currently reviewing the mining allowance with the Malaysia tax authority which may reduce the current tax provision, if a favorable ruling is obtained.

Net loss for the six month period was \$4.47 million, or \$0.01 per share (basic) compared to \$4.58 million or \$0.02 per share (basic) in the same period last year. The decrease in earnings was mainly due to income tax expenses of \$3.95 million (Six months ended December 31, 2014: \$0.07 million) and foreign exchange loss of \$2.83 million (Six months ended December 31, 2014: gain of \$0.66 million).

During the quarter the Company sold a total of 5,100oz of gold at an average realized price of \$1,114 per ounce for gross revenue of \$5.68 million, compared to 11,400oz of gold sold at \$1,213 per ounce for \$13.83 million in the corresponding period last year. The average London Fix PM gold price for the quarter was \$1,106 per ounce (Q2 fiscal 2015: \$1,115 per ounce). During the six months ended December 31, 2015 the Company sold a total of 10,100oz of gold at an average realized price of \$1,131 per ounce for gross revenue of \$11.42 million, excluding 5,000oz settled on the Gold Forward Sale, compared to 17,700oz of gold sold at \$1,243 per ounce for \$22.01 million in the corresponding period last year. The average London Fix PM gold price for the six month period was \$1,115 per ounce compared to \$1,244 per ounce in the same period last year.

Significant investing activities for the three and six months ended December 31, 2015 included exploration and evaluation activities totaling an outflows of \$2.60 million and \$4.63 million, respectively (Three and six months ended December 31, 2014: \$4.48 million and \$7.84 million, respectively). The expenditure on exploration and evaluation assets was mainly incurred at the Murchison Project in Australia and Buffalo Reef in Malaysia. As at December 31, 2015, the Company had positive working capital of \$27.58 million compared to \$33.49 million as at June 30, 2015. The decrease of \$5.90 million was the result of cash flow from operations, offset by investing activities carried out by the Company to expand the mineral base and project pipeline.

## **Development**

### *Intec Technology and Commercialization Test Work*

Starting fiscal 2016, Intec trial test work moved to the pilot trial test stage. Following completion of the pilot plant in the first quarter, the pilot plant was commissioned and the first pilot plant run was complete in the second quarter achieving "steady state" for 7 days where various parameters were tested using different sulphide feed stock materials drawn from selected ore samples in Buffalo Reef and Selinsing Deeps.

The second pilot plant run commenced subsequent to the quarter ended December 31, 2015 to test the response of ores containing varying amounts of pyrite and arsenopyrite using sulphide ores from Buffalo Reef and Selinsing Deeps. It will allow the effects on overall gold recovery of sulphide pre-concentration by gravity and flotation methods to be compared. The second trial is being carried out following recommendations by, and in agreement with Orway Mineral Consultants (WA) Pty Ltd of Perth, Western Australia who are engaged by Monument to oversee and report on the pilot plant operation.

A drill team has been deployed to the field to collect representative ore samples for the second pilot plant run. Those samples will be concentrated by flotation and fed into the pilot plant for testing. The results of this second pilot plant run are anticipated to be available in May 2016 for Orway to complete economic analysis of the Intec technology based sulphide gold recovery process. The economic analysis will be incorporated into an updated NI43-101 technical report, targeted for release by June, 2016.

### *Burnakura Project*

The Burnakura Gold Project is aimed to develop a second source of cash generation for the Company. An economic study has been undertaken to evaluate viability of early production including resource confirmation and definition, mine optimization, metallurgical testing, engineering design and mine development. Heap leach and CIL have been chosen to treat low grade and high grade ore separately. During the second quarter, the "Front End Engineering Design ("FEED") was proposed by Como Engineering, including the design criteria, equipment lists, flowsheets, drawings, CAPEX, OPEX and schedules for Como Engineers to supervise and assist in refurbishing, constructing and commissioning of the heap leach plant.

The ore material for heap leach and CIL process are mainly from the Alliance and New Alliance ("ANA"), and potentially from North of Alliance ("NOA") and Tuckanarra pits. During second quarter the project moved forward in parallel with confirmation drilling, geological modeling on NOA and Tuckanarra pits aimed to confirm historical resources and to increase gold inventory on top of the existing resources that is reported in the "NI43-101 Technical Report on the Alliance and New Alliance Gold Deposits", prepared by Adrian Shepherd (MAusIMM, CPGeo) of Cube Consulting, dated on April 2<sup>nd</sup>, 2015, and amended on August 7<sup>th</sup>, 2015.

It is necessary in management's opinion to ensure the production is economically viable before making capital commitments. The exploration program for remaining fiscal 2016 will focus on confirmation and infill drilling at NOA, Tuckanarra and East of Alliance and New Alliance ("EANA") to advance the economic study for proposed Burnakura gold production.

## **Acquisition**

### *Earn-In and Joint Venture on Matala Gold Project*

On February 7, 2016, subsequent to the quarter, the Company announced that it entered into an "Earn-In and Shareholders Agreement" with Afrimines Resources S.A.R.L ("Afrimines") and its wholly owned subsidiary, Regal Sud Kivu S.A.R.L ("Regal") to earn up to 90% joint venture interest in the Matala Gold Project. Afrimines and Regal are both incorporated and operated in the Democratic Republic of Congo ("DRC"), where Regal holds a 100% interest in the Matala Gold Project.

The Matala Project comprises 14 exploration permits covering 1,970 square kilometers in the South Kivu Province, DRC. It is situated within the Kibaran gold belt and significant anomalies have been identified at the Ngoy and Matala Prospects of Matala by previous exploration. A resource estimate on the Ngoy Prospect of the Matala Project has been prepared by CSA Global Pty Ltd. reporting an inferred resource estimate of 2 million tonnes at 3.3g/t Au for 213,400 ounces of gold using a 0.5g/t Au cut-off grade from the Kadutu and Nyamikundu deposits.

Pursuant to the JV Agreement, Monument has the right to earn up to a 90% interest in Matala (a "JV Interest") by increasing its holding position of Regal through exercise of several earn-in options at its sole discretion; and Monument can terminate the earn-in obligations at any time during each earn-in period with no further obligations. The transaction is subject to approval from the TSX Venture Exchange.

Subsequent to the quarter, the Company also announced the appointment of Mr. Klaus Eckhof as an independent Senior Geological Adviser to the Company to acquire, develop and review potential gold property transactions in the DRC to build an inventory of gold resources within the country.

## **Exploration Progress**

### Malaysia

At Selinsing 2016 exploration programs include resource definition drilling at Buffalo Reef Central ("BRC") and Felda Land, and further exploration drilling at the area between Buffalo Reef North and Central ("Buffalo Reef Gap") and the Bukit Ribu prospect, located west of Buffalo Reef. The focus is on replacement of gold inventory to sustain and extend mine life. Geological and economic studies will be done in parallel towards an updated NI43-101 technical report which is anticipated to be completed in the fourth quarter of fiscal 2016.

During the quarter, a total of 17 DD holes were drilled for 3,125m and a total 28 RC holes were drilled for 3,086m. Diamond drilling consisting of 6 exploration holes (1,002m) at Buffalo Reef Central and 11 exploration holes (2,123m) at Felda Land, produced 3,107 HQ-core samples that were submitted to SGS Mengapur for chemical assays. Reverse circulation ("RC") drilling consisted of 13 holes (1,159m) at Buffalo Reef Central and 15 holes (1,927m) at Felda Land.

### Western Australia

The 2016 Exploration Programs at the Murchison Gold Project are planned at EANA, NOA, South Banderol and oxide targets in Burnakura, Tuckanarra areas. These programs are designed to validate the historical resource, study geological continuity of the mineralization at the Burnakura area and increase gold inventory to extend life of mine, supporting sustainable early stage of production at Burnakura.

During the quarter, a total 121 RC holes were drilled for 11,475m. Resource validation and exploration drilling comprised of 42 RC holes (5,944m) at NOA, 46 RC holes (3,798m) at Burnakura oxide targets and 27 RC holes (1,613m) at Tuckanarra. In addition, sterilization drilling for 6 RC holes (120m) was carried out at the NOA waste dump area to characterize materials for use as a potential base to the proposed heap leach pad. Historical data and new drilling data for Gabanintha and Burnakura continued to be transitioned into an in-house database and Tuckanarra historical data is being compiled to be uploaded and validated in the database.

## **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 Polymetallic 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 over 300 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*

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