

Monument's Fiscal 2016 Results

Gross Revenue of \$23.60 Million and Cash Cost of US\$606/Oz

Vancouver, B.C., September 28, 2016, Monument Mining Limited (TSX-V: MMY and FSE: D7Q1) "Monument" or the "Company" today announced its annual financial results for the year ended June 30, 2016. All amounts are in United States dollars unless otherwise indicated (refer to www.sedar.com for full financial results).

President and CEO Robert Baldock stated the strategies and objectives set forth by the Board that led fiscal 2016 business development: "In fiscal 2016, the Company has maintained a clean balance sheet with two primary gold project portfolios at Malaysia and Western Australia. It focused its resources on the sulphide gold treatment study, increase of gold inventory and expansion of its single source of cash flow to multiple cash flow streams for future growth. In the meantime, it continued looking for new opportunities to acquire high quality gold assets."

Mr. Baldock reported on fiscal 2016 annual production and financial results: "The negative cash flow as a result of implementing fiscal 2016 objectives is not favourable but was expected primarily due to a \$7.5 million capital expenditure incurred on development while production has not been able to support it during the transition period from oxide to sulphide at Selinsing; however, it has enabled management to conclude a prefeasibility study at Selinsing targeting delivery in October 2016 with potential to increase the life of mine at Selinsing, and to complete an early stage production plan at Burnakura, implementation is expected in fiscal 2017 for potential commercial production, subject to financing. We look forward to a new stage of development."

Fiscal 2016 Highlights:

- 23,150oz of gold sold for gross revenue of \$23.60 million of which 18,150oz from production for revenue of \$21.01 million (2015: 36,500oz gold sold for \$44.84 million) and 5,000oz from a gold forward sale for revenue of \$2.59 million (2015: nil);
- Profit margin generated from gold production of \$5.53 million (2015: \$15.89 million);
- Cash cost per ounce ("oz") of \$606/oz (2015: \$587/oz);
- Ore processed increased by 4% to 0.99 million tonnes (2015: 0.95 million tonnes);
- Prefeasibility study wrapped up to final stages at Selinsing targeting completion in October 2016;
- Intec trial testwork progressed positively and is under Independent review; updated Capex and Opex have significantly reduced for the Selinsing Phase IV Bioleach alternative;
- Completed an early stage production plan at Murchison under review and construction commenced for long lead items.

Fourth Quarter and Fiscal 2016 Production and Financial Highlights

	Three months ended June 30		Year ended June 30	
	2016	2015	2016	2015
<u>Production</u>				
Ore mined (tonnes)	110,943	161,033	423,011	421,845
Ore processed (tonnes)	241,380	241,208	992,070	954,165
Average mill feed grade (g/t)	0.77	1.23	0.88	1.45
Processing recovery rate (%)	57.8%	77.4%	67.4%	82.4%
Gold production ⁽¹⁾ (oz)	4,167	7,432	18,155	36,473
Gold sold (oz)	4,200	8,600	23,150	36,500
<u>Financial (in thousands of US dollars)</u>				
Revenue	\$ 5,128	\$ 10,370	\$ 23,595	\$ 44,838
Net income (Net loss) before other items	(965)	3,667	1,619	11,661
Net income (Net loss)	288	3,178	(1,680)	11,383
Cash flows from operations	(544)	3,522	295	23,684
Working capital	28,338	33,486	28,338	33,486

	Three months ended June 30		Year ended June 30	
	2016	2015	2016	2015
EPS (loss) before other items – basic (US\$/share)	(0.00)	0.01	0.01	0.04
EPS (loss) – basic (US\$/share)	0.00	0.01	(0.01)	0.04
<u>Other</u>	US\$/oz	US\$/oz	US\$/oz	US\$/oz
Average realized gold price per ounce sold	1,221	1,206	1,157	1,228
<u>Cash cost per ounce</u> ⁽²⁾				
Mining	192	157	114	214
Processing	566	318	437	313
Royalties	71	64	51	63
Operations, net of silver recovery	10	(15)	4	(3)
Total cash cost per ounce	839	524	606	587

(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

Fiscal 2016 gold production was 18,155oz, a decrease compared to 36,473oz in fiscal 2015 primarily due to delay of mining on the Felda Land, and a decrease in the average ore head grade to 0.88/t Au from 1.45g/t Au in previous year as production continued to process super low grade gold materials (“SLG”) in transition toward treating sulphide ore. It was partially offset by increased mill feed to 992,070t, or 4% in fiscal 2016 from 954,165t in 2015.

Consequently process recovery rate decreased to 67.4% compared to 82.4% in fiscal 2015 mainly due to super low grade mill feed. Lack of stripping efficiency also contributed to lower gold production and higher quantities of gold remaining in circuit which has been resolved subsequent to the year end.

Financial Results and Discussion

For fiscal 2016, gross profit from mining operations was \$5.53 million compared to \$15.89 million in the prior year and corporate expenses was reduced by \$0.32 million or 8% to \$3.91 million from \$4.23 million. Net loss for the year was \$1.68 million, or \$0.01 per share (basic) compared to \$11.38 million net income or \$0.04 per share (basic) in the prior year.

Gold sales generated \$23.60 million for fiscal 2016 compared to \$44.84 million in the prior year, comprised of 18,150oz of gold sold from production (2015: 36,500oz) at an average realized gold price of \$1,157 per ounce (2015: \$1,228 per ounce), and 5,000oz gold settled on a forward sale at an average realized gold price of \$519 per ounce. The average London Fix PM gold price was \$1,168 per ounce for fiscal 2016 compared to \$1,224 per ounce for the prior year.

Total production costs decreased by \$10.88 million or 38% in fiscal 2016 to \$18.07 million, compared to \$28.95 million in the prior year. The significant decrease in cost was mainly attributed to lower weighted average mining cost per tonne due to the reclassification of stockpiled SLG from waste to inventory, as the Company began to economically process the SLG in April 2015.

Corporate expenditure for fiscal 2016 of \$3.91 million (2015: \$4.23 million) was \$0.32 million or 8% lower compared to the prior year. General and administration costs were \$1.87 million (2015: \$1.72 million), or 9% higher for the year, primarily due to \$0.23 million, or a 17% increase in salaries and wages expenses to \$1.59 million (2015: \$1.36 million). The increase was due to changes in salary re-allocation, offset by legal, accounting and audit expenses that decreased by \$0.41 million, or 28% to \$1.04 million in fiscal 2016 compared to \$1.45 million in the prior year.

Loss from other items for fiscal 2016 was \$0.61 million compared to \$0.54 million in the prior year. The change for the year was mainly due to gains on marketable securities of \$1.13 million (2015: loss of \$0.57 million), related to the fair value and sale of shares in Gascoyne and impairment recovery from a court award and return of shares on the previously impaired Mersing Gold Project for \$1.33 million, offset by an impairment loss on the spare ball mill of \$0.47 million and by foreign

currency exchange loss of \$2.67 million (2015: \$0.21 million).

The Company's cash and cash equivalents, including the restricted cash balance as at June 30, 2016 was \$20.91 million, a decrease of \$8.44 million from the balance held at June 30, 2015 of \$29.35 million, largely due to development therefore increasing the value in its two gold portfolios in Malaysia and Western Australia.

The Company focused on sustainability of gold production including completion of a new resource evaluation and economic study for Selinsing under an updated NI43-101 technical report, and development of an early stage production plan for Murchison. During the year, exploration and evaluation expenditures at Selinsing were \$3.03 million (2015: \$4.49 million) and \$3.80 million (2015: \$7.60 million) at Murchison. This was the main cause of the \$8.44 million reduction of cash flow in fiscal 2016. Working capital was \$28.34 million at June 30, 2016, a decrease of \$5.15 million compared to \$33.49 million at June 30, 2015.

Development

Intec Technology and Commercialization Test Work

At the Selinsing Gold Mine, the Intec pilot plant was constructed and commissioned in the first quarter of fiscal 2016 to demonstrate that bench scale batch testwork results can be duplicated in a continuous flow process and that the process can be successfully scaled-up. Two trial runs were conducted through fiscal 2016.

Further testwork is ongoing, and subsequent to fiscal 2016, an independent metallurgical testwork program at a bench scale level was designed by Orway and is being carried out independently by Orway and the Company in parallel following the same protocols. This will provide an independent confirmation of the recoveries of gold from sulphide resources that is planned to be mined from Buffalo Reef using the Intec Process technology. Subject to results, this may lead to a further pilot plant run. Monument is encouraged by the results of metallurgical testwork programs undertaken at the Selinsing in-house laboratory to date and will announce the results of the independent testwork program when completed, which is expected by December 2016.

Burnakura Project

The Company has prioritized the commencement of gold processing at the Burnakura Gold Mine. The current plan is to immediately recommission the existing CIL plant and construct a new heap leach facility in Year 2 of the life of mine. The production strategy is to develop and optimize open cut mine operations through Alliance/New Alliance ("ANA"), extended to North of Alliance ("NOA") and Federal City. Low grade ore will be stockpiled and subsequently processed through heap leach facilities, and high grade ore will be processed immediately through the CIL plant.

During fiscal 2016, the Company reviewed a "Proposal for Front End Engineering Design" for the planned Burnakura heap leach/CIL production with capital expenditures and operating expenditures prepared by Como Engineers Pty Ltd ("Como Engineers"); and concluded its initial internal economic study of the project. Based on these studies, the Company has made the decision to put the Burnakura Project into early stage production. As a result, the first purchase order for offsite design work was placed to commence the crushing and screening plant upgrade. The Company has extended its studies to NOA, Tuckanarra and other areas to further increase the life of mine.

The Company continued to improve open pit mine optimization, and moved forward to develop a full implementation mine development plan, including project management and scheduling, site preparation and development, environmental and safety compliance. Project development will continue in areas, such as infrastructure, where the laboratory will be upgraded to enable a larger number of grade control samples to be completed on a daily basis. Communications and IT network upgrades have been completed. Warehousing software procedures are complete and procurement of first fill spares is underway. Administration, HSE and Security, workforce planning are in progress to support production. The site accommodation and catering are fully functional to start construction work. Refurbishing, constructing and commissioning, will take approximately six months.

The Company's production decision is not based on a feasibility study of mineral reserves demonstrating economic and technical viability. Therefore, there is increased uncertainty with economic and technical risks of failure associated with this project, including but not limited to the risk that mineral quantities and grades might be lower than expected, and construction or ongoing mining and milling operations are more difficult or more expensive than expected; production and economic

variables may vary considerably, due to the absence of detailed economic and technical analysis prepared in accordance with NI 43-101. There is no guarantee that production will begin as anticipated or at all or that the production will be able to generate positive cash flow as anticipated in order to return the Company's capital investment.

Acquisition

Earn-In and Joint Venture on Matala Gold Project

On February 7, 2016 the Company announced that it entered into an "Earn-In and Shareholders Agreement" with Afrimines Resources S.A.R.L and its wholly owned subsidiary, Regal Sud Kivu S.A.R.L to earn up to 90% joint venture interest in the Matala Gold Project. On May 9, 2016 the Company announced that it is not proceeding with the Matala transaction and will continue to review a number of opportunities in the search for high quality gold assets in the DRC and elsewhere.

Exploration

Malaysia

In Malaysia for fiscal 2016 exploration included resource definition at Buffalo Reef Central and Felda Land intended to update resources and metallurgical drilling for the Intec project. The focus was the replacement of gold inventory to sustain and extend mine life. Geological and economic studies were done in parallel for an updated NI43-101 technical report targeting completion in October 2016.

Resource and exploration drilling totalled 48 DD holes for 7,189m and 41 RC holes for 4,157m. Significant intercepts assay results at Buffalo Reef Central and Felda Land announced in April 2016 have confirmed the existing oxide and sulphide mineralized zones modeled and also intersected a number of down-dip quartz stibnite high grade intervals, beyond the currently defined shallower, quartz-ankerite mineralization.

The Resource model has been completed and was used as basis to complete the prefeasibility study, which is expected to potentially increase gold inventory to support a new optimized mine plan for sulphide production. The Company intends to continue using the bioleach sulphide treatment process in its upcoming NI43-101 technical report, and replace it by the Intec process should the Intec pilot plant testwork complete and achieve lower capital cost in comparison to the bioleaching process, as anticipated.

Subsequent to fiscal 2016, the Company has received "Selinsing Phase IV PFS Capex and Opex Revision" produced by Lycopodium with a significant reduction in capital expenditure from the original cost that is described in the existing NI43-101 Technical Report produced by Practical Mining and filed on SEDAR in May 2013.

Western Australia

Exploration for the Company's Murchison Gold Portfolio is aimed to deliver a Preliminary Economic Assessment Study to explore a longer term of economic scale for the Burnakura Gold Mine production. Exploration in fiscal 2016 at the Murchison Gold Project was at NOA, Tuckanarra and oxide targets in Burnakura. Drilling comprised of a total of 226 RC holes for 23,225m and a total 7 DD holes for 629m. These programs were mainly 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 production at Burnakura.

Assay results were received from confirmation and infill drilling over Tuckanarra and NOA deposits where the majority of historical resources were reported. The study of the available information and ongoing resource modeling update based on the new drilling information has evidenced positive indications for the increase of mineralized volume and gold grade/ounces for a good part of NOA 7_8, in particular coming from the significant intercepts observed. It has also enhanced the strong potential for the continuity of deep mineralization in the central and north portions of NOA 7_8 deposit. In August 2016, subsequent to year end, a deep drilling program at the NOA 7_8 deposit was announced aiming to test the underground potential to 500m to increase the life of mine, in conjunction with the early stage production plan.

The scientific and technical information in this news release has been reviewed and approved by Mr. Roger Stangler, B.S.c, MEng, MAusIMM, MAIG, a Qualified Person defined in accordance to National Policy 43-101, and Chief Managing Geologist of the Company.

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 approximately 240 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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