Monument Mining Ltd. Reports Fourth Quarter and Fiscal 2020 Results

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VANCOUVER, Sept. 15, 2020 - 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, 2020. 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: “Despite the eight week’s suspension of production at Selinsing Gold Mine starting March 18th 2020 in compliance with the Movement Control Order (“MCO”) issued by Malaysia Government against the Covid-19 pandemic, fiscal 2020 has generated positive cash flow, contributed mainly to record high gold price and improved recoveries. Working capital is sufficient to support the same level of operations capacity and procurement has been manageable with global dynamic changes in supply chains.”

Ms. Zhai further commented: “Management is firmly moving forward with the Sulphide Project financing and actively engaging interested parties. We stay focused on our corporate development strategies to take upside opportunities for future sustainable production, including entering into the sulphide gold concentrates market using our planned sulphide Biox® treatment plant.”

Fiscal 2020 Highlights:

- 19,401oz of gold sold for $29.97 million (2019: 16,505oz of gold sold for $20.99 million);
- Average realized gold price per ounce (“oz”) of 1,563/oz (2019: $1,260/oz);
- Cash cost per ounce of $878/oz (2019: $713/oz);
- All-in sustaining cost per ounce (“AISC”) of $1,136/oz (2019: $1,040/oz);
- 17,360oz of gold produced (2019: 15,763oz);
- Gross margin of $12.94 million (2019: $9.23 million);
- Peranggih trial mining program completed with encouraging average gold recoveries;
- Mentique Prospect discovered at west of Peranggih mineralization.
- Drill program at Murchison confirmed targeted mineralization identified by geological structure study;
- Full production capacity maintained during Selinsing production suspension caused by COVID-19 pandemic.

Fourth Quarter and Fiscal 2020 Production and Financial Highlights

	Three months ended June 30,		Year ended June 30,	
	2020	2019	2020	2019
Production				
Ore mined (tonnes)	42,331	45,076	263,074	166,940
Waste removed (tonnes)	463,228	829,286	2,887,441	3,201,817
Ore processed (tonnes)	68,961	229,416	675,708	934,843
Average mill feed grade (g/t)	1.06	0.75	1.11	0.80
Processing recovery rate (%)	67%	72%	71%	69%
Gold production [(1)] (oz)	2,311	3,577	17,360	15,763
Gold sold (oz)	3,282	3,623	19,401	16,505
Financial (in thousands of US dollars)	$	$	$	$
Revenue	5,404	5,210	29,971	20,993
Gross margin from mining operations	2,653	2,204	12,944	9,227
Net income before other items	704	759	4,509	2,907
Net loss	(1,273)	(1,115)	(275)	(499)

Cash flows generated from operations	657	(242)	6,273	2,139
Working capital	18,786	24,519	18,786	24,519
Loss per share before other items – basic (US$/share)	0.00	0.00	0.00	0.00
Loss per share – basic (US$/share)	(0.00)	(0.00)	(0.00)	(0.00)

	Three months ended June 30,		Year ended June 30,	
	2020	2019	2020	2019
Other	US$/oz	US$/oz	US$/oz	US$/oz
Average realized gold price per ounce sold [2]	1,684	1,337	1,563	1,260
Cash cost per ounce [3]				
Mining	233	174	223	159
Processing	454	539	507	456
Royalties	143	106	136	92
Operations, net of silver recovery	8	11	12	6
Total cash cost per ounce	838	830	878	713
All-in sustaining costs per ounce [4]				
By-product silver recovery	1	1	1	1
Operation expenses	179	-	40	-
Corporate expenses	6	(1)	6	6
Accretion of asset retirement obligation	12	14	9	12
Exploration and evaluation expenditures	45	47	32	43
Sustaining capital expenditures	174	383	170	265
Total all-in sustaining cost per ounce	1,255	1,274	1,136	1,040

[1] Defined as good delivery gold bullion according to London Bullion Market Association (“LBMA”), net of gold do?e in transit and refinery adjustment.
[2] Exclude gold prepaid delivery for comparison purposes.
[3] 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.
[4] 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.

Fiscal 2020 Production Analysis

- Gold production of 17,360oz, a 10% increase as compared to 15,763oz of the previous year. The increase mainly resulted from higher mining rates and contained gold in old tailing materials and leachable sulphide ore, and less super low-grade oxide ore as compared to last year, which off set by lower mill feed.

- Ore processed decreased to 675,708t from 934,843t last year. The decreased mill feed was mainly due to a decrease in stockpiled super low-grade oxide ore, less oxide ore being mined and the production suspension caused by COVID-19. The negative impact was offset by average mill feed grade that was increased to 1.11g/t from 0.80g/t, brought the annum average processing recovery rate up to 71%, comparable to 69% of the previous year, despite the lower recoveries generally obtained from the transition ore materials.

- Cash cost per ounce increased by 23% to $878/oz from $713/oz of last year. The increase was mainly due to additional reagents, processing time and energy required in leaching sulphide materials.

- Ore stockpile has significantly reduced mainly due to adverse impact from lower mining rate in previous year that has yet be caught up. Significant mining facilities were used in fiscal 2019 to deliver material borrowed from mining waste for tailing development. COVID-19 pandemic has not helped in achieving the target. The Company has devoted its effort to improve the stockpile balance.

Fiscal 2020 Financial Analysis

- Gold sales generated revenue of $29.97 million for the year as compared to $20.99 million from last year. Gold sales revenue was derived from the sale of 16,750oz (2019: 15,300oz) of gold at an average realized gold price of $1,563 per ounce (2019: $1,260 per ounce) and the delivery of 2,651oz (2019: 1,205oz) in fulfilling gold prepaid obligations at an average London Fix PM gold price of $1,429 per ounce (2019: $1,429 per ounce).

- Total production costs increased by 45% to $17.03 million as compared to $11.77 million from last year. The increase in production costs reflected timing difference of gold sold and higher mining and processing costs as compared to last year.

- Gross margin for the year was $12.94 million before operation expenses and non-cash amortization and accretion. That represented a 40% increase as compared to $9.23 million from last year. The increase in gross margin was attributable to an increase in gold sold and a higher average realized gold price but offset by higher mining and processing costs.

- Net loss for the year was $0.28 million, or $nil per share as compared to net loss of $0.50 million or $nil per share from last year. The positive variance was caused by higher income from mining operations, offset by higher depreciation and amortization and higher tax expenses.

- Cash and cash equivalents balance as at June 30, 2020 was $10.13 million, an increase of $0.78 million from the balance at June 30, 2019 of $9.34 million. As at June 30, 2020, the Company had positive working capital $18.79 million (June 30, 2019: $24.52 million). The decrease in working capital resulted from the drawdown of stockpiled ore by $5.29 million.

- Cash used in investing activities for the year was $5.47 million (2019: $7.81 million), which was represented by $4.06 million invested in Selinsing for sulphide project development and tailings storage facility upgrades (2019: $5.86 million), $1.26 million and $0.15 million invested in Murchison exploration and evaluation projects and Mengapur exploration and evaluation projects, respectively (2019: $1.64 million and $0.31 million, respectively)..

Development

Selinsing Gold Mine

During the year ended June 30, 2020, development initiatives focused on projects at the Selinsing Gold Mine, namely the optimization of the sulphide gold project, the tailing storage facility (“TSF”) construction and mine development for gold production.

The sulphide plant upgrade construction is anticipated to take 18 months inclusive of commissioning activities. Metallurgical drilling was undertaken at the Selinsing and Buffalo Reef pits for investigating the leachability of transitional sulphide ore through the current CIL circuit by adding lead nitrate and blending with super low-grade ore.

Following the completion of construction of the TSF main embankment to 533.3m RL at the Selinsing Gold Mine, which has increased the TSF capacity for fiscal 2020 production, a plan for the second stage TSF lift to 535.5m RL was finalized to meet fiscal 2021 production requirements through the current oxide processing plant. Construction planning was initiated during the year, but its completion was postponed due to operation suspension caused by COVID-19. The construction is on-going and has reached about 68.9% of the total TSF construction to 535.5m RL. Preliminary planning for the final stage TSF lift to 540m RL commenced during the year, aimed to meet sulphide gold production capacity, which was withheld until completion of funding.

Haul truck road construction was primarily completed during the second quarter which included 14 new

culvert crossings along a 10km length from the Selinsing Northern tenement boundary to the south of the Peranggih tenement. Trial pit for bulk mining started in January 2020, completed in February 2020 then continued with extension mining of the trial pit in March 2020. Grade control drilling recommenced in Peranggih in May 2020.

Exploration

Malaysia

During the year ended June 30, 2020, a soil sampling campaign that was conducted at the Peranggih area between December 2018 and March 2019 had delineated 1.8km by 0.8km gold soil anomaly located 1km west of the Peranggih deposit on a parallel north west- south east trending structure, with a peak value of 103ppb. This discovery has been named the Mentique Prospect. Infill soil sampling, trenching, and geological mapping are planned to be carried at Mentique to assist in creating a drill target and to determine the nature of mineralization in this area.

Australia

At Murchison, exploration was focused on the completion of a 3D structural targeting study and then the execution of a drill program. The drill program tested near mine down-plunge targets that have been historically mined at NOA 1 and NOA 2, Alliance, New Alliance and Yagahong open pits as well as to test the regional NOA 9 target.

A 3D structural study was completed that identified down plunge targets at Gabanintha and Burnakura. The study was finalized and confirmed near mine down-plunge potential and highlighted regional prospectivity. This study was used to refine drill targets in the subsequently completed drill program at Burnakura and Gabanintha.

The drill program commenced on February 26, 2020 and the first phase of this drill program was completed on March 12, 2020. During the first phase of drilling, a total of 4 holes for 839m of RC were drilled at Burnakura and 6 holes for 1,265m was drilled at the Gabanintha Project. In addition, 23 holes for 603m of AC were drilled at the NOA 9 regional target. Due to high volumes of water at Burnakura, several of the deeper planned RC holes at Alliance and NOA 1 and 2 were postponed and completed in a second phase of drilling. The second phase of drilling commenced on the April 23, 2020 and was completed on May 8, 2020 using an RC rig for precollars and a diamond rig for tails. A total of 4 holes that included 738m of RC and 397m of DD tails were drilled in the second phase. Holes were widely spaced with a view to find significant new resources rather than smaller step outs from existing drilling. Geological structures and mineralization were generally intersected where expected.

About Monument

Monument Mining Ltd. (TSX-V: MMY, FSE: D7Q1) is an established Canadian gold producer that operates the 100% owned 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 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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