Fundamental Research Corp.
Investment Analysis for Intelligent Investors

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April 7, 2009

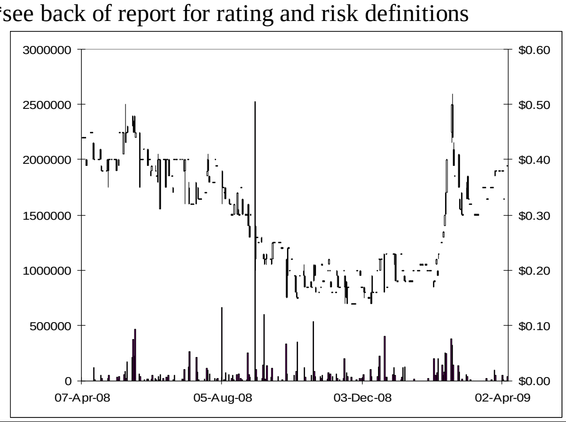
Monument Mining Ltd. (TSX-V: MMY; Frankfurt: D7Q1) – Revised plan delays cash outlays and allows production to commence in August

Sector/Industry: Junior Mining/Gold **www.monumentmining.com**

Market Data (as of April 6, 2009)

Current Price	C$0.385
Fair Value	C$0.50
Rating*	**BUY**
Risk*	**5 (Highly Spec)**
52 Week Range	C$0.14 – C$0.52
Shares O/S	155.64 mm
Market Cap	C$54.47 mm
Current Yield	N/A
P/E	N/A
P/B	0.96
YoY Return	-12.5%
YoY TSX V	-62.0%

*see back of report for rating and risk definitions



Key Financial Data (FYE - June 30) (C $)	2008	Q2-2009
Cash & Cash Equivalents	7,346,566	12,666,282
Working Capital	3,719,992	12,270,902
Mineral Assets	43,752,439	44,806,287
Total Assets	47,431,649	50,801,699
Net Income (Loss)	(2,885,293)	(1,750,869)
EPS	(0.04)	(0.01)

Investment Highlights

- Monument had to revise its construction and production plan to take the Selinsing gold project into production, as its lenders were unable to supply the $10 million credit facility agreed upon in July 2008.
- The revised construction plan, which is pretty much the same as the original plan, allows the company to delay their cash outlays, and commence production in the second half of 2009. The original plan was to commence production in the first half of 2009.
- The company expects gold production from the gravity plant to commence in August 2009.
- The company announced results of the Phase II drilling program on the Buffalo Reef project. Although grades from wider intervals were lower than the previous results released in March 2008, the results were encouraging as they compliment the previous gold intercepts.
- At the end of Q2-2009 (end of December 2008), the company had $12.67 million in cash and cash equivalents. The company also expects to generate free cash flows from production at the gravity plant. We believe these will be sufficient to complete the company's capital projects at the Selinsing property by the end of 2009.
- We have maintained our BUY rating and fair value estimate of $0.50 per share.

Monument Mining is focused on epithermal gold deposits in Malaysia. The company is planning to put the Selinsing property into production August 2009, while continuing exploration at Selinsing and Buffalo Reef. Selinsing has a NI 43-101 compliant resource estimate of 231,000 ounces indicated and 388,000 ounces inferred. Buffalo Reef has a historic resource estimate of 155,800 ounces historic indicated and 29,600 ounces historic inferred.

Revises Construction and Production Plan

At the time of our initiating report in September 2008, Monument was fully funded to complete construction and take the Selinsing gold project into production. It completed a $28 million equity financing in July 2008, and had an agreement with Quasiinfinity Limited, and Madrague Equities Corp., for a $10 million convertible debenture credit facility. However, in December 2008, the company announced that the lenders were unable to supply the $10 million credit facility due to the current financial crisis. This led the company to revise their construction and production plan.

The company's original plan was to construct a 1,200 tpd carbon in leach (CIL) treatment plant (with a production capacity of up to 40,000 oz. per year) and commence production in the first half of 2009. The capital requirement for completing the construction of the treatment facility, new infrastructure and mine development was estimated at $17 million.

The revised construction plan, which is pretty much the same as the original plan, allows the company to delay their cash outlays, and at the same time commence production in the second half of 2009. The revised plan breaks the construction of the 1,200 tpd treatment plant into two stages:

- Construct a gravity circuit - estimated to cost $10 million (as of December 31, 2008, $2.4 million was spent), and
- Complete the CIL circuit - estimated to cost $7 million

Note that the total cost for the entire 1,200 tpd CIL treatment plant is maintained at $17 million. According to the revised plan, the company intends to complete the gravity circuit with cash on hand (at the end of December 2008, the company had $12.7 million in cash), generate cash flows from the gravity circuit in the second half of 2009, and use that to fund the construction of the CIL circuit. The company expects gold production from the gravity plant to commence in August 2009, and the second phase of commissioning in December 2009.

Update on construction - Monument has completed most of the construction work on key portions of the infrastructure, haul roads, crossings and earthworks. Purchase orders for key items of the gravity circuit have been issued/being issued. Building of the hydro power substation for connection to the grid is continuing.

Permits – Monument had received provisional approval from the Mines Department of Pahang State to proceed with the construction of the 1,200 tpd CIL plant. Now that the plan has changed, the company needs to get another approval for the plant to be built in two stages. However, we do not think it should be a concern considering the revised plan is not much different from the original plan. The company will need an operating permit (based on an inspection of the completed gravity circuit and a tailings storage facility) to go into production.

Buffalo Reef Drilling Results

The Buffalo Reef deposit, which has a historic resource estimate, is dived into three zones: North, Central, and South zones. Exploration and mapping to date indicates that this system is contiguous with the Selinsing gold deposit and remains open in both directions and at depth.

In 2008, Monument completed a 10,000m Phase II drill program as planned. The objective of the program was to increase the size of the resource, and at the same time outline the extent of a proposed open pit. Results of the first batch of assay results (from holes 22 - 36) were released in March 2008. The table below highlights grades over wider intervals.

Hole	Thickness (m)	Au (g/t)
MBRRC0023	10	4.84
MBRRC0024	6	3.68
MBRRC0027	11	8.33
MBRRC0029	8	3.5
MBRRC0030	6	9.12
MBRRC0031	7	4.51
MBRRC0035	12	3.22
MBRRC0036	8	6.55

Source: Company

Since March 2008, the company drilled 64 RC holes at the Central and Northern zones, 40 holes at the Central zone at 40m x 40m grid spacing over a strike length of 700m. Results from these holes were announced in January 2009. The table below highlights significant drilling interceptions.

BUFFALO REEF CENTRAL

Hole	From (m)	To (m)	Thickness (m)	Au(g/t)
MBRRC0037	23	26	3	2.02
MBRRC0037	31	40	9	1.82
MBRRC0037	43	49	6	6.53
includes	*44*	*45*		*18.10*
MBRRC0040	34	37	3	1.78
MBRRC0045	42	44	2	1.71
MBRRC0045	55	57	2	1.63
MBRRC0047	73	75	2	2.26
MBRRC0051	33	37	4	2.17
MBRRC0053	52	55	3	2.40
MBRRC0053	71	73	2	1.25
MBRRC0054	35	40	5	4.60
includes	*37*	*39*	*2*	*7.98*
MBRRC0061	42	47	5	1.29
MBRRC0063	63	66	3	4.53
includes	*63*	*64*	*1*	*11.40*
MBRRC0069	22	25	3	3.71
MBRRC0069	27	29	2	3.06
MBRRC0070	11	13	2	1.97
MBRRC0070	16	18	2	4.39
MBRRC0070	20	23	3	1.30
MBRRC0071	58	61	3	1.64
MBRRC0076	34	36	2	1.77

BUFFALO REEF NORTH

Hole	From (m)	To (m)	Thickness (m)	Au(g/t)
MBRRC0077	12	22	10	1.91
MBRRC0077	25	28	3	4.74
MBRRC0078	3	8	5	1.57
MBRRC0078	32	39	7	2.35
MBRRC0079	21	24	3	2.60
MBRRC0080	19	25	6	3.14
includes	*20*	*21*	*1*	*8.18*
MBRRC0081	52	55	3	1.94
MBRRC0085	25	30	5	2.78
includes	*29*	*30*	*1*	*7.36*
MBRRC0088	29	31	2	2.48
MBRRC0088	39	47	8	2.84
MBRRC0088	56	64	8	1.68
MBRRC0092	76	79	3	1.49
MBRRC0095	51	56	5	2.53
includes	*53*	*54*	*1*	*5.86*
MBRRC0096	37	41	4	4.96
includes	*39*	*40*	*1*	*10.30*

Source: Company

Although grades from wider intervals were lower than the previous results released in March 2008, the results were encouraging as they compliment the previous gold intercepts. At the Northern zone, drilling appears to have intersected the upper portion of the main east dipping veins controlling the gold. At the Central zone, drilling appears to have intersected gold bearing quartz veins or pinch-and-swell structures. The company expects to release the last few results from the Phase II program in the next three to six months.

Monument believes that the width and geological nature warrant deeper drilling as the depth potential is mainly untested. Snowden Mining Consultants have designed a 3,200 m diamond drilling program to test the down dip extension of the previously identified gold mineralized structure. However, the program has been delayed until the company generates positive cash flows from the Selingsing project.

Changes to Board of Directors

In December 2008, the company announced the appointment of three new directors - George Molyviatis, Lorenzo Trentini and George Brazier. George Brazier, who is an independent director, was elected as Chairman, replacing Robert F. Baldock, CEO. In January 2009, the company announced the resignation of Mr. P. Soares from the board. The board now has seven members including two non-independent members. Biographies of the new members, as provided by the company, follow:

George Brazier – Chairman: Mr. Brazier is a member of the Law Society of British Columbia and the Canadian Bar Association. He has practiced law for 42 years, the last 40 years at DuMoulin Black LLP, a small boutique law firm specializing in corporate and securities law.

George Molyviatis – Director: Mr. Molyviatis worked as a private banker in Geneva and ran two investment funds. He has approximately 20 years experience as an investment banker and businessman. He started his career with BNP Paribas in Geneva in 1986 where he held increasingly senior positions, ultimately becoming a Senior Vice-President. In 1994 he joined the Credit Suisse group as a Senior Vice-President and left in 1996 to join Pegasus Securities, S.A. a Greek investment bank that he ran until 1999, when it was sold. Since then Mr. Molyviatis has been a private investor in several natural resource companies and owns several large forestry and timber processing facilities in Georgia and Russia.

Lorenzo Trentini – Director: Mr. Trentini graduated in Political Science and business (HEC) at the Geneva University. He worked four years with HSBC Private Bank where he was trained and became responsible for the risk management on credit transactions (leverage, FX, derivatives) for Middle East clients and be developed a new desk for leverage on structured products. Mr. Trentini moved to Barclays Wealth and for four years had the responsibility of the credit structuring desk (Credit Solutions, Investment and Product Office) for the European market. He is now employed as consultant at Base Consultants.

Outlook for Gold

We have maintained our long-term gold price forecast at US$600/oz.

Financials

At the end of Q2-2009 (end of December 2008), the company had $12.67 million in cash and cash equivalents. Working capital, and the current ratio, were $12.27 million, and 16.9x, respectively. In the first six months of FY2009, the company reported a net loss of $1.75 million (EPS: -$0.01). We estimate the company had a burn rate (cash spent on operating and investing activities) of $0.66 million per month in the first six months of FY2009, versus $0.33 million per month in FY2008 (12-month period). The following table shows the company's cash and liquidity position at the end of Q2-2009.

(C $)	2008	Q2-2009
Cash & Cash Equivalents	7,346,566	12,666,282
Working Capital	3,719,992	12,270,902
Current Ratio	1.99	16.88
LT Debts/ Assets	-	-
Burn Rate/Month (incl exploration costs)	(334,638)	(659,673)
Cash from financing activities	6,866,000	9,277,755

Stock Options and Warrants: At the end of February 2009, the company had 21.68 million stock options (weighted average exercise price of $0.40) and 101.29 million warrants (weighted average exercise price of $0.53) outstanding. About 3 million options are currently 'in-the-money'. About 22.5 million warrants with an exercise price of $0.65 will expire in June 2009. The company has the potential to raise up to $14.7 million if all warrants are exercised.

Update on Lawsuit

In our initiating report, we had mentioned that Monument had sued an Australian couple (Kenneth Baker and Sim Chui) in the Supreme Court of British Columbia in July 2008, for defamation. According to Monument:

- the defendants sent letters to a variety of parties, including the TSX Venture Exchange, the London AIM Exchange, Haywood Securities and others, alleging that Monument did not own the Selinsing property
- the letters allegedly claimed that Ms. Chui held title to Selinsing through a private holding company called Asian Mining Services Sdn. Bhd
- the letters also said there was a lawsuit against Robert Baldock, CEO, over the mine's title, and that Mr. Baldock had attended many hearings

The couple filed a statement of defense in October 2008, which stated that the letters they wrote claiming that Monument does not have clear title to the Selinsing mine were true. Ms. Chui also said that she is suing Monument in a Malaysian court over title to the mine. *(Source: Monument Mining receives defense to defamation suit by Mike Caswell; www. stockwatch.com)*. Although Monument has confirmed ownership of the Selinsing property, and claims that there is no substance to the defendants' claims, we believe this issue will continue to weigh on MMY shares until it is completely resolved. Although Monument has sued the couple, we believe the company has to take a more aggressive approach to show shareholders that that the issue will not be a problem for the company going forward.

Valuation

We continue to value the company based on known resource estimates for the Selinsing and the Buffalo Reef properties, with inferred and historical resources discounted by 50%. Our revised DCF model gave a fair value estimate on the company of $0.43 per share, compared to $0.46 per share in our previous report.

DCF Valuation Summary	
Resource (in tonnes)	11,019,980
Wt. average Grade (gpt)	Selinsing: 1.32; Damar: 2.30
Contained Metal (in troy oz)	501,953
Recovery (CIL)	90.0%
Production Commencement	August 2009
Mine Life (in years)	10
LT Gold Price (in US$/oz)*	US$600/oz
Average Operating Costs	$325/oz
PV of Remaining Capital Costs	$13,257,624
Discount Rate	12.5%
Net Present Value	**$61,017,524**
Working Capital	6,888,504
Debt	-
Net Value	**$67,906,028**
No. of shares (diluted)	156,508,208
Value per share	**$0.43**

*starting 2012; $910 for 2009, $850 for 2012, $725 for 2011

We have revised our DCF model based on the company's new development plan discussed earlier. At this time, MMY has not given production guidance on the gravity circuit which is slated to commence operation in August 2009. Thus, we have estimated production of 5,064 oz. of gold from the gravity circuit for the oxide material in 2009. Our model shows that free cash flow from the estimated production at the gravity plant, plus current cash on hand, will be sufficient to complete both capital projects by the end of 2009. Other notable changes to our model include:

- Revised near term gold price forecast to US$900/oz in 2009, US$850/oz in 2010, US$725/oz in 2011, compared to US$910/oz in 2009, US$755/oz in 2010, US$600/oz in 2011 in our previous report.
- Revised C$/US$ exchange rate to 1.18 from 1.10 in our previous report.

Sensitivity: The following table shows the sensitivity of our DCF model to the changes in discount rate and our long term gold price forecast.

Sensitivity Gold Price (in US$/oz) Discount Rate	$500	$600	$700	$800	$900	$1,000
8.00%	$0.40	$0.52	$0.65	$0.78	$0.90	$1.03
10.00%	$0.37	$0.48	$0.59	$0.71	$0.82	$0.93
12.5%	$0.33	**$0.43**	$0.53	$0.63	$0.73	$0.83
15.00%	$0.31	$0.39	$0.48	$0.57	$0.66	$0.75

In addition, since the company has made significant progress in the development of the Selinsing property, which is now close to production, we have not valued the company based on our real option model in this report.

Conclusions & Rating

We continue to believe the company has significant exploration upside along the continuous epithermal trend that encompasses Selinsing and Buffalo Reef. Thus, we believe our valuation is conservative as we have accounted for only 50% of inferred and historical resource estimates. Based on our valuation models and review of the company's progress since our previous report, we reiterate our BUY rating and fair value estimate of $0.50 per share.

Risks

The following risks, though not exhaustive, will cause our estimates to differ from actual results:

- Success of the company strongly depends on adding to their resource. Monument has commenced drilling, and hopes to define a further resource on the property for mining.
- Selinsing is proceeding in absence of a feasibility study.
- The company has yet to achieve commercial production
- The success of further development, exploration, and expansion is a significant factor in Monument's success.
- Like other junior exploration companies, the value of the company depends heavily on gold prices.
- The company's cash flows from gravity circuit production may not be sufficient to fund the completion of the construction of the CIL circuit by the end of 2009.

Since the company has not yet achieved production, we continue to rate the company's shares a RISK of 5 (Highly Speculative).

Fundamental Research Corp. Equity Rating Scale:
Buy – Annual expected rate of return exceeds 12% or the expected return is commensurate with risk
Hold – Annual expected rate of return is between 5% and 12%
Sell – Annual expected rate of return is below 5% or the expected return is not commensurate with risk
Suspended or Rating N/A— Coverage and ratings suspended until more information can be obtained from the company regarding recent events.

Fundamental Research Corp. Risk Rating Scale:
1 (Low Risk) - The company operates in an industry where it has a strong position (for example a monopoly, high market share etc.) or operates in a regulated industry. The future outlook is stable or positive for the industry. The company generates positive free cash flow and has a history of profitability. The capital structure is conservative with little or no debt.

2 (Below Average Risk) - The company operates in an industry where the fundamentals and outlook are positive. The industry and company are relatively less sensitive to systematic risk than companies with a Risk Rating of 3. The company has a history of profitability and has demonstrated its ability to generate positive free cash flows (though current free cash flow may be negative due to capital investment). The company's capital structure is conservative with little to modest use of debt.

3 (Average Risk) - The company operates in an industry that has average sensitivity to systematic risk. The industry may be cyclical. Profits and cash flow are sensitive to economic factors although the company has demonstrated its ability to generate positive earnings and cash flow. Debt use is in line with industry averages, and coverage ratios are sufficient.

4 (Speculative) - The company has little or no history of generating earnings or cash flow. Debt use is higher. These companies may be in start-up mode or in a turnaround situation. These companies should be considered speculative.

5 (Highly Speculative) - The company has no history of generating earnings or cash flow. They may operate in a new industry with new, and unproven products. Products may be at the development stage, testing, or seeking regulatory approval. These companies may run into liquidity issues, and may rely on external funding. These stocks are considered highly speculative.

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