

MONUMENT MINING LIMITED

Notes to Consolidated Financial Statements
For the years ended June 30, 2010 and 2009

15. Income Tax

The reconciliation of income tax provision computed at statutory rates to the reported income tax provision is as follows:

	June 30, 2010	June 30, 2009
Income tax recovery computed at statutory rates	\$ 860,700	\$ 1,058,200
Lower effective rate attributable to Malaysian income	(3,900)	(36,500)
Non-deductible stock-based compensation	(359,000)	(428,400)
Non-deductible foreign exchange loss	(84,100)	(8,200)
Other non-deductible expenses	(12,300)	(15,000)
Share issuance costs deductible for tax purposes	251,100	259,600
Non-business income	(900)	-
Unutilized tax losses	(652,401)	(830,733)
Reduction in future income tax liability due to statutory rate reduction	6,900	-
Income tax recovery (expense)	\$ 6,099	\$ (1,033)
Income tax recovery (expense) consists of the following:		
Current tax provision	\$ (801)	\$ (1,033)
Future tax provision	6,900	-
Income tax recovery (expense)	\$ 6,099	\$ (1,033)

Future income tax assets and liabilities have been calculated using the following enacted corporate income tax rates: Canada at 25.75% (2009 – 26%) and Malaysia at 25% (2009 – 20%). Significant components of future tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

	June 30, 2010	June 30, 2009
Future income tax liabilities		
Mineral property interests in excess of tax value	\$ (858,400)	\$ (980,400)
Property, plant and equipment in excess of tax value	(353,200)	(90,300)
		(1,070,700)
	(1,211,600)	
Future income tax assets		
Asset retirement obligation in excess of tax value	641,600	300,500
Share issuance cost carry forwards	516,500	744,400
Loss carry forwards	2,032,200	1,382,200
	3,190,300	2,427,100
Valuation allowance	(2,694,800)	(2,079,400)
Net future income tax assets	495,500	347,700
Net future income tax liabilities	\$ (716,100)	\$ (723,000)

At June 30, 2010, the Company's losses for Malaysian tax purposes are approximately \$961,600 (Malaysian ringgit 2,935,000), that may be carried forward to apply against future income for Malaysian tax purposes. These losses do not expire.