

## Royal Monashee Gold Corp.

### Management Discussion and Analysis of Financial Condition and Results of Operations for the 3 months ended December 31, 2011

January 26, 2012

For the quarter ended December 31, 2011, Royal Monashee Gold Corp. (the “Company”) has prepared this management discussion following the requirements of new National Instrument 51-102 (“NI-51-102”). NI 51-102 outlines more detailed and comprehensive requirements for management discussion and analysis. This Management Discussion and Analysis of the Company as at January 26, 2012, provides information for the quarter ended December 31, 2011 and subsequent to the quarter and should be read in conjunction with the unaudited financial statements and accompanying notes for the quarters ended December 31, 2011 and 2010.

#### Overview

The Company was incorporated in Alberta on March 10, 1997. On July 22, 1998 the Company’s shares were listed on the TSX Venture Exchange. On January 8, 2002 the Company changed its name to OnBus Technologies Inc. from First Industrial Capital Corporation. On May 26, 2006 the Company changed its name to Royal Monashee Gold Corp.

#### Management Discussion and Analysis of Financial Condition and Results of Operations

The Company has been relatively inactive for the past four years. There have been no revenues and expenses have been relative to legal, regulatory and filing requirements.

#### Summary of Quarterly Results

Following is a table of the revenues, expenses and earnings/loss per share for the last eight (8) quarters:

	2012	Fiscal 2011				Fiscal 2010		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
		\$	\$	\$	\$	\$	\$	\$
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Loss	\$1,307	\$7,660	\$1,046	\$ 6,398	\$ 7,245	(\$1,290)	\$1,363	\$6,287
Loss per share		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

#### Liquidity and Capital Resources

As at December 31, 2011 the Company had net working capital of \$25,046 compared to (\$11,536) as at December 31, 2010.

Management anticipates raising additional capital through the sale of its securities to enable the Company to fund ongoing operations. The accompanying financial statements have been prepared on the basis of Canadian generally accepted accounting principles applicable to a going concern. The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations, and the ability to raise additional capital.

### **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

### **Changes in Accounting Policies**

#### ***Adoption of New Accounting Pronouncements International Financial Reporting Standards***

As of this reporting period the Company has adopted the new IFRS reporting standards.

### **Share Capital**

#### Authorized

Unlimited common shares, voting, participating without par value.

Unlimited first preferred shares, voting, participating, redeemable and retractable, at the amounts of consideration received at the time of issuance without par value

	January 26, 2012
Issued	
6,853,700 common shares	\$770,030

During the period 880,000 additional shares were issued for total consideration of \$52,993.

### **Risks and Uncertainties**

The Company plans to raise additional capital through the sale of its securities. The Company's ability to raise additional capital will depend upon subsequent developments and strength of the equity markets which are uncertain. There can be no assurance that additional capital will be available.