Royal Monashee Gold Corp.

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

March 26, 2012

Background

For the three months 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 March 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 condensed interim financial statements and accompanying notes for the three months ended December 31, 2011 and 2010.

Adoption of International Financial Reporting Standards ("IFRS")

The Company's financial statements and the financial data included in the interim MD&A have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("ISAB") and interpretations of the International Financial Reporting Interpretations Committee that are expected to be effective for the fiscal year ending September 30, 2012, the Company's first annual reporting under IFRS., The adoption of IFRS does not impact the underlying economics of the Company's operations.

The IFRS accounting policies set forth in Note 2 of the condensed interim financial statements have been applied in preparing the financial statements for the three months ended December 31, 2011 and comparative information as at December 31, 2011, as at and for the year ended September 30, 2011, and an opening Statement of Financial Position as at October 1, 2010. Notes 3 and 7 to the condensed interim financial statements contains a detailed description of the Company's adoption of IFRS, and a reconciliation of the financial statements previously prepared under Canadian Generally Accepted Accounting Principles ("Canadian GAAP") to those under IFRS. The adoption of IFRS has not had an impact on the Company's strategic decisions, operations of cash flows. Further information on the IFRS impacts is provided in the Accounting Changes and Pronouncements sections of this MD&A as well as on Note 7 to the unaudited condensed interim financial statements

Comparative information in this interim MD&A has been restated to comply with IFRS requirements, unless otherwise stated.

These condensed interim financial statements have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. Realization values may be substantially different from the carrying values sown in the financial statements, should the Company be unable to continue as a going concern. Failure to continue as a going concern would require restatement of assets and liabilities on a liquidation basis, which could differ materially from the going concern basis.

The interim condensed financial statements do not include any adjustments to the recoverability and classification of recorded assets, or the amounts of, and classification of, liabilities which would be necessary if the going concern assumption were not appropriate. Such adjustments could material.

Forward Looking Statements

Certain information included in this discussion may contain forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward –looking statement, whether as a result of new information, further events, or otherwise.

Company 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. On June 26, 2007 the Company moved its incorporation jurisdiction to British Columbia.

Going Concern

As at December 31, 2011, the Company has a negative working capital of $ 25,046 (September 30, 2011 – $ 26,640) and a deficit of $ 751,984 (September 30, 2011 – $ 750,677). In light of negative cash flows from operating activities and recurring operating losses, the ability of the Company to operate as a going concern is uncertain and is dependent on continued financial support from its shareholders, the ability to develop viable business opportunities, and the ability to obtain adequate financing to meet operating requirements and to commence profitable operations.

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 appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations, and the ability to raise additional capital

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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		$.-	$ -	$ -	$ -	$ -	$ -	$ -

The Company had no revenues during the past 8 quarters and expenses were limited to professional and compliance fees.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions are continuously assessed by management. The estimates and assumptions are based on historical experience and other factors, including realistic assessment of future developments. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next fiscal year include the assumptions and estimates relating to but not limited to, fair values for purposes of impairment analysis and the realizable value of deferred income tax assets.

Changes in Accounting Policies

IFRS Implementation – Changes in Accounting Policies Including Initial Adoption

The Canadian Accounting Standards Board established 2011 as the year that Canadian companies' financial reporting requirements should comply with IFRS. Accordingly, the Company has commenced reporting on an IFRS basis in the current condensed consolidated interim financial statements. The transition date, October 1, 2010, has required the restatement for comparative purposes of amounts reported by the Company for the ended September 30, 2011.

The Company has completed its internal review of the impact of the adoption of IFRS. This review considered potential differences between applicable IFRS policies and those currently used by the

Company. Accounting policy changes were made due to IFRS in the areas of exploration and evaluation assets, impairment testing, property, plant and equipment, provision for site restorations, and share-based compensation. Available elections under IFRS minimized the impact of these changes such that the financial reporting impact of the transition to IFRS is not material to the Company's financial results. The impact of the changes to IFRS is detailed in Note 7 to the condensed consolidation interim financial statements.

Accounting Standards and Interpretations Issued but Not Yet Adopted

The following accounting standards, amendments and interpretations have been issued but are not effective until annual periods beginning after January 1, 2011, unless otherwise indicated, earlier application is permitted. As at the date of these financial statements, the following standards, amendments and interpretations have not been applied in these financial statements.

(i) IFRS 1 *First-time Adoption of International Financial Reporting Standards, Amendments Regarding Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters;* effective for annual periods beginning on or after July 1, 2011.

(ii) IFRS 7 *Financial Instruments: Disclosures, Amendments Regarding Disclosures – Transfers of Financial Assets;* effective for annual periods beginning on or after July 1, 2011.

(iii) IFRS 9 *Financial Instruments* (New; to replace IAS 39); effective for annual periods beginning on or after July 1, 2013.

(iv) IFRS 10 *Consolidated Financial Statements;* effective for annual periods beginning on or after July 1, 2013. Early application is permitted. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 supersedes IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidated – Special Purpose Entities.*

(v) IFRS 11 *Joint Arrangements;* effective for annual periods beginning on or after July 1, 2013. Earlier application is permitted. IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. IFRS supersedes the current IAS 31 *Interest in Joint Ventures* and SIC-13 *Jointly Controlled Entities – Non Monetary Contributions by Ventures.*

(vi) IFRS 12 *Disclosure of Interests in Other Entities;* effective for annual periods beginning on or after July 1, 2013. Earlier application is permitted. IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity.

(vii) IFRS 13 *Fair Value Measurements*; to be applied for annual periods beginning on or after July 1, 2013. Earlier application is permitted. IFRS 13 defines fair value, sets out in a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurement (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements).

(viii) IAS 12 *Income Taxes, Amendments Regarding Deferred Tax: Recovery of Underlying Assets*; effective for annual periods beginning on or after January 1, 2012.

Management is currently assessing the impact of these new standards on the Company's accounting policies and financial statement presentations.

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 is issuance without par value

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

During the period 880,000 common 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.

The Company is in compliance in all material regulations applicable to its exploration activities. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.