Royal Monashee Gold Corp.

Management Discussion and Analysis
For the Year Ended September 30, 2010

January18, 2011

Background

This discussion and analysis of financial position and results of operation is prepared as at January 5, 2011 and should be read in conjunction with the audited annual financial statements and the accompanying notes for the years ended September 30, 2010 and 2009 (revised) of Royal Monashee Gold Corp. (the "Company") that have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities, can be found on SEDAR at www.sedar.com

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 June 17, 2002 the Company's common shares were delisted from the TSX Venture Exchange. On June 22, 2006, the Company changed its name to Royal Monashee Gold Corp. from OnBus Technologies Inc.

Over the past three years the Company has generated no revenues. Expenses incurred were with respect to promissory note write-off, professional fees, and regulatory and filing requirements.

Selected Financial Information

The following table presents selected financial information for the last three audited fiscal years ended September 30, 2010, 2009 and 2008:

	Year Ended September 30 2010	Year Ended September 30 2009	Year Ended September 30 2008
Revenue	0	0	0
Net Loss	(11,394)	(31,903)	(96,493)
Loss per Share	(.01)	(.01)	(.02)
Total Assets	17,742	34,338	44,738

Results of Operations

The Company was inactive for the four years prior to 2006 and all expenses were for regulatory and filing requirements. During fiscal 2006 and 2007 the Company signed a mineral exploration property option agreement and expended funds on exploration activities. The option agreement was terminated by letter dated August 22, 2007 and a write-off of unproven mineral interest in the amount of $139,465 was recorded in the fourth quarter of 2007. For the years 2008 and 2009 there was no revenue and expenses have been relative to regulatory and filing requirements.

In August 2008 the Company loaned $100,000 to a new restaurant business, secured by a promissory note bearing interest at 12% per annum, payable monthly. The promissory note was discounted in the revised September 30, 2008 financial statements. The balance of the note receivable was written down to zero in the fourth quarter of 2009 and a write-off expense of $34,477 was recorded.

Summary of Quarterly Results

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

	Fiscal 2010				Fiscal 2009			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	$	$	$	$	$	$	$	$
Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Loss	(1,290)	$1,363	$ 6,287	$5,040	$29,106	$ (2,502)	$7,421	$(2,122)
Loss per share	$ -	$ -	$ -	$ -	$ ..01	$ -	$ -	$.

Liquidity and Capital Resources

As at September 30, 2010 the Company had net working capital of ($4,291) compared to $7,103 as at September 30, 2009.

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 sheets arrangements

Changes in Accounting Policies

Adoption of New Accounting Pronouncements
International Financial Reporting Standards

In 2006, The AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AsCB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year period. In February 2008, the AcSB announce that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. This date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Companies will be required to provide comparative IFRS information for the previous fiscal year.

The Company is cognizant of the changes required for accounting and financial reporting purposes and will commence a scoping and planning process as required, dependent upon the level of future activities. The Company will continue to monitor changes in IFRS and the impacts on the Company over the coming year.

Related Party Transactions

No related party transactions occurred in the past two years.

Outstanding Share Data

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 5, 2011
Issued	
5,973,700 common shares	$724,037

During the year no additional shares issued. Also no warrants or options were issued.

Corporate Governance Disclosure

Board of Directors

As of this date, the following persons are the directors of the Company
James S. Timms
Benjamin W. Catalano
Martin J. C. Woodward
Other than having a majority of independent directors sit on the board of directors, the Board does not have a formalized process for the exercise of independent supervision over management.

Directorships

The following is a list of directorships in other reporting issuers held by the directors of the Company:

> Benjamin Catalano: African Queen Mines Ltd., Sacre Coeur Minerals Ltd., Stellar Biotechnologies Inc.

Orientation and Continuous Education

The Company does not currently have a formal orientation program for new board members nor does it provide continuing education for its directors. The Board is currently composed of three directors, one of whom is an officer of the Company, and the other two are experienced business persons. As a result, and due to the small size of the Board, the Company does not intend orientation or continuing education programs at this time..

Ethical Business Conduct

At the next Annual General Meeting the Board will formally adopt a Code of Business Conduct and Ethics.

Nomination of Directors

The Company does not currently have a formalized any formalized processes for identifying new candidates for Board nomination. New candidates will be proposed by the Board as a whole. The Board does not have a nominating committee.

Compensation

The directors of the Company do not receive any compensation for services rendered in their capacity as directors. The Board does not have a compensation committee. For the past years the officers have received no compensation.

Board Committees

The Company's board of directors has one committee, the audit committee including the three directors.

Assessment

The board of directors has not adopted a formal process whereby the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. The board of directors satisfies itself with respect to the effectiveness of the board, its committees and individual directors by monitoring on an informal basis whether the objectives of each of the board and the Company are being achieved and whether the responsibilities of each of the board, its committees and individual directors and of the Company are being fulfilled.

Audit Committee Disclosure

The Company is a reporting Company in Alberta and British Columbia, and as a result, is subject to the requirements of Multilateral Instrument 52-110 Audit committees ("MI 52-110"). As such, the Company must have an Audit Committee, and establish a written charter that sets out its mandate and responsibilities.

The Charter

The Company has adopted the Audit Committee Charter attached as Exhibit "A", which will be formally adopted at the next Annual General meeting, and the Charter will be included in the Management Information Circular.

Composition of the Audit Committee

The three directors of the Company are the members of the Audit Committee:

Member	Independent/Not Independent	Financially Literate/ Not Financially Literate
James S. Timms	No	Yes
Benjamin W. Catalano	Yes	Yes
Martin J. C. Woodward	Yes	Yes

James Timms is the only Director involved in the Company operations and would be considered to be not independent. Messrs. Catalano and Woodward are not active in Company operations and have no direct or indirect material relationship with the Company, and are considered to be independent Directors

Relevant Education and Experience

James Timms has a CGA designation and prior experience in banking and business finance. Benjamin Catalano is licensed realtor and has relevant corporate director experience. Mr. Catalano is also a Director of the following issuers – African Queen Mines, Sacre Cour Minerals and Stellar Biotechnologies Inc.
Martin Woodward holds MCSE professional designation from Microsoft and TCP degree from Capilano College and has relevant corporate director experience.

Audit Committee Oversight

The Audit Committee has not been active. At no time has the Board not adopted a recommendation of the Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

At no time since commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of MI 52-110 (De Minimis Non-audit Services), or an exemption from MI 52-110, in whole or in part, granted under Part 8 of Multilateral Instrument 52-110.

Pre-Approval Policies and Procedures

As at this date the Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees was as follows:

Financial Year Ended	Audit Fee	Other Fees
September 30, 2010	$ 6,000	Nil
September 30, 2009	$ 7,000	Nil

Exemption

We are relying upon the exemption in section 6.1 of Multilateral Instrument 52-110 Audit Committees, which exempts us as a venture issuer, from the requirements of Parts 3 and 5 of that instrument.

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.

EXHIBIT "A"
ROYAL MONASHEE GOLD CORP
(the "Company")
AUDIT COMMITTEE CHARTER

1. Mandate

The audit committee will assist the board of directors (the "Board") in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well as the Company's business, operations and risks.

2. Composition

The Board will appoint from among their membership am audit committee after each annual general meeting of the shareholders of the Company. The audit committee shall consist of a minimum of three directors.

2.1 A majority of the members of the audit committee must not be officers, employees or control persons of the Company.

2.2 Each member of the audit committee must be financially literate or become financially literate within a reasonable time after his or her appointment to the committee, At least one member of the committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its judgment and shall conclude whether a director meets these qualifications.

3. Meetings

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Company's Chief Financial Officer and external auditors in separate executive sessions.

4. Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities;

4.1 External Audit

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing and issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures.

4.2 Internal Control

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company.

4.3 Financial Reporting

The audit committee shall review the financial statements and financial information prior to its release to the public.

4.4 Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to prior approval of the audit committee.

4.5 Reporting Responsibilities

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.