FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **2013-01-11** | Period of Report: **2012-11-30**
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Royal Energy Resources, Inc.

CIK:**1102392**| IRS No.: **000000000** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **000-52547** | Film No.: **13525774**
SIC: **1311** Crude petroleum & natural gas

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

**[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: November 30, 2012

or

**[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from: _____________ to _____________

Royal Energy Resources, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**000-52547**	**11-3480036**
(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

543 Bedford Avenue, #176, Brooklyn, NY 11211
(Address of Principal Executive Offices) (Zip Code)

800-620-3029
(Registrant's telephone number, including area code)

N/A
(Former name or former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [ ] No [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer	[ ]	Accelerated filer	[ ]	Non-accelerated filer	[ ]	Smaller reporting company	[X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes [ ] No [X]

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 179,527 shares of common stock outstanding as of December 26, 2012.

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial reporting and pursuant to the rules and regulations of the Securities and Exchange Commission (“Commission”). While these statements reflect all normal recurring adjustments which are, in the opinion of management, necessary for fair presentation of the results of the interim period, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. For further information, refer to the financial statements and footnotes thereto, contained in the Company’s Form 10-K dated August 31, 2012.

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PART I - Financial Information
Item 1: Financial Statements

ROYAL ENERGY RESOURCES, INC. AND SUBSIDIARY
(Development Stage Company)
Condensed Consolidated Balance Sheets

	November 30, 2012 (Unaudited)	August 31,2012 (Audited)
Assets		
Current assets		
Cash	$ 584	$ 18,386
Total current assets	584	18,386
Properties:		
Mining properties	12,949	12,949
Accumulated depreciation, depletion and amortization	-	-
Net properties	12,949	12,949
Total assets	$ 13,533	$ 31,335
Liabilities and Stockholders' Deficit		
Current liabilities		
Accounts payable	$ 96,010	$ 73,590
Accrued expenses	11,196	8,497
Convertible note payable	65,600	65,600
Notes payable	49,400	49,400
Due to shareholder	8,132	8,132
Total current liabilities	230,338	205,219
Commitments and contingencies		
Stockholders' deficit		
Preferred stock: $0.00001 par value; authorized 10,000,000 shares; 100,000 shares issued and outstanding at November 30, 2012 and at August 31, 2012	1	1
Common stock: $0.00001 par value; authorized 500,000,000 shares; 179,527 shares issued and outstanding at November 30, 2012 and August 31, 2012	2	2
Additional paid-in capital	3,510,452	3,510,452
Deferred option and stock compensation	-	(1,964)
Common stock subscription receivable	(380,437)	(379,856)
Deficit accumulated during the development stage	(3,346,823)	(3,302,519)
Total stockholders' deficit	(216,805)	(173,884)
Total liabilities and stockholders' deficit	$ 13,533	$ 31,335

See accompanying notes to condensed consolidated financial statements.

ROYAL ENERGY RESOURCES, INC. AND SUBSIDIARY
(Development Stage Company)
Condensed Consolidated Statements of Operations
Three months ended November 30, 2012 and 2011
from inception (July 22, 2005) through November 30, 2012
(Unaudited)

	Three Months Ended November 30, 2012	Three Months Ended November 30, 2011	Inception (July 22, 2005) Through November 30, 2012
Oil and gas production	$ -	$ -	$ 29,704
Total revenues	-	-	29,704
Costs and expenses:			
Cost of leases sold	-	-	13,260
Lease operating expense	-	-	14,494
Production taxes	-	-	913
Depreciation, depletion and amortization	-	-	2,148
Asset impairment	-	-	75,164
Non-cash compensation	3,164	52,000	2,338,365
Other selling, general and administrative expense	39,992	8,432	802,255
Total costs and expenses	43,156	60,432	3,246,599
Loss from operations	(43,156)	(60,432)	(3,216,895)
Other expenses (income):			
Loss on disposition by rescission agreement of condominium	-	-	15,000
Loss on commodities trading	-	-	36,557
Interest income	-	-	(4,414)
Interest income - related party	(1,551)	(1,557)	(30,587)
Interest expense	2,699	-	84,377
Total other expense (income)	1,148	(1,557)	100,933
Loss before income taxes	(44,304)	(58,875)	(3,317,828)
Provision for income taxes	-	-	-
Net loss	$ (44,304)	$ (58,875)	$ (3,317,828)
Net loss per share, basic and diluted	$ (0.25)	$ (0.34)	
Weighted average shares outstanding, basic and diluted	179,527	171,527	

See accompanying notes to condensed consolidated financial statements.

ROYAL ENERGY RESOURCES, INC. AND SUBSIDIARY
(Development Stage Company)
Statements of Consolidated Stockholders' Deficit
Inception of Development Stage, July 22, 2005, through November 30, 2012

	Preferred stock		Common stock		Additional Paid-in Capital
	Shares	Amount	Shares	Amount	
Inception, July 22, 2005	-	-	5,930,300	59	22,426
Sale of common stock for cash	-	-	320,000	3	31,997
Common stock issued for real estate investment	-	-	1,900,000	19	189,981
Contribution to capital	-	-	-	-	6,560
Net loss	-	-	-	-	-
Balance August 31, 2005	-	-	8,150,300	81	250,964
Sale of common stock for cash	-	-	1,086,667	12	120,488
Net loss	-	-	-	-	-
Balance, August 31, 2006	-	-	9,236,967	93	371,452
Sale of common stock	-	-	4,670,060	46	161,614
Net loss	-	-	-	-	-
Balance, August 31, 2007	-	-	13,907,027	139	533,066
Sale of preferred stock	100,000	1	-	-	999
Sale of common stock	-	-	2,295,704	23	413,149
Common stock issued for consulting contracts	-	-	2,965,000	30	977,745
Cash portion of consulting contracts	-	-	-	-	-
Rescission of real estate purchase	-	-	(1,900,000)	(19)	(199,981)
Amortization of deferred expenses:					
Non-cash portion	-	-	-	-	-
Cash portion	-	-	-	-	-
Stock subscription receivable:					
Payments received	-	-	-	-	-
Interest accrued	-	-	-	-	-
Net loss	-	-	-	-	-
Balance, August 31, 2008	100,000	1	17,267,731	173	1,724,978
Sale of common stock for cash	-	-	20,000	-	3,600
Common stock issued for consulting contracts	-	-	3,551,000	36	887,403
Cash portion of consulting contracts	-	-	-	-	-
Amortization of deferred expenses:					
Non-cash portion	-	-	-	-	-
Cash portion	-	-	-	-	-
Stock subscription receivable:					
Sold	-	-	1,550,000	15	263,485
Payments received	-	-	-	-	-
Interest accrued	-	-	-	-	-
Net loss	-	-	-	-	-
Balance, August 31, 2009	100,000	$ 1	22,388,731	$ 224	$ 2,879,466

(Continued)

See accompanying notes to condensed consolidated financial statements.

ROYAL ENERGY RESOURCES, INC. AND SUBSIDIARY
(Development Stage Company)
Statements of Consolidated Stockholders' Deficit, continued
Inception of Development Stage, July 22, 2005, through November 30, 2012

	Subscription Receivable	Deferred Expenses	Accumulated Deficit	Deficit Accumulated During Development Stage	Total
Inception, July 22, 2005	-	-	(28,995)	-	(6,510)
Sale of common stock for cash	-	-	-	-	32,000
Common stock issued for real estate investment	-	-	-	-	190,000
Contribution to capital	-	-	-	-	6,560
Net loss	-	-	-	(7,739)	(7,739)
Balance August 31, 2005	-	-	(28,995)	(7,739)	214,311
Sale of common stock for cash	-	-	-	-	120,500
Net loss	-	-	-	(80,825)	(80,825)
Balance, August 31, 2006	-	-	(28,995)	(88,564)	253,986
Sale of common stock	(81,590)	-	-	-	80,070
Net loss	-	-	-	(95,813)	(95,813)
Balance, August 31, 2007	(81,590)	-	(28,995)	(184,377)	238,243
Sale of preferred stock	-	-	-	-	1,000
Sale of common stock	-	-	-	-	413,172
Common stock issued for consulting contracts	-	(977,775)	-	-	-
Cash portion of consulting contracts	-	(85,000)	-	-	(85,000)
Rescission of real estate purchase	-	-	-	-	(200,000)
Amortization of deferred expenses:					
Non-cash portion	-	338,547	-	-	338,547
Cash portion	-	43,529	-	-	43,529
Stock subscription receivable:					
Payments received	13,400	-	-	-	13,400
Interest accrued	(3,902)	-	-	-	(3,902)
Net loss	-	-	-	(467,712)	(467,712)
Balance, August 31, 2008	(72,092)	(680,699)	(28,995)	(652,089)	291,277
Sale of common stock for cash	-	-	-	-	3,600
Common stock issued for consulting contracts	-	(887,439)	-	-	-
Cash portion of consulting contracts	-	(40,901)	-	-	(40,901)
Amortization of deferred expenses:					
Non-cash portion	-	1,252,861	-	-	1,252,861
Cash portion	-	82,371	-	-	82,371
Stock subscription receivable:					
Sold	(77,500)	-	-	-	186,000
Payments received	1,168	-	-	-	1,168
Interest accrued	(3,545)	-	-	-	(3,545)
Net loss	-	-	-	(1,723,711)	(1,723,711)
Balance, August 31, 2009	$ (151,969)	$ (273,807)	$ (28,995)	$ (2,375,800)	$ 49,120

(Continued)

See accompanying notes to condensed consolidated financial statements.

ROYAL ENERGY RESOURCES, INC.
(Development Stage Company)
Statements of Stockholders' Deficit, continued
Inception of Development Stage, July 22, 2005, through November 30, 2012

	Preferred stock		Common stock		Additional Paid-in
	Shares	Amount	Shares	Amount	Capital
Balance August 31, 2009	100,000	$ 1	44,777	$ 1	$ 2,879,689
Common stock issued for:					
Consulting contracts	-	-	5,050	-	81,500
Drilling program participation	-	-	200	-	6,000
Loan extension	-	-	1,400	-	14,000
Amortization of prepaid Consulting contracts	-	-	-	-	-
Beneficial conversion feature of convertible debt	-	-	-	-	2,100
Stock subscription receivable:					
Sold	-	-	28,000	-	285,000
Payments received	-	-	-	-	-
Interest accrued	-	-	-	-	-
Net loss	-	-	-	-	-
Balance August 31, 2010	100,000	1	79,427	1	3,268,289
Amortization of deferred expenses	-	-	-	-	-
Common stock issued for:					
Consulting contracts	-	-	4,000	-	20,000
Loan and extension fee	-	-	10,800	-	178,500
Beneficial conversion feature of convertible debt	-	-	-	-	9,000
Stock subscription receivable:					
Sold	-	-	86,000	1	171,999
Cancelled	-	-	(8,500)	-	(147,336)
Payments received	-	-	-	-	-
Interest accrued	-	-	-	-	-
Common stock cancelled for rescinded drilling program	-	-	(200)	-	-
Net loss	-	-	-	-	-
Balance August, 31, 2011	100,000	1	171,527	2	3,500,452
Amortization of deferred expenses	-	-	-	-	-
Common stock issued for:					
Cash	-	-	6,000	-	7,500
Consulting contracts	-	-	2,000	-	2,500
Stock subscription receivable:					
Payments received	-	-	-	-	-
Interest accrued	-	-	-	-	-
Net loss	-	-	-	-	-
Balance, August 31, 2012	100,000	1	179,527	2	3,510,452
Amortization of deferred expenses	-	-	-	-	-
Stock subscription receivable:					
Payments received	-	-	-	-	-
Interest accrued	-	-	-	-	-
Net loss	-	-	-	-	-
Balance, November 30, 2012	100,000	$ 1	179,527	$ 2	$ 3,510,452

(Continued)

See accompanying notes to condensed consolidated financial statements.

ROYAL ENERGY RESOURCES, INC.
(Development Stage Company)
Statements of Stockholders' Deficit, continued
Inception of Development Stage, July 22, 2005, through November 30, 2012

	Subscription Receivable	Deferred Expenses	Accumulated Deficit	Deficit Accumulated During Development Stage	Total
Balance, August 31, 2009	$ (151,969)	$ (273,807)	$ (28,995)	$ (2,375,800)	$ 49,120
Common stock issued for:					
Consulting contracts	-	(81,500)	-	-	-
Drilling program participation	-	-	-	-	6,000
Loan extension	-	-	-	-	14,000
Amortization of prepaid consulting contracts:	-	326,498	-	-	326,498
Beneficial conversion feature of convertible debt	-	-	-	-	2,100
Stock subscription receivable:					
Sold	(285,000)	-	-	-	-
Payments received	21,239				21,239
Interest accrued	(6,610)				(6,610)
Net loss	-	-	-	(501,055)	(501,055)
Balance August 31, 2010	(422,340)	(28,809)	(28,995)	(2,876,855)	(88,708)
Amortization of deferred expenses	-	152,809	-	-	152,809
Common stock issued for:					
Consulting contracts	-	(20,000)	-	-	-
Loan and extension fee	-	(156,000)	-	-	22,500
Beneficial conversion feature of convertible debt	-	-	-	-	9,000
Stock subscription receivable:					
Sold	(172,000)	-	-	-	-
Cancelled	147,336	-	-	-	-
Payments received	58,477	-	-	-	58,477
Interest accrued	(8,727)	-	-	-	(8,727)
Common stock cancelled for rescinded drilling program	-	-	-	-	-
Net loss	-	-	-	(270,417)	(270,417)
Balance August, 31, 2011	(397,254)	(52,000)	(28,995)	(3,147,272)	(125,066)
Amortization of deferred expenses	-	52,536	-	-	52,536
Common stock issued for:					
Cash	-	-	-	-	7,500
Consulting contract	-	(2,500)	-	-	-
Stock subscription receivable:					
Payments received	23,650	-	-	-	23,650
Interest accrued	(6,252)	-	-	-	(6,252)
Net loss	-	-	-	(126,252)	(126,252)
Balance, August 31, 2012	(379,856)	(1,964)	(28,995)	(3,273,524)	(173,884)
Amortization of deferred expenses	-	1,964	-	-	1,964
Stock subscription receivable:					
Payments received	970	-	-	-	970
Interest accrued	(1,551)	-	-	-	(1,551)
Net loss	-	-	-	(44,304)	(44,304)
Balance, November 30, 2012	$ (380,437)	$ -	$ (28,995)	$ (3,317,828)	$ (216,805)

See accompanying notes to condensed consolidated financial statements.

ROYAL ENERGY RESOURCES, INC. AND SUBSIDIARY
(Development Stage Company)
Condensed Consolidated Statements of Cash Flows
Three Months Ended November 30, 2012 and 2011 and
from inception (July 22, 2005) through November 30, 2012
(Unaudited)

	Three months ended November 30, 2012	Three months ended November 30, 2011	From inception July 22, 2005 through November 30, 2012
Cash flows from operating activities			
Net loss	$ (44,304)	$ (58,875)	$ (3,317,828)
Adjustment to reconcile net loss to net cash used in operating activities:			
Depreciation and depletion	-	-	2,148
Value of common shares issued for services and loan extension fees	3,164	-	2,234,365
Loss on rescission of condominium purchase	-	-	15,000
Interest accrued on stock subscription	(1,551)	(1,557)	(30,587)
Asset impairment	-	-	75,164
Loan extension paid with common stock	-	52,000	118,000
Beneficial conversion feature of convertible notes	-	-	11,100
Bad debt expense	-	-	9,619
Change in other assets and liabilities:			
Accounts receivable	-	8,000	1,133
Prepaid expenses and other assets	-	-	49,392
Accounts payable	21,220	(287)	63,864
Accrued expenses	2,699	-	11,196
Net cash used in operations	(18,772)	(719)	(757,434)
Cash flows from investing activities			
Investment in real estate	-	-	(11,000)
Oil and gas property expenditures	-	(2,367)	(160,977)
Proceeds from sale of undeveloped leasehold	-	-	87,275
Proceeds from sale of oil and gas properties	-	-	6,500
Investment in rare earth and precious metals property	-	-	(14,293)
Net cash used in investing activities	-	(2,367)	(92,495)
Cash flows from financing activities			
Proceeds of stockholder loans	-	-	8,182
Proceeds from subscription receivable	970	3,120	118,889
Loan proceeds	-	-	164,000
Loan repayment	-	-	(98,400)
Proceeds from sale of common stock	-	-	656,842
Proceeds from sale of preferred stock	-	-	1,000
Net cash provided by financing activities	970	3,120	850,513
Net increase (decrease) in cash and cash equivalents	(17,802)	34	584
Cash, beginning of period	18,386	35	-
Cash, end of period	$ 584	$ 69	$ 584

(Continued)

See accompanying notes to condensed consolidated financial statements.

ROYAL ENERGY RESOURCES, INC. AND SUBSIDIARY
(Development Stage Company)
Condensed Consolidated Statements of Cash Flows, Continued
Three Months Ended November 30, 2012 and 2011, and
from inception (July 22, 2005) through November 30, 2012
(Unaudited)

	Three months ended November 30, 2012	Three months ended November 30, 2011	From inception July 22, 2005 through November 30, 2012
Supplemental cash flow information			
Cash paid for interest	$ -	$ -	$ 32,681
Cash paid for income taxes	-	-	-
Non-cash investing and financing activities:			
Issuance of common stock for real estate	$ -	$ -	$ 190,000
Contribution of stockholder loan to capital	-	-	6,560
Disposition of real estate per stock rescission agreement	-	-	200,000
Common stock issued for participation in drilling program	-	-	6,000
Common stock issued for stock subscription receivables	-	-	615,922
Accounts receivable exchanged for accounts payable	-	-	14,578
Drilling prepayment transferred to accounts receivable	-	-	28,079
Common stock cancelled for rescinded drilling program	-	-	1,000
Common stock and stock subscription receivables cancelled	-	-	147,336
Stock subscription receivable paid to reduce convertible note payable	-	9,000	14,400
Accounts payable exchanged for convertible notes payable	-	-	-

See accompanying notes to condensed consolidated financial statements.

1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements include the accounts of Royal Energy Resources, Inc. ("RER") (formerly known as World Marketing, Inc. ("WMI") and its wholly owned subsidiary S.C. Golden Carpathan Resources S.R.L. ("SCGCR"), a Romanian corporation. RER and SCGCR are development stage enterprises within the meaning of Financial Accounting Standards Board Topic 915. All significant intercompany balances and transactions have been eliminated in consolidation. SCGCR has not had any operations as of November 30, 2012.

RER was organized in 1999 and attempted to start a web-based marketing business for health-care products. The health-care products business had no revenue and was discontinued in 2001 and the Company remained inactive until July 22, 2005 when it commenced its real estate business. Accordingly, the current development stage has a commencement date of July 22, 2005 and all prior losses of $28,995 have been transferred to accumulated deficit.

The condensed consolidated financial statements included in this report have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission for interim reporting and include all adjustments (consisting only of normal recurring adjustments) that are, in the opinion of management, necessary for a fair presentation. These condensed consolidated financial statements have not been audited.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to such rules and regulations for interim reporting. The Company believes that the disclosures contained herein are adequate to make the information presented not misleading. However, these condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report for the year ended August 31, 2012.

In preparing the accompanying unaudited condensed consolidated financial statements, the Company has reviewed, as determined necessary by the Company's management, events that have occurred after November 30, 2012, up until the issuance of the financial statements.

Organization and nature of business

RER is a Delaware corporation which was incorporated on March 22, 1999, under the name Webmarketing, Inc. ("Webmarketing"). On July 7, 2004, the Company revived its charter and changed its name from Webmarketing to World Marketing, Inc. In December 2007 the Company changed its name to Royal Energy Resources, Inc.

The Company is currently pursuing gold, silver, copper and rare earth metals mining concessions in Romania, Bulgaria and Canada and mining leases in the United States. If successful, the Company plans to concentrate its efforts to develop these properties.

On April 1, 2011, the Company, through its CEO completed the initial stages of forming a Romanian subsidiary to be used to acquire and develop possible gold, silver and copper mining concessions in Romania. The subsidiary, S.C. Golden Carpathan Resources S.R.L., is located in Bucharest, Romania.

Commencing at the end of August 2006, the Company began acquiring oil and gas and uranium leases and has since resold some of its leases and retained an overriding royalty interest. During the last half of fiscal 2008, the Company invested in three oil & gas drilling prospects in Washington County, Oklahoma, and had advanced additional funds to participate in re-works of three wells. Two wells began initial sales in November 2008. All workover attempts were unsuccessful and these properties were abandoned during fiscal 2010. All proven properties were sold effective October 1, 2010.

On July 22, 2005, the Company began selling its common stock to obtain the funds necessary to begin implementation of its new business plan. The primary objective of the new business plan was to acquire, make necessary renovations and resell both residential and commercial real estate. The Company expected to acquire real estate using cash, mortgage financing or its common stock, or any combination thereof, and anticipated that the majority of the properties acquired would be in the New York City area. The Company rescinded the purchase of the real estate property it had previously acquired during the quarter ended May 31, 2008 and currently is limiting any potential real estate acquisitions to Eastern European countries, due to the current real estate environment in the United States.

Webmarketing attempted to establish a web-based marketing business for health care products from its inception in 1999 until 2001. However, the Company did not establish any revenues and discontinued these operations in 2001.

Going Concern

The Company has not established sources of revenues sufficient to fund the development of business, projected operating expenses and commitments for the next year. The Company, which has been in the development stage since its initial incorporation, March 22, 1999, has accumulated a net loss of $3,346,823 ($28,995 in a prior development stage) through November 30, 2012, and incurred a loss of $44,304 for the three months then ended.

The Company is currently attempting to secure financing in Europe for $5 to $10 million during the next eighteen months. This funding would be used primarily for development of rare earth and precious metals leases in the United States and Eastern Europe, for purchase of energy and mining leases and other corporate requirements. There can be no assurance that the Company will be able to complete this financing.

RER was organized in 1999 and attempted to start a web-based marketing business for health-care products. The health-care products business had no revenue and was discontinued in 2001 and the Company remained inactive until July 22, 2005 when it commenced its real estate business. Accordingly, the current development stage has a commencement date of July 22, 2005 and all prior losses of $28,995 have been transferred to accumulated deficit.

In March 2006, the Company sold 650,000 shares of its common stock for $65,000 to provide a portion of the cash required to purchase its first real estate investment. Subsequently, the Company continued to sell its common stock to raise capital to continue operations. During 2008, the Company revised its business plan, rescinded its real estate purchase and began investing in mining and energy leases and oil and gas drilling prospects. However, the mining and energy businesses have a high degree of risk and there can be no assurance that the Company will be able to obtain sufficient funding to develop the Company's current business plan.

Investments in the Company's common stock involve a high degree of risk and could result in a total loss of the investment.

Cash

The Company maintains cash balances at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. The Company's accounts at these institutions may, at times, exceed the federally insured limits. The Company has not experienced any losses in such accounts.

Revenue recognition

Revenue from the sale of oil and gas leases is recognized in accordance with the provisions of full cost accounting.

Oil and gas production income will be recognized when the product is delivered to the purchaser. We will receive payment from one to three months after delivery. At the end of each month, we will estimate the amount of production delivered to purchasers and the price we will receive. Variances between our estimated revenue and actual payment are recorded in the month the payment is received; however, differences should be insignificant.

Stock option plans

The compensation cost relating to share-based payment transactions (including the cost of all employee stock options) is required to be recognized in the financial statements. That cost will be measured based on the estimated fair value of the equity or liability instruments issued. The accounting literature covers a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models may not necessarily provide a reliable single measure of the fair value of its options. However, the Black-Scholes option valuation model provides the best available estimate for this purpose.

Property and equipment

The Company follows the full cost method of accounting for oil and natural gas operations. Under this method all productive and nonproductive costs incurred in connection with the acquisition, exploration and development of oil and natural gas reserves are capitalized. No gains or losses are recognized upon the sale or other disposition of oil and natural gas properties except in transactions that would significantly alter the relationship between capitalized costs and proved reserves. The costs of unevaluated oil and natural gas properties are excluded from the amortizable base until the time that either proven reserves are found or it has determined that such properties are impaired. At November 30, 2012 and August 31, 2012, the Company had no unproved property costs that had not been evaluated and were being amortized. As properties are evaluated, the related costs would be transferred to proven oil and natural gas properties using full cost accounting. No amortization was recorded during the three months ended November 30, 2012 or 2011.

Under the full cost method the net book value of oil and natural gas properties, less related deferred income taxes, may not exceed the estimated after-tax future net revenues from proved oil and natural gas properties, discounted at 10% (the "Ceiling Limitation"). In arriving at estimated future net revenues, estimated lease operating expenses, development costs, and certain production-related taxes are deducted. In calculating future net revenues, prices and costs in effect at the time of the calculation are held constant indefinitely, except for changes that are fixed and determinable by existing contracts. The net book value is compared to the ceiling limitation on a quarterly and yearly basis. The excess, if any, of the net book value above the ceiling limitation is charged to expense in the period in which it occurs and is not subsequently reinstated. The Company does not currently have any properties which are being evaluated.

The Company assesses the recoverability of the carrying value of its non-oil and gas long-lived assets when events occur that indicate an impairment in value may exist. An impairment loss is indicated if the sum of the expected undiscounted future net cash flows is less than the carrying amount of the assets. If this occurs, an impairment loss is recognized for the amount by which the carrying amount of the assets exceeds the estimated fair value of the asset. No impairments of non-oil and gas long-lived assets have been recorded as of November 30, 2012.

Depreciation and amortization

All capitalized costs of oil and natural gas properties and equipment, including the estimated future costs to develop proved reserves, are amortized using the unit-of-production method based on total proved reserves. Depreciation of other equipment is computed on the straight line method over the estimated useful lives of the assets, which range from three to twenty-five years.

Natural gas sales and gas imbalances

The Company follows the entitlement method of accounting for natural gas sales, recognizing as revenues only its net interest share of all production sold. Any amount attributable to the sale of production in excess of or less than the Company's net interest is recorded as a gas balancing asset or liability. At November 30, 2012 and August 31, 2012, there were no natural gas imbalances.

Oil and natural gas reserve estimates

The Company prepared its oil and natural gas reserves with the assistance of a consultant when it had proved reserves. Proved reserves, estimated future net revenues and the present value of our reserves are estimated based upon a combination of historical data and estimates of future activity. The reserve estimates are used in calculating depletion, depreciation and amortization and in the assessment of the Company's Ceiling Limitation. Significant assumptions are required in the valuation of proved oil and natural gas reserves which, as described herein, may affect the amount at which oil and natural gas properties are recorded. Actual results could differ materially from these estimates.

Deferred income taxes

Deferred income taxes are provided for temporary differences between financial and tax reporting in accordance with the liability method. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets unless management believes it is more likely than not that such asset will be realized.

Earnings (loss) per common share

RER is required to report both basic earnings per share, which is based on the weighted-average number of common shares outstanding, and diluted earnings per share, which is based on the weighted-average number of common shares outstanding plus all potential dilutive shares outstanding. At November 30, 2012 and 2011, there were no potentially dilutive common stock equivalents. Accordingly, basic and diluted earnings per share are the same for all periods presented.

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Credit risk

The Company had cash deposits in certain banks that at times exceeded the maximum insured by the Federal Deposit Insurance Corporation. The Company monitors the financial condition of the banks and has experienced no losses on these accounts.

Contingencies

Certain conditions may exist as of the date financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. Company management and its legal counsel assess such contingencies related to legal proceeding that are pending against the Company or unasserted claims that may result in such proceedings, the Company’s legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. If the assessment of a contingency indicates that it is probably that a liability has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company’s financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or if probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable would be disclosed.

Asset retirement obligations

The fair value of a liability for an asset retirement obligation is required to be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made, and that the associated retirement costs be capitalized as part of the carrying amount of the long-lived asset. The Company determines its asset retirement obligation by calculating the present value of the estimated cash flows related to the liability. Periodic accretion of the discount of the estimated liability would be recorded in the statement of operations. At November 30, 2012 and August 31, 2012, the Company had no working interests from which they would have had a plugging or abandoning liability.

Recent accounting pronouncements

There are several new accounting pronouncements issued by the Financial Accounting Standards Board (“FASB”) which are not yet effective. Each of these pronouncements, as applicable, has been or will be adopted by the Company. As of December 31, 2012, none of these pronouncements is expected to have a material effect on the financial position, results of operations or cash flows of the Company.

Fair value determination

Financial instruments consist of cash, marketable securities, promissory notes receivable, accounts payable, accrued expenses and short-term borrowings. The carrying amount of these financial instruments approximates fair value due to their short-term nature or the current rates at which the Company could borrow funds with similar remaining maturities.

Fiscal years

Fiscal 2013 refers to the periods ending in the fiscal year ending August 31, 2013, fiscal 2012 refers to the periods ended in the fiscal year ending August 31, 2012 and fiscal 2011 refers to the periods ended in the fiscal year ended August 31, 2011.

2 INVESTMENT IN ENERGY PROPERTIES

MINING

At November 30, 2012 and August 31, 2012, the Company held the lease for 2,100 acres of rare earth and precious metals leases in Crook County, Wyoming. There are leases for 1,280 acres pending.

In addition, the Company holds the lease for uranium rights on approximately 960 acres in Laramie County, Wyoming as of November 30, 2012 and August 31, 2012, respectively.

UNDEVELOPED LEASEHOLD NOT BEING AMORTIZED

The Company has been the successful bidder in United States Government auctions to purchase certain oil and gas lease rights. At November 30, 2012 and August 31, 2012, the Company had sold all of its remaining mineral leases and retained a 1% overriding royalty interest. As of November 30, 2012, the Company had collected approximately $89,000 from sales of leases and royalty interests.

The Company has negotiated with energy companies to develop the potential resources that may be contained in these properties. The Company has entered into agreements and then sold, by assignment, the rights, title and interest in certain of these leases and retained an over-riding royalty interest. Revenue from these transactions is recorded in accordance with the requirements for full cost accounting.

3 CONVERTIBLE NOTE PAYABLE

The Company has a loan with an individual in the original amount of $140,000, with interest payable monthly at 15% and which was extended to January 1, 2010 and revised to be convertible into common stock at a conversion price to be reasonably agreed upon by the parties. On March 10, 2011, the Company issued 3,900,000 shares of its common stock to the note holder and the due date of the note with a balance of $80,000 was extended nine months, to December 10, 2011. The Company issued 21,000,000 shares of the Company's common stock to a group of individuals who agreed to repay the balance of the $80,000 loan. The exchange of the shares is being accounted for as a stock subscription until the note is repaid. As of November 30, 2011 and August 31, 2012, $14,400 has been paid on the loan, leaving a balance of $65,600, which became past due at December 10, 2011.

4 NOTES PAYABLE

Effective September 1, 2011, the Company exchanged accounts payable in the amount of $49,400 for promissory notes in the same amount. The notes bear interest at the rate of 2% per annum and were due October 1, 2011. The notes are past due.

5 STOCKHOLDERS' EQUITY

Common stock

At November 30, 2012 and August 31, 2012, 500,000,000 common shares with a par value of $0.00001 were authorized and 179,527 shares were issued and outstanding.

Series A preferred stock

In November 2007, the Company amended its charter to authorize issuance of up to 10,000,000 shares of its $0.00001 preferred stock. The amendment became effective on December 12, 2007, upon filing with the Delaware secretary of state. In December 2007 the Company issued 100,000 shares of its Series A preferred stock to its President and Chief Executive Officer for $1,000. The certificate of designation of the Series A preferred stock provides: the holders of Series A preferred stock shall be entitled to receive dividends when, as and if declared by the board of directors of the Company; participates with common stock upon liquidation; convertible into one share of common stock; and has voting rights such that the Series A preferred stock shall have an aggregate voting right for 54% of the total shares entitled to vote.

Reverse stock split and increase in authorized shares

On August 7, 2012, the Company received approval by written consent, in lieu of a special meeting, of the holders of a majority of our outstanding voting power authorizing the Board of Directors of the Company to: (i) effectuate the reverse stock split of our issued and outstanding shares of common stock, par value $0.00001, on a 1 for 500 basis and (ii) increase the authorized shares of common stock, par value $0.00001, from 100,000,000 shares to 500,000,000 shares. The stock split was effectuated on October 1, 2012 upon filing appropriate documentation with FINRA. The increase in authorized shares was completed on October 9, 2012 when the amendment was filed with the Delaware Secretary of State. All share references included herein have been adjusted as if the change took place before the date of the earliest transaction reported.

Stock option plan

The Royal Energy Resources, Inc. 2008 Stock Option Plan ("Plan") was filed on June 27, 2008 and reserves 8,000 shares for Awards under the Plan, of which up to 6,000 may be designated as Incentive Stock Options. The Company's Compensation Committee is designated to administer the Plan at the direction of the Board of Directors. No options are outstanding under the Plan at November 30, 2012.

Consulting and financial services agreements

The Company has entered into various consulting and financial services agreements. The cost associated with the agreements is being amortized over the period of the agreements. Amortization expense amounted to $3,164 and $52,000 in the three months ended November 30, 2012 and 2011, respectively.

6 STOCK SUBSCRIPTION RECEIVABLE

The officers and directors of the Company and others have acquired common stock from the Company pursuant to note agreements, summarized as follows.

Name	Total Shares	Original Balance	Interest Rate	Balance 11/30/2012	Balance 8/31/2012
Jacob Roth	83,400	$ 316,650	2%	$ 281,225	$ 281,225
Frimet Taub	1,700	29,937	2%	29,937	29,937
				311,162	311,162
Accrued interest				3,675	3,094
Related party total				314,837	314,256
Debt retirement	4,200	80,000	0%	65,600	65,600
				$ 380,437	$ 379,856

7 RELATED PARTY TRANSACTIONS

The President and Chief Executive Officer of the Company was paid approximately $400 and $1,570 for office and travel expense reimbursements during the three month periods ended November 30, 2012 and 2011, respectively.

The President and Chief Executive Officer of the Company made a loan to the Company of $8,132 during 2012. The loan is due on demand and is non-interest bearing.

See Note 6 above regarding stock transactions and stock subscription receivables.

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

This statement contains forward-looking statements within the meaning of the Securities Act. Discussions containing such forward-looking statements may be found throughout this statement. Actual events or results may differ materially from those discussed in the forward-looking statements as a result of various factors, including the matters set forth in this statement.

At the present time we have only nominal overhead costs. Our officers do not receive any payroll and our administrative assistance is now being provided on a reimbursement basis. This situation will remain constant until such time as we have sufficient capital to afford to pay salaries.

We have access to nominal capital. An investment in our securities represents a high degree of risk.

MINING

The Company is currently pursuing gold, silver, copper and rare earth metals mining concessions in Romania, Bulgaria and Canada and mining leases in the United States. If successful, the Company plans to concentrate its efforts to develop these properties. At November 30, 2012 and August 31, 2012, the Company held the lease for 2,100 acres of rare earth and precious metals leases in Crook County, Wyoming. There are leases for 1,280 acres pending. The rare earth and precious metals leases are approximately 5-15 miles from Bear Lodge Mountain near Sundance, Wyoming. The U.S. Geological Survey has studied Bear Lodge Mountain extensively (USGS Prof. paper #1049-D) and has estimated it contains one of the largest deposits of disseminated rare earth elements in North America.

In addition, the Company holds the lease for uranium rights on approximately 960 acres in Laramie County, Wyoming as of May 31, 2012 and August 31, 2011, respectively. The uranium rights are located on a trend approximately 25-30 miles from a proposed uranium mine in Weld County, Colorado which was estimated to have uranium reserves valued at over $500 million.

UNDEVELOPED LEASEHOLD NOT BEING AMORTIZED

The Company has been the successful bidder in United States Government auctions to purchase certain oil and gas lease rights. At November 30, 2012 and August 31, 2012, the Company had sold all of its remaining mineral leases and retained a 1% overriding royalty interest. As of November 30, 2012, the Company had collected approximately $89,000 from sales of leases and royalty interests.

The Company is negotiating with energy companies to develop the potential resources that may be contained in these properties. The Company has entered into agreements and then sold, by assignment, the rights, title and interest in certain of these leases and retained an over-riding royalty interest. Revenue from these transactions is recorded in accordance with the requirements for full cost accounting.

Liquidity, Capital Resources and Going Concern

Historical information - The Company has not established sources of revenues sufficient to fund the development of business, projected operating expenses and commitments for the next year. The Company, which has been in the development stage since its inception, March 22, 1999, has accumulated a net loss of $3,346,823 ($28,995 in a prior development stage) through November 30, 2012, and incurred a loss of $44,304 for the three months then ended.

The Company is currently attempting to secure financing in Europe for $5 to $10 million during the next eighteen months. This funding would be used primarily for development of rare earth and precious metals leases in the United States and Eastern Europe, for purchase of energy and mining leases and other corporate requirements. There can be no assurance that the Company will be able to complete this financing.

RER was organized in 1999 and attempted to start a web-based marketing business for health-care products. The health-care products business had no revenue and was discontinued in 2001 and the Company remained inactive until July 22, 2005 when it commenced its real estate business. Accordingly, the current development stage has a commencement date of July 22, 2005 and all prior losses of $28,995 have been transferred to accumulated deficit.

In March 2006, the Company sold 650,000 shares of its common stock for $65,000 to provide a portion of the cash required to purchase its first real estate investment. Subsequently, the Company continued to sell its common stock to raise capital to continue operations. During 2008, the Company revised its business plan, rescinded its real estate purchase and began investing in mining and energy leases and oil and gas drilling prospects. However, the mining and energy businesses have a high degree of risk and there can be no assurance that the Company will be able to obtain sufficient funding to develop the Company's current business plan.

Investments in the Company's common stock involve a high degree of risk and could result in a total loss of the investment.

Evaluation of the amounts and certainty of cash flows – Currently the Company has no revenue and relies on its CEO to fund operations. There can be no assurance that the CEO will be able to continue to fund operations.

Cash requirements and capital expenditures – The Company's CEO has made payments to reduce his stock subscription receivable in the amount of $970 during the three months ended November 30, 2012 and made a non-interest bearing loan to the Company of $8,132 during the three months ended May 31, 2012.

Known trends and uncertainties – The Company is involved to a very limited degree in a very competitive business. The uncertainty of the economy has increased the difficulty of raising funds to support the current planned mining and energy business.

What balance sheet, income or cash flow items should be considered in assessing liquidity – We will continue to seek funding to finance our planned mining and energy developments, which if successful could materially impact the current capital structure.

Our prospective sources for and uses of cash – The Company is seeking financing to be used to continue its development plans in mining and engineering. There can be no assurance that the Company will be successful.

COMPARISON OF THREE MONTHS ENDED NOVEMBER 30, 2012 AND 2011

We had no revenue during the three months ended November 30, 2012 or 2011.

Non-cash compensation amounted to $3,164 in fiscal 2013 and $52,000 in fiscal 2012. Non-cash compensation is from the amortization of the calculated value of common shares issued for consulting agreements. (Note 5).

During the three-month period in fiscal 2013, selling, general and administrative expenses amounted to $39,992 as compared to $8,432 in the year earlier period. In the 2013 period, accounting and audit review costs were $4,440 lower, payments for reimbursements to the Company's CEO were $1,170 lower, cash consulting fees were $35,000 higher and legal and professional fees were $2,000 higher.

During the three-month period in fiscal 2013, we recognized $2,699 in interest expense and recorded interest income in the amount of $1,551 from related parties. During the three-month period in fiscal 2012, we recorded interest income in the amount of $1,557 from related parties.

OFF-BALANCE SHEET ARRANGEMENTS

None.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4T: CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

Under the PCAOB standards, a control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit the attention by those responsible for oversight of the company's financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (Exchange Act), as of November 30, 2012. Our management has determined that, as of the date of this report, the Company's disclosure controls and procedures are effective.

(b) Changes in Internal Controls

There have been no changes in internal controls over financial reporting or in other factors that could significantly affect these controls that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting during the quarter ended November 30, 2012, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II - OTHER INFORMATION

ITEM 1: LEGAL PROCEEDINGS

None

ITEM 1A:RISK FACTORS

Not applicable.

ITEM 2:UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 3: DEFAULTS UPON SENIOR SECURITIES.

None

ITEM 4: SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None

ITEM 5: OTHER INFORMATION.

None

ITEM 6: EXHIBITS

Exhibit 31.1	Certification pursuant to 18 U.S.C. Section 1350 Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 32.1	Certification pursuant to 18 U.S.C. Section 1350 Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: January 11, 2013

Royal Energy Resources, Inc.
By: */s/ Jacob Roth*
Jacob Roth
President, CEO and CFO

Exhibit 31.1

ROYAL ENERGY RESOURCES, INC. FORM 10-Q
FOR THE QUARTER ENDED NOVEMBER 30, 2012
CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jacob Roth, Chief Executive Officer and Chief Financial Officer, certify that:

1. I have reviewed this report on Form 10-Q of Royal Energy Resources, Inc.(the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-a15(f) and 15d-15(f) for the registrant and have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the registrant’s internal controls over financial reporting that occurred during the registrant’s current fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and;

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions);

   a. All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant’s ability to record, process, summarize and report financial data and have identified for the registrant’s auditor any material weaknesses in internal controls; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls.

Date: January 11, 2013

By: */s/ Jacob Roth*
Jacob Roth
CEO and CFO

Exhibit 32.1

ROYAL ENERGY RESOURCES, INC. FORM 10-Q
FOR THE QUARTER ENDED NOVEMBER 30, 2012
CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Jacob Roth, certify that:

1. I am the Chief Executive Officer and Chief Financial Officer of Royal Energy Resources, Inc.

2. Attached to this certification is Form 10-Q for the quarter ended November 30, 2012, a periodic report (the "periodic report") filed by the issuer with the Securities Exchange Commission pursuant to Section 13(a) or 15(d) of the Securities and Exchange Act of 1934 (the "Exchange Act"), which contains condensed financial statements.

3. I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that

   - The periodic report containing the condensed financial statements fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act, and

   - The information in the periodic report fairly presents, in all material respects, the consolidated financial condition and results of operations of the issuer for the periods presented.

Date: January 11, 2013

By: */s/ Jacob Roth*
Jacob Roth
CEO and CFO

Convertible Note Payable	3 Months Ended Nov. 30, 2012
Debt Disclosure [Abstract]	
Convertible Note Payable	**3 CONVERTIBLE NOTE PAYABLE** The Company has a loan with an individual in the original amount of $140,000, with interest payable monthly at 15% and which was extended to January 1, 2010 and revised to be convertible into common stock at a conversion price to be reasonably agreed upon by the parties. On March 10, 2011, the Company issued 3,900,000 shares of its common stock to the note holder and the due date of the note with a balance of $80,000 was extended nine months, to December 10, 2011. The Company issued 21,000,000 shares of the Company' s common stock to a group of individuals who agreed to repay the balance of the $80,000 loan. The exchange of the shares is being accounted for as a stock subscription until the note is repaid. As of November 30, 2011 and August 31, 2012, $14,400 has been paid on the loan, leaving a balance of $65,600, which became past due at December 10, 2011.

Investment in Energy Properties	3 Months Ended Nov. 30, 2012
Properties	
Investment in Energy Properties	**2 INVESTMENT IN ENERGY PROPERTIES**

2 INVESTMENT IN ENERGY PROPERTIES

MINING

At November 30, 2012 and August 31, 2012, the Company held the lease for 2,100 acres of rare earth and precious metals leases in Crook County, Wyoming. There are leases for 1,280 acres pending.

In addition, the Company holds the lease for uranium rights on approximately 960 acres in Laramie County, Wyoming as of November 30, 2012 and August 31, 2012, respectively.

UNDEVELOPED LEASEHOLD NOT BEING AMORTIZED

The Company has been the successful bidder in United States Government auctions to purchase certain oil and gas lease rights. At November 30, 2012 and August 31, 2012, the Company had sold all of its remaining mineral leases and retained a 1% overriding royalty interest. As of November 30, 2012, the Company had collected approximately $89,000 from sales of leases and royalty interests.

The Company has negotiated with energy companies to develop the potential resources that may be contained in these properties. The Company has entered into agreements and then sold, by assignment, the rights, title and interest in certain of these leases and retained an over-riding royalty interest. Revenue from these transactions is recorded in accordance with the requirements for full cost accounting.

Condensed Consolidated Balance Sheets (USD $)	Nov. 30, 2012	Aug. 31, 2012
Current assets		
Cash	$ 584	$ 18,386
Total current assets	584	18,386
Properties		
Mining properties	12,949	12,949
Accumulated depreciation, depletion and amortization		
Net properties	12,949	12,949
Total assets	13,533	31,335
Current liabilities		
Accounts payable	96,010	73,590
Accrued expenses	11,196	8,497
Convertible note and debenture payable	65,600	65,600
Notes payable	49,400	49,400
Due to shareholder	8,132	8,132
Total current liabilities	230,338	205,219
Commitments and contingencies		
Stockholders' deficit		
Preferred stock: $0.00001 par value; authorized 10,000,000 shares; 100,000 shares issued and outstanding at November 30, 2012 and at August 31, 2012	1	1
Common stock: $0.00001 par value; authorized 500,000,000 shares; 179,527 shares issued and outstanding at November 30, 2012 and August 31, 2012	2	2
Additional paid-in capital	3,510,452	3,510,452
Deferred option and stock compensation		(1,964)
Common stock subscription receivable	(380,437)	(379,856)
Deficit accumulated during the development stage	(3,346,823)	(3,302,519)
Total stockholders' deficit	(216,805)	(173,884)
Total liabilities and stockholders' deficit	$ 13,533	$ 31,335

Condensed Consolidated Statements of Cash Flows (Unaudited) (USD $)	3 Months Ended		88 Months Ended
	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2012
Cash flows from operating activities			
Net loss	$ (44,304)	$ (58,875)	$ (3,317,828)
Adjustment to reconcile net loss to net cash used in operating activities			
Depreciation, depletion and amortization			2,148
Value of common shares issued for services and loan extension fees	3,164		2,234,365
Loss on rescission of condominium purchase			15,000
Interest accrued on stock subscription	(1,551)	(1,557)	(30,587)
Asset impairment			75,164
Loan extension paid with common stock		52,000	118,000
Beneficial conversion feature of convertible notes			11,100
Bad debt expense			9,619
Change in other assets and liablities:			
Accounts receivable		8,000	1,133
Prepaid expenses and other assets			49,392
Accounts payable	21,220	(287)	63,864
Accrued expenses	2,699		11,196
Net cash used in operations	(18,772)	(719)	(757,434)
Cash flows from investing activities			
Investment in real estate			(11,000)
Oil and gas property expenditures		(2,367)	(160,977)
Proceeds from sale of undeveloped leasehold			87,275
Proceeds from sale of oil and gas properties			6,500
Investment in rare earth and precious metals property			(14,293)
Net cash used in investing activities		(2,367)	(92,495)
Cash flows from financing activities			
Proceeds of stockholder loans			8,182
Proceeds from subscription receivable	970	3,120	118,889
Loan proceeds			164,000
Loan repayment			(98,400)
Proceeds from sale of common stock			656,842
Proceeds from sale of preferred stock			1,000
Net cash provided by financing activities	970	3,120	850,513
Net increase (decrease) in cash and cash equivalents	(17,802)	34	584
Cash, beginning of period	18,386	35	
Cash, end of period	584	69	584
Supplemental cash flow information			
Cash paid for interest			32,681
Cash paid for income taxes			
Non-cash investing and financing activities:			

Issuance of common stock for real estate		190,000
Contribution of stockholder loan to capital		6,560
Disposition of real estate per stock rescission agreement		200,000
Common stock issued for participation in drilling program		6,000
Common stock issued for stock subscription receivables		615,922
Accounts receivable exchanged for accounts payable		14,578
Drilling prepayment transferred to accounts receivable		28,079
Common stock cancelled for rescinded drilling program		1,000
Common stock and stock subscription receivables cancelled		147,336
Stock subscription receivable paid to reduce convertible note payable	9,000	14,400
Accounts payable exchanged for convertible notes payable		

Related Party Transactions (Details Narrative) (USD $)	Nov. 30, 2012	Aug. 31, 2012	3 Months Ended Nov. 30, 2012 President And Chief Executive Officer [Member]	Aug. 31, 2011 President And Chief Executive Officer [Member]
Office and travel expense reimbursements			$ 400	$ 1,570
Loans due and payable on demand	$ 8,132	$ 8,132	$ 8,132	

Organization and Summary of Significant Accounting Policies		3 Months Ended Nov. 30, 2012
Accounting Policies [Abstract]		
Organization and Summary of Significant Accounting Policies	1	**ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** ***Basis of presentation*** These consolidated financial statements include the accounts of Royal Energy Resources, Inc. ("RER") (formerly known as World Marketing, Inc. ("WMI") and its wholly owned subsidiary S.C. Golden Carpathan Resources S.R.L. ("SCGCR"), a Romanian corporation. RER and SCGCR are development stage enterprises within the meaning of Financial Accounting Standards Board Topic 915. All significant intercompany balances and transactions have been eliminated in consolidation. SCGCR has not had any operations as of November 30, 2012. RER was organized in 1999 and attempted to start a web-based marketing business for health-care products. The health-care products business had no revenue and was discontinued in 2001 and the Company remained inactive until July 22, 2005 when it commenced its real estate business. Accordingly, the current development stage has a commencement date of July 22, 2005 and all prior losses of $28,995 have been transferred to accumulated deficit. The condensed consolidated financial statements included in this report have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission for interim reporting and include all adjustments (consisting only of normal recurring adjustments) that are, in the opinion of management, necessary for a fair presentation. These condensed consolidated financial statements have not been audited. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to such rules and regulations for interim reporting. The Company believes that the disclosures contained herein are adequate to make the information presented not misleading. However, these condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company' s Annual Report for the year ended August 31, 2012. In preparing the accompanying unaudited condensed consolidated financial statements, the Company has reviewed, as determined necessary by the Company' s management, events that have occurred after November 30, 2012, up until the issuance of the financial statements. ***Organization and nature of business*** RER is a Delaware corporation which was incorporated on March 22, 1999, under the name Webmarketing, Inc. ("Webmarketing"). On July 7, 2004, the Company revived its charter and changed its name from Webmarketing to World Marketing, Inc. In December 2007 the Company changed its name to Royal Energy Resources, Inc. The Company is currently pursuing gold, silver, copper and rare earth metals mining concessions in Romania, Bulgaria and Canada and mining leases in the United States. If successful, the Company plans to concentrate its efforts to develop these properties.

On April 1, 2011, the Company, through its CEO completed the initial stages of forming a Romanian subsidiary to be used to acquire and develop possible gold, silver and copper mining concessions in Romania. The subsidiary, S.C. Golden Carpathan Resources S.R.L., is located in Bucharest, Romania.

Commencing at the end of August 2006, the Company began acquiring oil and gas and uranium leases and has since resold some of its leases and retained an overriding royalty interest. During the last half of fiscal 2008, the Company invested in three oil & gas drilling prospects in Washington County, Oklahoma, and had advanced additional funds to participate in re-works of three wells. Two wells began initial sales in November 2008. All workover attempts were unsuccessful and these properties were abandoned during fiscal 2010. All proven properties were sold effective October 1, 2010.

On July 22, 2005, the Company began selling its common stock to obtain the funds necessary to begin implementation of its new business plan. The primary objective of the new business plan was to acquire, make necessary renovations and resell both residential and commercial real estate. The Company expected to acquire real estate using cash, mortgage financing or its common stock, or any combination thereof, and anticipated that the majority of the properties acquired would be in the New York City area. The Company rescinded the purchase of the real estate property it had previously acquired during the quarter ended May 31, 2008 and currently is limiting any potential real estate acquisitions to Eastern European countries, due to the current real estate environment in the United States.

Webmarketing attempted to establish a web-based marketing business for health care products from its inception in 1999 until 2001. However, the Company did not establish any revenues and discontinued these operations in 2001.

Going Concern

The Company has not established sources of revenues sufficient to fund the development of business, projected operating expenses and commitments for the next year. The Company, which has been in the development stage since its initial incorporation, March 22, 1999, has accumulated a net loss of $3,346,823 ($28,995 in a prior development stage) through November 30, 2012, and incurred a loss of $44,304 for the three months then ended.

The Company is currently attempting to secure financing in Europe for $5 to $10 million during the next eighteen months. This funding would be used primarily for development of rare earth and precious metals leases in the United States and Eastern Europe, for purchase of energy and mining leases and other corporate requirements. There can be no assurance that the Company will be able to complete this financing.

RER was organized in 1999 and attempted to start a web-based marketing business for health-care products. The health-care products business had no revenue and was discontinued in 2001 and the Company remained inactive until July 22, 2005 when it commenced its real estate business. Accordingly, the current development stage has a commencement date of July 22, 2005 and all prior losses of $28,995 have been transferred to accumulated deficit.

In March 2006, the Company sold 650,000 shares of its common stock for $65,000 to provide a portion of the cash required to purchase its first real estate investment. Subsequently, the Company continued to sell its common stock to raise capital to continue operations. During 2008, the Company revised its business plan, rescinded its real estate purchase and began investing in mining and energy leases and oil and gas drilling prospects. However, the mining and energy businesses have a high degree of risk and there can be no assurance that the Company will be able to obtain sufficient funding to develop the Company' s current business plan.

Investments in the Company' s common stock involve a high degree of risk and could result in a total loss of the investment.

Cash

The Company maintains cash balances at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. The Company' s accounts at these institutions may, at times, exceed the federally insured limits. The Company has not experienced any losses in such accounts.

Revenue recognition

Revenue from the sale of oil and gas leases is recognized in accordance with the provisions of full cost accounting.

Oil and gas production income will be recognized when the product is delivered to the purchaser. We will receive payment from one to three months after delivery. At the end of each month, we will estimate the amount of production delivered to purchasers and the price we will receive. Variances between our estimated revenue and actual payment are recorded in the month the payment is received; however, differences should be insignificant.

Stock option plans

The compensation cost relating to share-based payment transactions (including the cost of all employee stock options) is required to be recognized in the financial statements. That cost will be measured based on the estimated fair value of the equity or liability instruments issued. The accounting literature covers a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company' s options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management' s opinion, the existing models may not necessarily provide a reliable single measure of the fair value of its options. However, the Black-Scholes option valuation model provides the best available estimate for this purpose.

Property and equipment

The Company follows the full cost method of accounting for oil and natural gas operations. Under this method all productive and nonproductive costs incurred in connection with the acquisition, exploration and development of oil and natural gas reserves are capitalized. No gains or losses are recognized upon the sale or other disposition of oil and natural gas properties except in transactions that would significantly alter the relationship between capitalized costs and proved reserves. The costs of unevaluated oil and natural gas properties are excluded from the amortizable base until the time that either proven reserves are found or it has determined that such properties are impaired. At November 30, 2012 and August 31, 2012, the Company had no unproved property costs that had not been evaluated and were being amortized. As properties are evaluated, the related costs would be transferred to proven oil and natural gas properties using full cost accounting. No amortization was recorded during the three months ended November 30, 2012 or 2011.

Under the full cost method the net book value of oil and natural gas properties, less related deferred income taxes, may not exceed the estimated after-tax future net revenues from proved oil and natural gas properties, discounted at 10% (the "Ceiling Limitation"). In arriving at estimated future net revenues, estimated lease operating expenses, development costs, and certain production-related taxes are deducted. In calculating future net revenues, prices and costs in effect at the time of the calculation are held constant indefinitely, except for changes that are fixed and determinable by existing contracts. The net book value is compared to the ceiling limitation on a quarterly and yearly basis. The excess, if any, of the net book value above the ceiling limitation is charged to expense in the period in which it occurs and is not subsequently reinstated. The Company does not currently have any properties which are being evaluated.

The Company assesses the recoverability of the carrying value of its non-oil and gas long-lived assets when events occur that indicate an impairment in value may exist. An impairment loss is indicated if the sum of the expected undiscounted future net cash flows is less than the carrying amount of the assets. If this occurs, an impairment loss is recognized for the amount by which the carrying amount of the assets exceeds the estimated fair value of the asset. No impairments of non-oil and gas long-lived assets have been recorded as of November 30, 2012.

Depreciation and amortization

All capitalized costs of oil and natural gas properties and equipment, including the estimated future costs to develop proved reserves, are amortized using the unit-of-production method based on total proved reserves. Depreciation of other equipment is computed on the straight line method over the estimated useful lives of the assets, which range from three to twenty-five years.

Natural gas sales and gas imbalances

The Company follows the entitlement method of accounting for natural gas sales, recognizing as revenues only its net interest share of all production sold. Any amount attributable to the sale of production in excess of or less than the Company' s net interest is recorded as a gas balancing asset or liability. At November 30, 2012 and August 31, 2012, there were no natural gas imbalances.

Oil and natural gas reserve estimates

The Company prepared its oil and natural gas reserves with the assistance of a consultant when it had proved reserves. Proved reserves, estimated future net revenues and the present value of our reserves are estimated based upon a combination of historical data and estimates of future activity. The reserve estimates are used in calculating depletion, depreciation and amortization and in the assessment of the Company' s Ceiling Limitation. Significant assumptions are required in the valuation of proved oil and natural gas reserves which, as described herein, may affect the amount at which oil and natural gas properties are recorded. Actual results could differ materially from these estimates.

Deferred income taxes

Deferred income taxes are provided for temporary differences between financial and tax reporting in accordance with the liability method. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets unless management believes it is more likely than not that such asset will be realized.

Earnings (loss) per common share

RER is required to report both basic earnings per share, which is based on the weighted-average number of common shares outstanding, and diluted earnings per share, which is based on the weighted-average number of common shares outstanding plus all potential dilutive shares outstanding. At November 30, 2012 and 2011, there were no potentially dilutive common stock equivalents. Accordingly, basic and diluted earnings per share are the same for all periods presented.

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Credit risk

The Company had cash deposits in certain banks that at times exceeded the maximum insured by the Federal Deposit Insurance Corporation. The Company monitors the financial condition of the banks and has experienced no losses on these accounts.

Contingencies

Certain conditions may exist as of the date financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. Company management and its legal counsel assess such contingencies related to legal proceeding that are pending against the Company or unasserted claims that may result in such proceedings, the Company' s legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. If the assessment of a contingency indicates that it is probably that a liability has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company' s financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or if probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable would be disclosed.

Asset retirement obligations

The fair value of a liability for an asset retirement obligation is required to be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made, and that the associated retirement costs be capitalized as part of the carrying amount of the long-lived asset. The Company determines its asset retirement obligation by calculating the present value of the estimated cash flows related to the liability. Periodic accretion of the discount of the estimated liability would be recorded in the statement of operations. At November 30, 2012 and August 31, 2012, the Company had no working interests from which they would have had a plugging or abandoning liability.

Recent accounting pronouncements

There are several new accounting pronouncements issued by the Financial Accounting Standards Board ("FASB") which are not yet effective. Each of these pronouncements, as applicable, has been or will be adopted by the Company. As of December 31, 2012, none of these pronouncements is expected to have a material effect on the financial position, results of operations or cash flows of the Company.

Fair value determination

Financial instruments consist of cash, marketable securities, promissory notes receivable, accounts payable, accrued expenses and short-term borrowings. The carrying amount of these financial instruments approximates fair value due to their short-term nature or the current rates at which the Company could borrow funds with similar remaining maturities.

Fiscal years

Fiscal 2013 refers to the periods ending in the fiscal year ending August 31, 2013, fiscal 2012 refers to the periods ended in the fiscal year ending August 31, 2012 and fiscal 2011 refers to the periods ended in the fiscal year ended August 31, 2011.

Condensed Consolidated Balance Sheets (Parenthetical) (USD $)	Nov. 30, 2012	Aug. 31, 2012
Statement of Financial Position [Abstract]		
Preferred stock, par value	$ 0.00001	$ 0.00001
Preferred stock, shares authorized	10,000,000	10,000,000
Preferred stock, shares issued	100,000	100,000
Preferred stock, shares outstanding	100,000	100,000
Common stock, par value	$ 0.00001	$ 0.00001
Common stock, shares authorized	500,000,000	500,000,000
Common stock, shares issued	179,527	179,527
Common stock, shares outstanding	179,527	179,527

Investment in Energy Properties (Details Narrative) (USD $)	Nov. 30, 2012 acre	Aug. 31, 2012 acre
Properties		
Company held the lease area for mining	2,100	2,100
Company held the lease area for pending mining	1,280	
Company held the lease area for uranium rights	960	960
Company royalty interest	1.00%	1.00%
Net amount of sale of leases and royalty interests	$ 89,000	

Document and Entity Information	3 Months Ended	
	Nov. 30, 2012	Dec. 26, 2012
Document And Entity Information		
Entity Registrant Name	Royal Energy Resources, Inc.	
Entity Central Index Key	0001102392	
Document Type	10-Q	
Document Period End Date	Nov. 30, 2012	
Amendment Flag	false	
Current Fiscal Year End Date	--08-31	
Is Entity's Reporting Status Current?	Yes	
Entity Filer Category	Smaller Reporting Company	
Entity Common Stock, Shares Outstanding		179,527
Document Fiscal Period Focus	Q1	
Document Fiscal Year Focus	2013	

Convertible Note Payable (Details Narrative) (USD $)	0 Months Ended		3 Months Ended		88 Months Ended	
	Mar. 10, 2011	Jan. 01, 2010	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2012	Aug. 31, 2012
Debt Disclosure [Abstract]						
Loan from individual		$ 140,000			$ 164,000	
Interest of loan		15.00%				
Repayment of loan balance			80,000			
Company issued common stock to the note holder	3,900,000		4,200			
Amount has been paid on the loan						14,400
Convertible note payable			$ 65,600		$ 65,600	$ 65,600

Condensed Consolidated Statements of Operations (Unaudited) (USD $)	3 Months Ended		88 Months Ended
	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2012
Income Statement [Abstract]			
Oil and gas production			$ 29,704
Total revenues			29,704
Costs and expenses:			
Cost of leases sold			13,260
Lease operating expense			14,494
Production taxes			913
Depreciation, depletion and amortization			2,148
Asset impairment			75,164
Non-cash compensation	3,164	52,000	2,338,365
Other selling, general and administrative expense	39,992	8,432	802,255
Total costs and expenses	43,156	60,432	3,246,599
Loss from operations	(43,156)	(60,432)	(3,216,895)
Other expenses (income):			
Loss on disposition by rescission agreement on condominium			15,000
Loss on commodities trading			36,557
Interest income			(4,414)
Interest income - related party	(1,551)	(1,557)	(30,587)
Interest expense	2,699		84,377
Total other expense (income)	1,148	(1,557)	100,933
Loss before income taxes	(44,304)	(58,875)	(3,317,828)
Provision for income taxes			
Net loss	$ (44,304)	$ (58,875)	$ (3,317,828)
Net loss per share, basic and diluted	$ (0.25)	$ (0.34)	
Weighted average shares outstanding, basic and diluted	179,527	171,527	

Stock Subscription Receivable	3 Months Ended Nov. 30, 2012
Equity [Abstract]	
Stock Subscription Receivable	**6 STOCK SUBSCRIPTION RECEIVABLE**

The officers and directors of the Company and others have acquired common stock from the Company pursuant to note agreements, summarized as follows.

Name	Total Shares	Original Balance	Interest Rate	Balance 11/30/ 2012	Balance 8/31/ 2012
Jacob Roth	83,400	$ 316,650	2%	$ 281,225	$ 281,225
Frimet Taub	1,700	29,937	2%	29,937	29,937
				311,162	311,162
Accrued interest				3,675	3,094
Related party total				314,837	314,256
Debt retirement	4,200	80,000	0%	65,600	65,600
				$ 380,437	$ 379,856

Stockholders' Equity		3 Months Ended Nov. 30, 2012
Equity [Abstract]		
Stockholders' Equity	5	**STOCKHOLDERS' EQUITY**

Common stock

At November 30, 2012 and August 31, 2012, 500,000,000 common shares with a par value of $0.00001 were authorized and 179,527 shares were issued and outstanding.

Series A preferred stock

In November 2007, the Company amended its charter to authorize issuance of up to 10,000,000 shares of its $0.00001 preferred stock. The amendment became effective on December 12, 2007, upon filing with the Delaware secretary of state. In December 2007 the Company issued 100,000 shares of its Series A preferred stock to its President and Chief Executive Officer for $1,000. The certificate of designation of the Series A preferred stock provides: the holders of Series A preferred stock shall be entitled to receive dividends when, as and if declared by the board of directors of the Company; participates with common stock upon liquidation; convertible into one share of common stock; and has voting rights such that the Series A preferred stock shall have an aggregate voting right for 54% of the total shares entitled to vote.

Reverse stock split and increase in authorized shares

On August 7, 2012, the Company received approval by written consent, in lieu of a special meeting, of the holders of a majority of our outstanding voting power authorizing the Board of Directors of the Company to: (i) effectuate the reverse stock split of our issued and outstanding shares of common stock, par value $0.00001, on a 1 for 500 basis and (ii) increase the authorized shares of common stock, par value $0.00001, from 100,000,000 shares to 500,000,000 shares. The stock split was effectuated on October 1, 2012 upon filing appropriate documentation with FINRA. The increase in authorized shares was completed on October 9, 2012 when the amendment was filed with the Delaware Secretary of State. All share references included herein have been adjusted as if the change took place before the date of the earliest transaction reported.

Stock option plan

The Royal Energy Resources, Inc. 2008 Stock Option Plan ("Plan") was filed on June 27, 2008 and reserves 8,000 shares for Awards under the Plan, of which up to 6,000 may be designated as Incentive Stock Options. The Company' s Compensation Committee is designated to administer the Plan at the direction of the Board of Directors. No options are outstanding under the Plan at November 30, 2012.

Consulting and financial services agreements

The Company has entered into various consulting and financial services agreements. The cost associated with the agreements is being amortized over the period of the agreements. Amortization expense amounted to $3,164 and $52,000 in the three months ended November 30, 2012 and 2011, respectively.

Notes Payable (Details Narrative) (USD $)	3 Months Ended	
	Nov. 30, 2012	Aug. 31, 2012
Debt Disclosure [Abstract]		
Notes payable	$ 49,400	$ 49,400
Interset Rate	2.00%	

Stock Subscription Receivable (Tables)	3 Months Ended Nov. 30, 2012
Equity [Abstract]	
Schedule of Officers and Directors Acquired Common Stock	The officers and directors of the Company and others have acquired common stock from the Company pursuant to note agreements, summarized as follows.

Name	Total Shares	Original Balance	Interest Rate	Balance 11/30/ 2012	Balance 8/31/ 2012
Jacob Roth	83,400	$316,650	2%	$281,225	$281,225
Frimet Taub	1,700	29,937	2%	29,937	29,937
				311,162	311,162
Accrued interest				3,675	3,094
Related party total				314,837	314,256
Debt retirement	4,200	80,000	0%	65,600	65,600
				$380,437	$379,856

Related Party Transactions		3 Months Ended Nov. 30, 2012
Related Party Transactions [Abstract]		
Related Party Transactions	**7**	**RELATED PARTY TRANSACTIONS** The President and Chief Executive Officer of the Company was paid approximately $400 and $1,570 for office and travel expense reimbursements during the three month periods ended November 30, 2012 and 2011, respectively. The President and Chief Executive Officer of the Company made a loan to the Company of $8,132 during 2012. The loan is due on demand and is non-interest bearing. See Note 6 above regarding stock transactions and stock subscription receivables.

Organization and Summary of Significant Accounting Policies (Policies)	3 Months Ended
	Nov. 30, 2012

Accounting Policies [Abstract]

Basis of Presentation

Basis of presentation

These consolidated financial statements include the accounts of Royal Energy Resources, Inc. ("RER") (formerly known as World Marketing, Inc. ("WMI") and its wholly owned subsidiary S.C. Golden Carpathan Resources S.R.L. ("SCGCR"), a Romanian corporation. RER and SCGCR are development stage enterprises within the meaning of Financial Accounting Standards Board Topic 915. All significant intercompany balances and transactions have been eliminated in consolidation. SCGCR has not had any operations as of November 30, 2012.

RER was organized in 1999 and attempted to start a web-based marketing business for health-care products. The health-care products business had no revenue and was discontinued in 2001 and the Company remained inactive until July 22, 2005 when it commenced its real estate business. Accordingly, the current development stage has a commencement date of July 22, 2005 and all prior losses of $28,995 have been transferred to accumulated deficit.

The condensed consolidated financial statements included in this report have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission for interim reporting and include all adjustments (consisting only of normal recurring adjustments) that are, in the opinion of management, necessary for a fair presentation. These condensed consolidated financial statements have not been audited.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to such rules and regulations for interim reporting. The Company believes that the disclosures contained herein are adequate to make the information presented not misleading. However, these condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company' s Annual Report for the year ended August 31, 2012.

In preparing the accompanying unaudited condensed consolidated financial statements, the Company has reviewed, as determined necessary by the Company' s management, events that have occurred after November 30, 2012, up until the issuance of the financial statements.

Organization and Nature of Business

Organization and nature of business

RER is a Delaware corporation which was incorporated on March 22, 1999, under the name Webmarketing, Inc. ("Webmarketing"). On July 7, 2004, the Company revived its charter and changed its name from Webmarketing to World Marketing, Inc. In December 2007 the Company changed its name to Royal Energy Resources, Inc.

The Company is currently pursuing gold, silver, copper and rare earth metals mining concessions in Romania, Bulgaria and Canada and mining leases in the United States. If successful, the Company plans to concentrate its efforts to develop these properties.

On April 1, 2011, the Company, through its CEO completed the initial stages of forming a Romanian subsidiary to be used to acquire and develop possible gold, silver and copper mining concessions in Romania. The subsidiary, S.C. Golden Carpathan Resources S.R.L., is located in Bucharest, Romania.

Commencing at the end of August 2006, the Company began acquiring oil and gas and uranium leases and has since resold some of its leases and retained an overriding royalty interest. During the last half of fiscal 2008, the Company invested in three oil & gas drilling prospects in Washington County, Oklahoma, and had advanced additional funds to participate in re-works of three wells. Two wells began initial sales in November 2008. All workover attempts were unsuccessful and these properties were abandoned during fiscal 2010. All proven properties were sold effective October 1, 2010.

On July 22, 2005, the Company began selling its common stock to obtain the funds necessary to begin implementation of its new business plan. The primary objective of the new business plan was to acquire, make necessary renovations and resell both residential and commercial real estate. The Company expected to acquire real estate using cash, mortgage financing or its common stock, or any combination thereof, and anticipated that the majority of the properties acquired would be in the New York City area. The Company rescinded the purchase of the real estate property it had previously acquired during the quarter ended May 31, 2008 and currently is limiting any potential real estate acquisitions to Eastern European countries, due to the current real estate environment in the United States.

Webmarketing attempted to establish a web-based marketing business for health care products from its inception in 1999 until 2001. However, the Company did not establish any revenues and discontinued these operations in 2001.

Going Concern

Going Concern

The Company has not established sources of revenues sufficient to fund the development of business, projected operating expenses and commitments for the next year. The Company, which has been in the development stage since its initial incorporation, March 22, 1999, has accumulated a net loss of $3,346,823 ($28,995 in a prior development stage) through November 30, 2012, and incurred a loss of $44,304 for the three months then ended.

The Company is currently attempting to secure financing in Europe for $5 to $10 million during the next eighteen months. This funding would be used primarily for development of rare earth and precious metals leases in the United States and Eastern Europe, for purchase of energy and mining leases and other corporate requirements. There can be no assurance that the Company will be able to complete this financing.

RER was organized in 1999 and attempted to start a web-based marketing business for health-care products. The health-care products business had no revenue and was discontinued in 2001 and the Company remained inactive until July 22, 2005 when it commenced its real estate business. Accordingly, the current development stage has a commencement date of July 22, 2005 and all prior losses of $28,995 have been transferred to accumulated deficit.

In March 2006, the Company sold 650,000 shares of its common stock for $65,000 to provide a portion of the cash required to purchase its first real estate investment. Subsequently, the Company continued to sell its common stock to raise capital to continue operations. During 2008, the Company revised its business plan, rescinded its real estate purchase and began investing in mining and energy leases and oil and gas drilling prospects. However, the mining and energy businesses have a high degree of risk and there can be no assurance that the Company will be able to obtain sufficient funding to develop the Company' s current business plan.

Investments in the Company' s common stock involve a high degree of risk and could result in a total loss of the investment.

Cash

Revenue Recognition

Stock Option Plans

Property and Equipment

Cash

The Company maintains cash balances at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. The Company' s accounts at these institutions may, at times, exceed the federally insured limits. The Company has not experienced any losses in such accounts.

Revenue recognition

Revenue from the sale of oil and gas leases is recognized in accordance with the provisions of full cost accounting.

Oil and gas production income will be recognized when the product is delivered to the purchaser. We will receive payment from one to three months after delivery. At the end of each month, we will estimate the amount of production delivered to purchasers and the price we will receive. Variances between our estimated revenue and actual payment are recorded in the month the payment is received; however, differences should be insignificant.

Stock option plans

The compensation cost relating to share-based payment transactions (including the cost of all employee stock options) is required to be recognized in the financial statements. That cost will be measured based on the estimated fair value of the equity or liability instruments issued. The accounting literature covers a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company' s options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management' s opinion, the existing models may not necessarily provide a reliable single measure of the fair value of its options. However, the Black-Scholes option valuation model provides the best available estimate for this purpose.

Property and equipment

The Company follows the full cost method of accounting for oil and natural gas operations. Under this method all productive and nonproductive costs incurred in connection with the acquisition, exploration and development of oil and natural gas reserves are capitalized. No gains or losses are recognized upon the sale or other disposition of oil and natural gas properties except in transactions that would significantly alter the relationship between capitalized costs and proved reserves. The costs of unevaluated oil and natural gas properties are excluded from the amortizable base until the time that either proven reserves are found or it has determined that such properties are impaired. At November 30, 2012 and August 31, 2012, the Company had no unproved property costs that had not been evaluated and were being amortized. As properties are evaluated, the related costs would be transferred to proven oil and natural gas properties using full cost accounting. No amortization was recorded during the three months ended November 30, 2012 or 2011.

Under the full cost method the net book value of oil and natural gas properties, less related deferred income taxes, may not exceed the estimated after-tax future net revenues from proved oil and natural gas properties, discounted at 10% (the "Ceiling Limitation"). In arriving at estimated future net revenues, estimated lease operating expenses, development costs, and certain production-related taxes are deducted. In calculating future net revenues, prices and costs in effect at the time of the calculation are held constant indefinitely, except for changes that are fixed and determinable by existing contracts. The net book value is compared to the ceiling limitation on a quarterly and yearly basis. The excess, if any, of the net book value above the ceiling limitation is charged to expense in the period in which it occurs and is not subsequently reinstated. The Company does not currently have any properties which are being evaluated.

The Company assesses the recoverability of the carrying value of its non-oil and gas long-lived assets when events occur that indicate an impairment in value may exist. An impairment loss is indicated if the sum of the expected undiscounted future net cash flows is less than the carrying amount of the assets. If this occurs, an impairment loss is recognized for the amount by which the carrying amount of the assets exceeds the estimated fair value of the asset. No impairments of non-oil and gas long-lived assets have been recorded as of November 30, 2012.

Depreciation and Amortization

Depreciation and amortization

All capitalized costs of oil and natural gas properties and equipment, including the estimated future costs to develop proved reserves, are amortized using the unit-of-production method based on total proved reserves. Depreciation of other equipment is computed on the straight line method over the estimated useful lives of the assets, which range from three to twenty-five years.

Natural Gas Sales and Gas Imbalances

Natural gas sales and gas imbalances

The Company follows the entitlement method of accounting for natural gas sales, recognizing as revenues only its net interest share of all production sold. Any amount attributable to the sale of production in excess of or less than the Company' s net interest is recorded as a gas balancing asset or liability. At November 30, 2012 and August 31, 2012, there were no natural gas imbalances.

Oil and Natural Gas Reserve Estimates

Oil and natural gas reserve estimates

The Company prepared its oil and natural gas reserves with the assistance of a consultant when it had proved reserves. Proved reserves, estimated future net revenues and the present value of our reserves are estimated based upon a combination of historical data and estimates of future activity. The reserve estimates are used in calculating depletion, depreciation and amortization and in the assessment of the Company' s Ceiling Limitation. Significant assumptions are required in the valuation of proved oil and natural gas reserves which, as described herein, may affect the amount at which oil and natural gas properties are recorded. Actual results could differ materially from these estimates.

Deferred Income Taxes

Deferred income taxes

Deferred income taxes are provided for temporary differences between financial and tax reporting in accordance with the liability method. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets unless management believes it is more likely than not that such asset will be realized.

Earnings (Loss) Per Common Share

Earnings (loss) per common share

RER is required to report both basic earnings per share, which is based on the weighted-average number of common shares outstanding, and diluted earnings per share, which is based on the weighted-average number of common shares outstanding plus all potential dilutive shares outstanding. At November 30, 2012 and 2011, there were no potentially dilutive common stock equivalents. Accordingly, basic and diluted earnings per share are the same for all periods presented.

Use of Estimates in the Preparation of Financial Statements

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Credit Risk

Credit risk

The Company had cash deposits in certain banks that at times exceeded the maximum insured by the Federal Deposit Insurance Corporation. The Company monitors the financial condition of the banks and has experienced no losses on these accounts.

Contingencies

Contingencies

Certain conditions may exist as of the date financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. Company management and its legal counsel assess such contingencies related to legal proceeding that are pending against the Company or unasserted claims that may result in such proceedings, the Company' s legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. If the assessment of a contingency indicates that it is probably that a liability has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company' s financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or if probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable would be disclosed.

Asset Retirement Obligations

Asset retirement obligations

The fair value of a liability for an asset retirement obligation is required to be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made, and that the associated retirement costs be capitalized as part of the carrying amount of the long-lived asset. The Company determines its asset retirement obligation by calculating the present value of the estimated cash flows related to the liability. Periodic accretion of the discount of the estimated liability would be recorded in the statement of operations. At November 30, 2012 and August 31, 2012, the Company had no working interests from which they would have had a plugging or abandoning liability.

Recent Accounting Pronouncements

Recent accounting pronouncements

There are several new accounting pronouncements issued by the Financial Accounting Standards Board ("FASB") which are not yet effective. Each of these pronouncements, as applicable, has been or will be adopted by the Company. As of December 31, 2012, none of these pronouncements is expected to have a material effect on the financial position, results of operations or cash flows of the Company.

Fair Value Determination

Fair value determination

Financial instruments consist of cash, marketable securities, promissory notes receivable, accounts payable, accrued expenses and short-term borrowings. The carrying amount of these financial instruments approximates fair value due to their short-term nature or the current rates at which the Company could borrow funds with similar remaining maturities.

Fiscal Years

Fiscal years

Fiscal 2013 refers to the periods ending in the fiscal year ending August 31, 2013, fiscal 2012 refers to the periods ended in the fiscal year ending August 31, 2012 and fiscal 2011 refers to the periods ended in the fiscal year ended August 31, 2011.

Organization and Summary of Significant Accounting Policies (Details Narrative) (USD $)	1 Months Ended		3 Months Ended			12 Months Ended						88 Months Ended	
	Mar. 31, 2006	Aug. 31, 2005	Nov. 30, 2012	Nov. 30, 2011	Aug. 31, 2012	Aug. 31, 2011	Aug. 31, 2010	Aug. 31, 2009	Aug. 31, 2008	Aug. 31, 2007	Aug. 31, 2006	Nov. 30, 2012	Jul. 21, 2005
Accumulated deficit during development stage													$ 28,995
Deficit accumulated during the development stage			3,346,823		3,302,519							3,346,823	
Net loss		7,739	44,304	58,875	126,252	270,417	501,055	1,723,711	467,712	95,813	80,825	3,317,828	
Sale of common stock for cash	65,000	32,000			7,500			3,600	413,172	80,070	120,500		
Sale of common stock for cash, shares	650,000												
Federal Deposit Insurance Corporation insured amount			250,000									250,000	
Net revenues from proved oil and natural gas properties, discounted rate			10.00%									10.00%	
Minimum [Member]													
Company is currently attempting to secure financing amount in Europe			5,000,000										
Maximum [Member]													
Company is currently attempting to secure financing amount in Europe			$ 10,000,000										

Stock Subscription Receivable - Schedule of Officers and Directors Acquired Common Stock (Details) (USD $)	0 Months Ended	3 Months Ended	
	Mar. 10, 2011	Nov. 30, 2012	Aug. 31, 2012
Balance		$ 311,162	$ 311,162
Accrued interest		3,675	3,094
Related party total		314,837	314,256
Debt retirement		65,600	65,600
Common stock subscription receivable		380,437	379,856
Debt retirement, Shares	3,900,000	4,200	
Debt retirement, Original Balance		80,000	
Debt retirement interest rate		0.00%	
Jacob Roth [Member]			
Shares		83,400	
Original Balance		316,650	
Interest Rate		2.00%	
Balance		281,225	281,225
Frimet Taub [Member]			
Shares		1,700	
Original Balance		29,937	
Interest Rate		2.00%	
Balance		$ 29,937	$ 29,937

Statements of Consolidated Stockholders' Deficit (USD $)	Preferred Stock [Member]	Common Stock [Member]	Additional Paid-In Capital [Member]	Subscription Receivable [Member]	Deferred Expenses [Member]	Accumulated Deficit [Member]	Deficit Accumulated During Development Stage [Member]	Total
Balance at Jul. 21, 2005		$ 59	$ 22,426			$ (28,995)		$ (6,510)
Balance, shares at Jul. 21, 2005		5,930,300						
Sale of common stock for cash		3	31,997					32,000
Sale of common stock for cash, shares		320,000						
Common stock issued for real estate investment		19	189,981					190,000
Common stock issued for real estate investment, shares		1,900,000						
Contribution to capital			6,560					6,560
Stock subscription receivable:								
Net loss							(7,739)	(7,739)
Balance at Aug. 31, 2005		81	250,964			(28,995)	(7,739)	214,311
Balance, shares at Aug. 31, 2005		8,150,300						
Sale of common stock for cash		12	120,488					120,500
Sale of common stock for cash, shares		1,086,667						
Stock subscription receivable:								
Net loss							(80,825)	(80,825)
Balance at Aug. 31, 2006		93	371,452			(28,995)	(88,564)	253,986
Balance, shares at Aug. 31, 2006		9,236,967						
Sale of common stock for cash		46	161,614	(81,590)				80,070
Sale of common stock for cash, shares		4,670,060						
Stock subscription receivable:								
Net loss							(95,813)	(95,813)
Balance at Aug. 31, 2007		139	533,066	(81,590)		(28,995)	(184,377)	238,243
Balance, shares at Aug. 31, 2007		13,907,027						
Sale of common stock for cash		23	413,149					413,172
Sale of common stock for cash, shares		2,295,704						
Sale of preferred stock	1		999					1,000
Sale of preferred stock, shares	100,000							
Common stock issued for:								
Consulting contracts		30	977,745		(977,775)			
Consulting contracts, shares		2,965,000						
Cash portion of consulting contracts					(85,000)			(85,000)

Rescission of real estate purchase		(19)	(199,981)					(200,000)
Rescission of real estate purchase, shares		(1,900,000)						
Amortization of prepaid consulting contracts:								
Non-cash portion					338,547			338,547
Cash portion					43,529			43,529
Stock subscription receivable:								
Payments received				13,400				13,400
Interest accrued				(3,902)				(3,902)
Net loss							(467,712)	(467,712)
Balance at Aug. 31, 2008	1	173	1,724,978	(72,092)	(680,699)	(28,995)	(652,089)	291,277
Balance, shares at Aug. 31, 2008	100,000	17,267,731						
Sale of common stock for cash			3,600					3,600
Sale of common stock for cash, shares		20,000						
Common stock issued for:								
Consulting contracts		36	887,403		(887,439)			
Consulting contracts, shares		3,551,000						
Cash portion of consulting contracts					(40,901)			(40,901)
Amortization of prepaid consulting contracts:								
Non-cash portion					1,252,861			1,252,861
Cash portion					82,371			82,371
Stock subscription receivable:								
Sold		15	263,485	(77,500)				186,000
Sold, shares		1,550,000						
Payments received				1,168				1,168
Interest accrued				(3,545)				(3,545)
Net loss							(1,723,711)	(1,723,711)
Balance at Aug. 31, 2009	1	224	2,879,466	(151,969)	(273,807)	(28,995)	(2,375,800)	49,120
Balance, shares at Aug. 31, 2009	100,000	22,388,731						
Common stock issued for:								
Consulting contracts			81,500		(81,500)			
Consulting contracts, shares		5,050						
Drilling program participation			6,000					6,000
Drilling program participation, shares		200						
Loan and extension fee			14,000					14,000
Loan and extension fee, shares		1,400						
Beneficial conversion feature of convertible debt			2,100					2,100
Amortization of prepaid consulting contracts:								
Non-cash portion					326,498			326,498
Stock subscription receivable:								

Sold			285,000	(285,000)				
Sold, shares		28,000						
Payments received				21,239				21,239
Interest accrued				(6,610)				(6,610)
Net loss							(501,055)	(501,055)
Balance at Aug. 31, 2010	1	1	3,268,289	(422,340)	(28,809)	(28,995)	(2,876,855)	(88,708)
Balance, shares at Aug. 31, 2010	100,000	79,427						
Common stock issued for:								
Consulting contracts			20,000		(20,000)			
Consulting contracts, shares		4,000						
Loan and extension fee			178,500		(156,000)			22,500
Loan and extension fee, shares		10,800						
Beneficial conversion feature of convertible debt			9,000					9,000
Stock subscription receivable:								
Sold		1	171,999	(172,000)				
Sold, shares		86,000						
Cancelled			(147,336)	147,336				
Cancelled, shares		(8,500)						
Payments received				58,477				58,477
Interest accrued				(8,727)				(8,727)
Common stock cancelled for rescinded drilling program								
Common stock cancelled for rescinded drilling program, shares		(200)						
Amortization of deferred expense					152,809			152,809
Net loss							(270,417)	(270,417)
Balance at Aug. 31, 2011	1	2	3,500,452	(397,254)	(52,000)	(28,995)	(3,147,272)	(125,066)
Balance, shares at Aug. 31, 2011	100,000	171,527						
Sale of common stock for cash			7,500					7,500
Sale of common stock for cash, shares		6,000						
Common stock issued for:								
Consulting contracts			2,500		(2,500)			
Consulting contracts, shares		2,000						
Stock subscription receivable:								
Payments received				23,650				23,650
Interest accrued				(6,252)				(6,252)
Amortization of deferred expense					52,536			52,536
Net loss							(126,252)	(126,252)
Balance at Aug. 31, 2012	1	2	3,510,452	(379,856)	(1,964)	(28,995)	(3,273,524)	(173,884)
Balance, shares at Aug. 31, 2012	100,000	179,527						
Common stock issued for:								
Consulting contracts								3,164

Stock subscription receivable:								
Payments received				970				970
Interest accrued				(1,551)				(1,551)
Amortization of deferred expense					1,964			1,964
Net loss							(44,304)	(44,304)
Balance at Nov. 30, 2012	$ 1	$ 2	$ 3,510,452	$ (380,437)		$ (28,995)	$ (3,317,828)	$ (216,805)
Balance, shares at Nov. 30, 2012	100,000	179,527						

Notes Payable		3 Months Ended Nov. 30, 2012
Debt Disclosure [Abstract]		
Notes Payable	**4**	**NOTES PAYABLE** Effective September 1, 2011, the Company exchanged accounts payable in the amount of $49,400 for promissory notes in the same amount. The notes bear interest at the rate of 2% per annum and were due October 1, 2011. The notes are past due.

Stockholders' Equity (Details Narrative) (USD $)	0 Months Ended		3 Months Ended		88 Months Ended						
	Aug. 07, 2012	Dec. 31, 2007	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2012	Aug. 31, 2012	Nov. 30, 2007	Dec. 31, 2007 President And Chief Executive Officer [Member]	Jun. 27, 2008 2008 Stock Option Plan [Member]	Aug. 07, 2012 Minimum [Member]	Aug. 07, 2012 Maximum [Member]
Common stock, shares authorized			500,000,000		500,000,000	500,000,000				100,000,000	500,000,000
Common stock, par value	$ 0.00001		$ 0.00001		$ 0.00001	$ 0.00001					
Common stock, shares issued			179,527		179,527	179,527					
Common stock, shares outstanding			179,527		179,527	179,527					
Preferred stock, shares authorized			10,000,000		10,000,000	10,000,000	10,000,000				
Preferred stock, par value			$ 0.00001		$ 0.00001	$ 0.00001	$ 0.00001				
Series A Preferred stock, shares issued			100,000		100,000	100,000		100,000			
Series A Preferred stock, value			$ 1		$ 1	$ 1		$ 1,000			
Series A Preferred stock voting rights		54.00%									
Reverse stock split	1 for 500 basis										
Stock option plan awards, shares in reserve									8,000		
Incentive stock options shares									6,000		
Amortization expense of consulting and financial services agreements			$ 3,164	$ 52,000	$ 2,338,365						