AMERICAN VANADIUM CORP.
(Formerly Rocky Mountain Resources Corp.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FEBRUARY 28, 2011

Background

This discussion and analysis of financial position and results of operation for American Vanadium Corp. (the "Company" or "American Vanadium") is prepared as at June 6, 2011 and should be read in conjunction with the February 28, 2011 audited consolidated financial statements and related notes. Those financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Except as otherwise disclosed, all dollar figures included therein and in the following Management's Discussion and Analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Company Overview

The Company is a junior mining company whose main focus is the development of its Gibellini Project, located in Eureka County, Nevada. The Company's head office is located in Vancouver, Canada. In January 2011, the Company changed its name to American Vanadium Corp. The Company's shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "AVC".

Gibellini Project, Eureka County, Nevada

In October 2008, AMEC of Sparks, Nevada produced a Scoping Study covering the Vanadium Hill deposit on the Gibellini Project. The economic projections for the preferred scenarios for the production of 79.6 million pounds of V205 were an IRR of 27% for the mining and processing of 2 million tons per year, and an IRR of 40% for mining and processing 3 million tons per year.

In June, 2010, the Company initiated a bulk sampling program, comprised of the collection of samples from both oxide, and transition vanadium zones from four different trenches on the project, and a diamond drill program which was two-phased. In July, 2010, the Company completed the first phase of diamond drilling which obtained samples from 500 feet of core from each metallurgical types across six holes for a comprehensive metallurgical testing program. The second phase of diamond drilling, completed in August, 2010, obtained geotechnical data that will provide information for design of the open pit, waste dump and access road designs.

The samples from the trenching and drilling programs are being used in a metallurgical testing program that is building on historical metallurgical data and the AMEC Scoping Study to optimize the leaching process. This program will optimize sulfuric acid leach recovery/consumption, develop a custom bottle roll procedure and further improve recovery of vanadium extraction at the Gibellini Hill deposit. Column tests are being performed to test composite samples taken from the new trenches. The metallurgical program will directly support the feasibility study by further verifying ore body data, optimizing the vanadium pentoxide production process, and determining the degree of crushing required.

On September 9, 2010, the Company announced that it initiated a Feasibility Study of its Gibellini Project. AMEC of Sparks, Nevada has been engaged by the Company to complete the study. The Feasibility Study will build on the positive Scoping Study and Preliminary Economic Assessment prepared for the Company by AMEC in 2008. The unique disseminated, sedimentary deposit at Gibellini Hill allows for simple, sulphuric acid heap leach processing. The Scoping Study proposed an open pit operation with a strip ratio of 0.2 (1 waste: 5 ore). The deposit consists of a NI 43-101 Compliant Resource (NI 43-101 Technical Report, Gibellini Vanadium Project, Nevada, USA by Hanson, Wakefield, Orbock, and Rust, October 8, 2008) of 18 million tons Indicated at a grade of 0.339% vanadium pentoxide and an additional 2.8 million tons Inferred grading 0.282% vanadium pentoxide.

In the period from September 1, 2010 to December 31, 2010, the Company completed a number of projects aimed at collecting information to be used for the Feasibility Study:

- reverse circulation drilling campaign aimed at twinning historic drilling to provide further information for the ore resource/reserve estimation
- reverse circulation drilling for pit limit definition
- reverse circulation condemnation drilling
- a geotechnical core drilling program to collect data for the design of waste rock dumps, access roads, the open pit and the leach pad
- hydrologic testing and water well development
- metallurgical testing of the different ore types

Enviroscientists, Inc. of Reno, Nevada has collected, or is currently collecting, the baseline data for the environmental permitting process. This includes field studies and laboratory work for cultural, biological, spring/riparian and waste rock characterization.

On September 29, 2010 the Company announced the acquisition of the Del Rio Property, a new vanadium project located approximately eight miles south of the Gibellini Project. The Company discovered the extensive, vanadium-bearing shale exposure at the surface. The Company holds 100% ownership in the property with no royalty burden by staking 120 unpatented lode claims (2,400 acres) on BLM administered lands. The work program to the end of 2010 at the Del Rio Property completed geologic mapping and conduct geologic sampling on the four square mile claim block. This work identified vanadium bearing shale exposed at surface on the Del Rio

Property which is mineralized over 1800 feet (550m) of strike and 1200 feet (360 m) of width. Five trenches were sampled in this target area. Mapping identified that all zones were oxidized with mineralogy that suggests targets on the Del Rio project has potential for an enriched vanadium zone at depth. The oxidized zone had similar grades to the Gibellini deposit with one area containing over 1 % vanadium pentoxide at the surface. Drill testing of the Del Rio project is planned in 2011. A smaller vanadium prospect called the Hot Creek project was also acquired by staking 18 claims south of the Del Rio Project with vanadium bearing shale, similar in geologic setting to Gibellini. This prospect will be explored along with the Del Rio property.

At a Special Meeting held on December 24, 2010, the shareholders approved the change of name from Rocky Mountain Resources Corp. to “American Vanadium Corp.”. In early January, the legal name change to “American Vanadium Corp.” was completed and the Company continued trading on the TSX Venture Exchange under its new stock symbol ”AVC” effective at the open of the markets on January 5, 2011.

On February 10, 2011, the Company announced that Mike Doyle of Sparks, Nevada had been appointed as Executive Vice President, Operations to develop the Company’s Gibellini Vanadium Project. Mr. Doyle will direct the mining planning, construction management, environmental permitting and resource expansion programs. Most recently, Mr. Doyle had been Executive Vice President Operations at Allied Nevada Gold where he was instrumental in the evaluation, permitting and production of the Hycroft open pit heap leach mine. Previously, he was Senior Vice President Operations at Kinross Gold Inc. and VP and General Manager of Round Mountain Gold Corporation, a Barrick-Kinross Joint Venture

On March 22, 2011, the Company completed a brokered private placement with Dundee Securities Ltd., Byron Capital Markets Ltd. and Casimir Capital Ltd. as the agents. 2,770,250 units were issued at a price of $1.35 per unit, with each unit consisting of one common share and one-half of one transferable common share purchase warrant, for gross proceeds to the Company of $3,739,837. Each warrant entitles the holder thereof to purchase one common share at an exercise price of $1.95 per common share until September 22, 2012. A cash commission equal to 7% of the gross proceeds of the Offering was paid to the agents. In addition, the agents were issued agents’ warrants equal to 7% of the number of units issued with each agents’ warrant entitling the holder to purchase one common share at an exercise price of $1.35 until March 22, 2012. All securities issued in connection with the offering are subject to a four-month hold period, expiring July 23, 2011.

The above information has been reviewed and approved by Alan Branham, is a member of the American Institute of Professional Geologists (CPG#10979), is a Certified Professional Geologist, and is a “qualified person” as that term is defined in National Instrument 43-101.

Financial Review

American Vanadium is a mineral exploration company. It does not have any operating revenues. It is the Company’s accounting policy to expense exploration and development expenditures incurred prior to the determination of the feasibility of mining operations. Mineral property acquisition costs, which include option payments, are capitalized to the property.

Financial Data for Past Three Years
($, except per share data)

	Fiscal Year Ended		
	February 28, 2011	**February 28, 2010**	**February 28, 2009**
	$	**$**	**$**
Balance Sheet:			
Total assets	3,388,505	4,845,945	1,113,457
Total long-term liabilities	-	-	-
Operations:			
Exploration expenditures	2,768,146	75,808	1,300,610
Administrative costs			
General	865,503	392,548	875,446
Stock-based compensation	304,727	263,298	164,858
(Gain) loss on disposal of mineral properties	-	(3,698,631)	64,467
(Gain) on sale of short-term investments	(888,009)	-	-
Interest income	(5,552)	(290)	(24,088)
Other items	111,775	15,985	(87,215)
Income taxes (recovery)	(175,306)	521,117	-
(Income) loss for the year	2,981,284	(2,430,165)	2,294,078
Basic and diluted (earnings) loss per share	0.16	(0.15)	0.16
Dividends per share	-	-	-

Fiscal year ended February 28, 2009: In March 2008, the Company hired a full time President and opened an office in Reno, Nevada. In October 2008 a second individual was hired to manage business development. Exploration activity concentrated on the Paris Hills property and the Gibellini property.

Fiscal year ended February 28, 2010: The collapse of the equity markets during the fall of 2008 and extending into the spring and summer of 2009 made it difficult for the Company to arrange equity funding for its planned activities for the fiscal period ending February 28, 2010. The Company completed a small private placement for $613,700 in March 2009, which covered essential costs but it was necessary to significantly cut back on exploration and administrative expenditures. Various staff members were laid off and the Company's president resigned. In November 2009, the Company completed the sale of its Paris Hill phosphate property in exchange for $1,000,000 cash and 6 million shares of Stonegate AgricomLtd. ("Stonegate"). In January 2010, a new president was hired and in February 2010, the Company completed a second private placement for $360,000.

Fiscal year ended February 28, 2011: The Company sold its shares of Stonegate for proceeds of $3,888,009, recording a gain on sale of $888,009. Receipt of these proceeds provided the Company with sufficient working capital to rehire staff and to re-commence exploration work. Spending on exploration activities increased significantly as the Company concentrated on developing its Gibellini property and commenced work on a feasibility study. Administrative spending increased as well, notably in the areas of investor relations and travel.

Results of Operations including Fourth Quarter Results

The following table sets forth selected data for the periods indicated:

	Three Months Ended February 28,		Year Ended February 28,	
	2011	2010	2011	2010
Exploration expenditures	$1,303,304	$ 8,380	$ 2,768,146	$ 75,808
General expenses:				
Consulting	6,596	1,393	45,918	1,393
Investor relations and shareholder information	116,556	941	236,110	4,618
Office facilities and administrative services	27,982	25,604	104,882	80,257
Professional fees	42,322	36,520	84,511	66,316
Salaries and benefits	90,090	9,138	216,780	169,115
Stock-based compensation	200,741	252,767	304,727	263,298
Transfer agent, listing and filing fees	12,425	5,932	24,504	19,101
Travel	20,131	1,471	90,697	16,839
Other	12,382	3,540	62,101	34,909
	529,225	337,306	1,170,230	655,846
Loss before other items	(1,832,529)	(345,686)	(3,938,376)	(731,654)
Interest income	1,677	12	5,552	290
Foreign exchange	(88,619)	10,572	(111,775)	4,139
Gain (loss) on disposal of mineral property	-	-	-	3,698,631
Loss on disposal of equipment	-	403	-	(20,124)
Gain on sale of short-term investments	-	-	888,009	-
Income (loss) before income taxes	(1,919,471)	(334,699)	(3,156,590)	2,951,282
Current income taxes (recovery)	175,306	86,117	175,306	521,117
Income (loss) for the period	$ (1,744,165)	$ (420,816)	$ (2,981,284)	$ 2,430,165

The Company recorded net loss for the year ended February 28, 2011 of $2,981,284 compared to net income of $2,430,165 for the year ended February 28, 2010. During fiscal 2010, exploration activity and administrative spending was curtailed due to the lack of operating funds and the inability to arrange equity financing at a reasonable price. The Company arranged for the sale of its Paris Hills phosphate property in November 2009 to Stonegate and it recorded a gain on sale of approximately $3,700,000. Income from this transaction was the reason for the profitable operating results for fiscal 2010.

During fiscal 2011, the Company sold the 6 million shares of Stonegate, recording a gain on sale of $888,009. Using proceeds from the sale of the Paris Hills property, the Company embarked on an ambitious exploration program for its Gibellini property. Year over year exploration spending rose from $75,808 to $2,768,146. With this increase in corporate activity, all categories of administrative spending also increased. New staff was hired and considerable time, effort and funds were devoted to attending trade shows, investor symposiums and investor relations in general in an effort to educate investors about the uses of vanadium and the activities of the Company.

Fourth Quarter Results: The Company recorded a loss of $1,744,165 for the three months ended February 28, 2011 compared with a loss of $420,816 for the same period in 2010. For the reasons discussed above, the Company incurred significantly higher mineral exploration expenditures and investor relations expenses during the fourth quarter.

Financial Condition, Liquidity and Capital Resources

As at February 28, 2011, the Company's working capital was $1,491,853 (including cash of $1,953,402) compared to working capital of $3,515,200 as at February 28, 2010.

During the year, the Company received approximately $920,000 from exercise of warrants and stock options. Subsequent to February 28, 2011the Company completed a private placement of 2,770,250 units ("Units") issued at a price of $1.35 per Unit, with each Unit consisting of one common share and one-half of one transferable common share purchase warrant, for gross proceeds to the Company of $3,739,838. See Note 16 to the February 28, 2011 annual financial statements for additional detail about this financing.

The Company has sufficient cash resources to cover administrative costs and property option payments for the coming year. However additional funds will be required to cover exploration, development and a feasibility study on the Gibellini property. Possible funding sources include exercise of warrants and stock options and equity financing. Although the Company has been successful with its equity financings in the past, there is no assurance that future financings will be successful.

As of June 6, 2011, there were 2,745,709 outstanding warrants, exercisable into common shares from $0.40 to $1.95 per share. Approximately 40% of these warrants expire on August 26, 2011 and the balance will expire on March 24, 2012 and September 24, 2012. In addition, there are currently 2,162,500 stock options outstanding of which 1,340,833 are currently vested and "in the money".

Summary of Quarterly Results:

	Mineral Exploration ($)	General Expenses ($)	Stock-based Compensation ($)	Interest Income ($)	Net (Income) Loss ($)	Basic & Diluted (Income) Loss Per Share ($)
Q4 – February 28, 2011	1,303,304	328,484	200,741	(1,677)	1,744,165	0.09
Q3 – November 30, 2010	858,870	235,415	41,418	(2,580)	1,198,747	0.06
Q2 – August 31, 2010	518,620	185,958	32,119	(1,288)	827,129	0.05
Q1 – May 31, 2010	87,352	115,646	30,449	(7)	(788,757)	(0.04)
Q4 – February 28, 2010	8,380	84,539	252,767	(12)	420,816	0.03
Q3 – November 30, 2009	6,013	43,982	(42,464)	(9)	(3,677,337)	(0.19)
Q2 – August 31, 2009	29,686	107,918	29,238	(136)	168,701	0.01
Q1 – May 31, 2009	31,729	155,301	23,757	(133)	222,655	0.01

Explanatory Notes:

1. The Company earns interest income from funds on deposit but has no operating revenue. Interest income is dependent upon the amount of funds on deposit and interest rates paid.

2. In November 2009, the Company sold its interest in the Paris Hills Phosphate/Vanadium Property, located in Bear Lake County in Idaho, USA for gross cash consideration of $1,000,000 and 6,000,000 shares of StonegateAgricom Ltd. valued at $0.50 per share, resulting in a gain of $3,698,631.

3. The Company reduced mineral exploration expenses and administrative expenses commencing Q1 – May 31, 2009 and for the succeeding three quarters to preserve cash resources. Using funds from the sale of the Paris Hills property, the Company hired a new president in January 2010 and commenced an aggressive exploration and development program on its Gibellini property. The general administrative costs of running the Company increased as the level of mineral exploration activity increased.

4. Stock-based compensation costs are a non-cash expense and represent an estimate of the fair value of stock options granted. The recovery of stock-based compensation costs in Q3 – November 30, 2009 is due to termination of unvested stock options held by the former president of the Company.

Transactions with Related Parties

The Company paid Ionic Management Corp. (“Ionic”), a company related by virtue of one director and two officers in common, a fee of $48,000 ($4,000 per month) for accounting and various administrative office services provided in Canada. In addition, the Company reimburses Ionic for out of pocket direct costs incurred on behalf of the Company. Such costs include travel, postage, courier charges, printing and long distance telephone charges.

Amounts were paid or accrued to William Radvak, an officer of the Company, for salaries and wages of $125,000. The Company also paid or accrued to Alan Branham, a director of the Company, for consulting fees of $29,125.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Changes in Accounting Policies Including Initial Adoption

The Company did not change or adopt any new accounting policies during the year ended February 28, 2011. Future changes to accounting policies are discussed under the section "Transition to International Financial Reporting Standards" herein.

Transition to International Financial Reporting Standards ("IFRS")

In February 2008, the Accounting Standards Board of the CICA confirmed that International Financial Reporting Standards ("IFRS") will replace Canadian GAAP for publicly accountable enterprises for the fiscal years beginning on or after January 1, 2011.

The Company has developed an IFRS transition plan to ensure that its financial statements will comply with IFRS, and to assess the impact of IFRS on its internal controls and financial reporting systems. The transition plan incorporates two broad stages: assessing the impact of IFRS on accounting policies and financial reporting, and assessing the impact on the Company's business processes.

1. Impact of IFRS on accounting policies and financial reporting

The adoption of IFRS could result in changes to the Company's accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in its financial statements. Throughout 2010, management has evaluated potential differences between Canadian GAAP and IFRS that could impact the Company's accounting policies and/or financial reporting.

While not a complete list of potential differences between Canadian GAAP and IFRS, management considers the following areas to be of most significance to the Company:

i) Exploration and evaluation expenditures

IFRS permits companies involved in the exploration, development and extraction of natural resources to either capitalize or expense costs related to the exploration and evaluation of unproved resources. Capitalized costs must be tracked and assessed for impairment on and individual property basis.

Under IFRS, the Company will continue with its current policy of expensing exploration and evaluation costs until such time as proved reserves are identified. As the Company has no proved reserves, no differences between Canadian GAAP and IFRS balances are expected for the Company's exploration activities.

ii) Impairment of (non-financial) assets

If indicators of impairment of a tangible non-financial asset have been identified, IFRS requires an impairment loss to be recorded for any excess of the carrying value of the assets over the higher of its fair market value and its value in use. Value in use is determined using discounted estimated future cash flows. For certain intangible assets (e.g. capitalized property acquisition costs) the Company must compare, annually, carrying values to fair market values and values in use to determine whether any impairment is required, regardless of whether any indicators of impairment exist.

Under IFRS, the assessment of impairment for tangible and intangible non-financial assets should be done for each individual asset; if it is not practicable to perform this assessment for individual assets, then the assessment is performed for a group of assets within the smallest cash-generating unit identified.

Current Canadian GAAP requires a write-down of a non-financial asset to the fair value only if indicators of impairment exist and the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of assets will be changed to reflect these differences. The Company, however, does not expect this change will have an immediate impact to the carrying value of its assets. The Company has determined that there are no indicators of impairment for its non-financial assets as at January 1, 2010 and no adjustments are expected to amounts previously reported under Canadian GAAP.

iii) Stock-based compensation

The fair value measurement of stock-based compensation under IFRS is similar Canadian GAAP. However, for stock options that vest over a period of time, the recognition of the related stock-based compensation expense over the vesting period is different under IFRS than Canadian GAAP.

Management expects that a greater portion of the overall fair value of stock-based compensation will have been recorded under IFRS than was previously recorded under Canadian GAAP. Consequently, the deficit as at the IFRS transition date will be higher under IFRS than under Canadian GAAP.

iv) Income taxes

In certain circumstances, IFRS contains different requirements related to recognition and measurement of future (deferred) income taxes. The Company does not expect any changes to its accounting policies related to income taxes that would result in a significant change to line items within its financial statements.

v) Use of estimates

Changes to estimates used for Canadian GAAP reporting are not permitted when determining the measurement and recognition of accounts and transactions under IFRS. Accordingly, estimates used in the preparation of the Company’s opening IFRS statement of financial position as at the Transition Date will be consistent with those made under current Canadian GAAP. If necessary, estimates will be adjusted to reflect any difference in accounting policy.

2. Impact of IFRS on the Company's business processes

As part of its analysis of potential changes to significant accounting policies, management has assessed whether changes may be required to its accounting systems and business processes. Management believes that the accounting policy and financial reporting changes identified to date will not impact the Company's systems, processes or internal controls.

Management has also assessed whether the adoption of IFRS will impact any contractual arrangements or relationships with external stakeholders. To date, no impacts on contractual arrangements or stakeholder relations arising from IFRS adoption have been identified.

The Company's personnel involved in the preparation of financial statements are being trained on the relevant aspects of IFRS and the anticipated changes to accounting policies. Employees of the Company that will be affected by a change to business processes as a result of the conversion to IFRS will also be trained as necessary. The Board of Directors and Audit Committee have been regularly updated on the progress of the IFRS conversion plan, and made aware of the evaluation to date of the key aspects of IFRS affecting the Company.

Financial Instruments and Risk Management

The Company's financial instruments are comprised of cash, amounts receivable, reclamation deposit and accounts payable and accrued liabilities, and have arisen through the normal course of operations. The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk and interest rate risk.

Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and the United States. A portion of the Company's expenses are incurred in US dollars. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. As at February 28, 2011, cash totalling $1,273,521 (2010 - $421,478) was held in US dollars.

Based on the above net exposure as at February 28, 2011, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in a an increase/decrease of approximately $127,352 (2010 - $42,148) in the Company's income (loss).

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash that is invested in asset backed commercial paper.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company believes that these sources will be sufficient to cover the likely short term cash requirements and further funding will be required to meet long-term requirements.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company's cash is currently held in short-term interest bearing accounts, management considers the interest rate risk to be limited.

The fair value of cash, amounts receivable, reclamation deposit and accounts payable and accrued liabilities approximate their carrying value due to their short-term maturity. Financial instruments measured at fair value on the balance sheet are summarized in levels of fair value hierarchy as follows:

Assets	Level 1	Level 2	Level 3
Cash	$ 1,953,402	-	-

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Outstanding Share Data

The following securities are outstanding at June 6, 2011:

Common shares issued and outstanding	23,113,064
Shares issuable on the exercise of outstanding stock options	2,162,500
Shares issuable on the exercise of share purchase warrants	2,745,709

Risks and Uncertainties

Exploration of mineral properties involves a high degree of risk and the successful achievement of a profitable operation cannot be assured. Costs of finding and evaluating an ore body are substantial, and may take several years to complete. The Company must overcome many risks associated with an early stage exploration property. Outstanding items to be completed include, but are not limited to, identification and quantification of a commercially viable ore body, confirmation of the Company's interest in the underlying claims and leases, completion of a feasibility study, funding of all costs related to a commercial operating venture, completion of the permitting process, detailed engineering and the procurement of a processing plant, and constructing a facility to support the property. Construction and operational risks including, but not limited to, equipment and plant performance, metallurgical, environmental, cost estimation accuracy, and workforce performance and dependability will all affect the profitability of an operating property.

External financing, primarily through the issuance of common shares will be required to fund its activities. There can be no assurance that it will be able to do so in the future.