

Interim Consolidated Financial Statements of

**ROCKY MOUNTAIN RESOURCES CORP.**

For the nine months ended November 30, 2007

**Management's Comments On Unaudited Financial Statements**

The accompanying unaudited interim consolidated financial statements of Rocky Mountain Resources Corp. for the nine months ended November 30, 2007 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These statements have not been reviewed by the Company's external auditors.

# Rocky Mountain Resources Corp.

Interim Consolidated Balance Sheets  
(Unaudited - Prepared by Management)

	November 30 2007	February 28 2007
<b>ASSETS</b>		
Current assets:		
Cash	\$ 2,367,435	1,245,296
Amounts receivable	34,499	1,633
Subscriptions receivable	-	9,000
Prepaid expenses	2,500	41,710
	<u>2,404,434</u>	<u>1,297,639</u>
Reclamation bond	11,704	-
Equipment (Note 3)	6,438	3,336
Mineral properties (Note 4)	448,162	230,787
	<u>\$ 2,870,738</u>	<u>1,531,762</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 76,187	61,760
Shareholders' equity:		
Share capital (Note 5)	4,115,428	1,945,025
Contributed surplus (Note 5(d))	80,661	-
Deficit	(1,401,538)	(475,023)
	<u>2,794,551</u>	<u>1,470,002</u>
	<u>\$ 2,870,738</u>	<u>1,531,762</u>

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:

Signed: "Brian E. Bayley" Director

Signed: "Brian J. McAlister" Director

# Rocky Mountain Resources Corp.

Interim Consolidated Statements of Loss and Deficit  
(Unaudited - Prepared by Management)

	Three months ended November 30		Nine months ended November 30	From date of incorporation on March 2, 2006 to November 30 2006
	2007	2006	2007	2006
Mineral property exploration expenditures (Note 4(c))	\$ 286,171	119,822	766,374	296,593
Expenses:				
Depreciation	309	-	992	-
Investor relations	961	-	2,381	-
Legal fees	497	3,441	24,828	33,932
Office and sundry	3,915	250	8,576	1,954
Office facilities and administrative services	7,170	1,800	23,903	4,800
Salaries and benefits	10,797	-	33,723	-
Transfer agent, listing and filing fees	7,445	-	10,880	-
Travel	962	903	2,257	2,101
	32,056	6,394	107,540	42,787
Other (income) expenses:				
Interest income	(20,300)	(2,773)	(37,023)	(11,316)
Foreign exchange	(7,192)	(3,216)	10,918	316
Property review costs	26,383	19,157	78,706	35,261
	(1,109)	13,168	52,601	24,261
Net loss and comprehensive loss for the period	317,118	139,384	926,515	363,641
Deficit, beginning of period	1,084,420	224,257	475,023	-
Deficit, end of period	\$ 1,401,538	363,641	1,401,538	363,641
Basic and diluted loss per share	\$ 0.02	0.01	0.07	0.04
Weighted average number of common shares outstanding	13,885,205	10,000,000	12,442,508	8,810,256

See accompanying notes to consolidated financial statements.

# Rocky Mountain Resources Corp.

Interim Consolidated Statements of Cash Flow

(Unaudited - Prepared by Management)

	Three months ended November 30		Nine months ended November 30	From date of incorporation on March 2, 2006 to November 30
	2007	2006	2007	2006
Cash provided by (used for):				
Operating activities:				
Loss for the period	\$ (317,118)	(139,384)	(926,515)	(363,641)
Items not involving cash				
Depreciation	309	-	992	-
Changes in non-cash working capital balances:				
Amounts receivable	8,248	(60)	(14,982)	(697)
Prepaid expenses	4,603	20,049	39,210	(17,133)
Accounts payable and accrued liabilities	(39,421)	10,800	14,427	40,481
	(343,379)	(108,595)	(886,868)	(340,990)
Investing activities:				
Reclamation bonds	-	-	(11,704)	-
Purchase of equipment	-	(2,043)	(4,094)	(2,043)
Mineral properties	(70,111)	(34,868)	(217,375)	(185,083)
	(70,111)	(36,911)	(233,173)	(187,126)
Financing activities:				
Issue of common shares, net of costs	2,394,172	-	2,227,480	819,500
Exercise of warrants	14,700	-	14,700	-
	2,408,872	-	2,242,180	819,500
Increase (decrease) in cash	1,995,382	(145,506)	1,122,139	291,384
Cash, beginning of period	372,053	436,890	1,245,296	-
Cash, end of period	\$ 2,367,435	291,384	2,367,435	291,384
Supplementary cash flow information:				
Cash amount of payments received (made):				
Interest received	\$ 20,300	2,773	37,023	11,316
Non-cash financing and investing activities:				
Shares issued for financing fees	225,000	-	225,000	-
Fair value of agents' warrants	85,700	-	85,700	-
Fair value of warrants transferred to share capital from contributed surplus on exercise of warrants	5,039	-	5,039	-

See accompanying notes to consolidated financial statements.

## ROCKY MOUNTAIN RESOURCES CORP.

Notes to Interim Consolidated Financial Statements

November 30, 2007

(Unaudited – Prepared by Management)

### 1. Basis of presentation:

These unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles. All financial summaries included are presented on a comparative and consistent basis showing the figures for the corresponding period in the preceding year. The presentation of financial data is based on accounting principles and practices consistent with those used in the preparation of the annual financial statements. Certain information and footnote disclosure normally included in the annual financial statements prepared in accordance with Canadian generally accepted accounting principles has been condensed or omitted. These interim period statements should be read together with the audited financial statements and the accompanying notes included in the Company's latest annual filing. In the opinion of the Company, its unaudited interim financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim period presented. Operating results for the nine month period ended November 30, 2007 are not necessarily indicative of the results that may be expected for the year ended February 28, 2008.

### 2. Accounting policy change:

Effective March 1, 2007 the Company adopted the new standards announced by the Canadian Institute of Chartered Accountants (CICA); Sections 3855 Financial Instruments – Recognition and Measurement; Section 3865 Hedges; and Section 1530 Comprehensive Income. Under the new standards, all financial assets must be classified as held-to-maturity, loans and receivables, held-for-trading or available-for-sale and all financial liabilities must be classified as held-for-trading and other. Financial instruments classified as held-for-trading will be measured at fair value with changes in fair value recognized in net income. Financial assets classified as held-to-maturity or as loans and receivables and financial liabilities not classified as held-for-trading will be measured at amortized cost. Available-for-sale financial assets will be measured at fair value with changes in fair value recognized in other comprehensive income. All derivative financial instruments will be reported on the balance sheet at fair value with changes in fair value recognized in net income unless the derivative is part of a hedging relationship that qualifies as a fair value hedge, cash flow hedge or hedge of a net investment in a self-sustaining foreign operation. The Company has assessed the impact that these Sections have on its 2007 interim financial statements and will apply any changes as required. As a result, the Company has no comprehensive income or hedges that affect the current financial statements and therefore, the Company has not included a statement of other comprehensive income.

### 3. Equipment:

	February 28, 2007	Additions	November 30, 2007
Computer equipment			
Cost	\$ -	4,094	4,094
Depreciation	-	(480)	(480)
Other equipment			
Cost	3,700	-	3,700
Depreciation	(364)	(512)	(876)
<b>Total</b>	<b>\$3,336</b>	<b>3,102</b>	<b>6,438</b>

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Notes to Interim Consolidated Financial Statements

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## 4. Mineral properties:

## (a) Goodsprings Property, Nevada, USA:

The Company acquired the Goodsprings Property in Nevada, USA by staking 157 lode mining claims.

## (b) Owen Lake Property, Wyoming, USA:

The Company staked an additional 25 lode mining claims on the Owen Lake Property.

The summary of mineral property acquisition costs is as follows:

	February 28, 2007	Additions	November 30, 2007
Gibellini, Nevada, USA	\$191,023	138,109	329,132
Goodsprings, Nevada, USA	-	23,084	23,084
Lake Owen, Wyoming, USA	39,764	56,182	95,946
	\$230,787	217,375	448,162

## (c) Exploration expenditures:

The details of exploration expenditures incurred and expensed on the Company's mineral properties during the nine month periods ended November 30, 2007 and 2006 are as follows:

	Gibellini	Goodsprings	Lake Owen	Total
Exploration expenditures:				
Assays and analysis	\$58,763	451	81,008	140,222
Drilling	212,544	-	-	212,544
Engineering and consulting	87,907	4,090	67,142	159,139
Environmental consulting	660	-	1,458	2,118
Field office and supplies	21,101	91	7,240	28,432
Labour	3,706	-	27,789	31,495
Legal	2,134	4,679	-	6,813
Property maintenance and taxes	24,273	32,396	82,377	139,046
Reproduction and drafting	4,475	1,134	244	5,853
Travel and accommodation	18,022	736	21,954	40,712
	433,585	43,577	289,212	766,374
Cumulative exploration expenditures, February 28, 2007	231,098	-	129,914	361,012
Cumulative exploration expenditures November 30, 2007	\$664,683	43,577	419,126	1,127,386

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	Gibellini	Lake Owen	Total
Exploration expenditures:			
Assays and analysis	\$61,530	11,556	73,086
Drilling	-	5,149	5,149
Engineering and consulting	81,851	-	81,851
Field office and supplies	3,840	4,252	8,092
Labour	988	3,763	4,751
Legal	-	2,117	2,117
Property maintenance and taxes	9,861	90,439	100,300
Reproduction and drafting	4,313	36	4,349
Travel and accommodation	9,896	7,002	16,898
Cumulative exploration expenditures November 30, 2006	\$172,279	124,314	296,593

## 5. Share capital:

## (a) Authorized:

Unlimited number of common shares without par value.

## (b) Issued:

	Number of Shares	Stated Amount
Balance, February 28, 2007	11,729,000	\$1,945,025
Initial public offering	2,500,000	2,500,000
Less: share issue costs	-	(574,336)
Agent's commission and corporate finance fee	225,000	225,000
Exercise of warrants	14,700	19,739
Balance, November 30, 2007	14,468,700	\$4,115,428

On September 19, 2007, the Company completed its initial public offering of 2,500,000 common shares at \$1.00 per share for gross proceeds of \$2,500,000. The Agent received a commission of 175,000 common shares and a corporate finance fee of 50,000 common shares at a deemed price of \$1.00 per share. The Company also issued agents warrants to acquire 250,000 common shares at \$1.00 per share until September 18, 2008. The fair value (\$85,700) of these agents' warrants is included in the share issuance costs.

Of the issued and outstanding common shares, 5,962,500 shares are held in escrow pursuant to the requirements of the TSX Venture Exchange ("Exchange"), to be released in accordance with Exchange policies.

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(c) Agents warrants outstanding:

Expiry Date	Exercise price	Balance, February 28, 2007	Granted	Exercised	Balance, November 30, 2007
September 18, 2008	\$0.25	-	250,000	(14,700)	235,300
Weighted average exercise price		-	\$1.00	\$1.00	\$1.00

The weighted average grant date fair value of the agents warrants for the nine months ended November 30, 2007 was \$0.34.

The fair value of the agents warrants have been estimated using the Black-Scholes option pricing model. Assumptions used in the pricing model are as follows:

Risk free interest rate	4.06%
Annual dividends	--
Expected stock price volatility	85%
Expected life	1 year

(d) Contributed surplus:

The continuity of contributed surplus is as follows:

	Number of Warrants	Amount
Balance, February 28, 2007	-	\$-
Issued during the year	250,000	\$85,700
Exercised during the period	(14,700)	(5,039)
Balance, November 30, 2007	235,300	\$80,661

6. Related party transactions:

Related party transactions not otherwise disclosed on these financial statements consist of:

- (a) Office facilities and administrative services and office expenses to a company with a director and two officers in common of \$15,000;
- (b) Office and administrative services for \$7,843 to a company with four directors in common;
- (c) Rent for \$1,060 to a director of the Company.
- (d) Accounts payable of \$4,340 owing to the Company referred to in Note 6 (a) and \$7,855 to the Company referred to in Note 6 (b).

The above transactions were in the normal course of business and were measured at the exchange amount which is the amount agreed to by the related parties.



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## 7. Segment disclosures:

The Company considers itself to operate in a single segment, being mineral exploration and development. Geographic information is as follows:

	Canada	United States	Total
November 30, 2007:			
Loss from operations	\$-	918,515	918,515
Identifiable assets	2,213,082	657,656	2,870,738
November 30, 2006:			
Loss from operations	\$12,343	351,299	363,642
Identifiable assets	207,405	288,935	496,340