ROCKY MOUNTAIN RESOURCES CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AUGUST 31, 2009

Background

This discussion and analysis of financial position and results of operation for Rocky Mountain Resources Corp. (the "Company" or "Rocky Mountain") is prepared as at October 28, 2009 and should be read in conjunction with the August 31, 2009 unaudited and February 28, 2009 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.

Company Overview

The Company is a mineral exploration and development company. The Company's primary mineral properties are: the Gibellini property, located in Nevada and the Paris Foothills property, located in Idaho. The Company's head office is located in Vancouver, Canada and its U.S. operations are conducted from an office in Reno, Nevada. The Company's shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "RKY".

Proposed sale of Paris Hills Property

On October 9, 2009 the Company announced that it had entered into an agreement with Stonegate Agricom Ltd. ("Stonegate") to sell its interest in the Paris Hills Phosphate/Vanadium Property, located in Bear Lake County in Idaho, USA. As consideration for the acquisition, Stonegate is to pay $1,000,000 in cash and issue 6,000,000 common shares of Stonegate valued at $0.50 per common share. Closing of the transaction, which is expected to occur in November 2009, is subject to regulatory approval.

Proposed merger with Western Lithium Canada Corporation

On October 23, 2009, the Company announced it had entered into a non-binding letter of intent with Western Lithium Canada Corporation ("Western Lithium") pursuant to which Western Lithium proposed to acquire all of the outstanding shares of Rocky Mountain. The letter of intent contemplates that the transaction will be completed by way of a Plan of Arrangement (the Arrangement"). At closing, all Rocky Mountain common shares will be automatically exchanged for Western Lithium shares on the basis of 0.4032 Western Lithium shares for each Rocky Mountain share. All warrants of Rocky Mountain will be exchanged for similar warrants of Western Lithium, based on the same exchange ratio. Completion of the transaction is conditional upon satisfactory completion of due diligence, the negotiation and execution of a definitive agreement and receipt of Rocky Mountain shareholder approval as well as other customary conditions and regulatory approvals.

Results of Operations

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

	Three Months Ended August 31		Six Months Ended August 31	
	2009	2008	2009	2008
Exploration expenditures	$29,686	$277,026	$61,415	$515,060
General expenses:				
Depreciation	5,080	2,861	10,225	3,862
Investor relations	750	20,745	750	20,745
Office facilities and administrative services	19,478	15,846	39,103	28,901
Professional fees	798	16,162	15,331	49,033
Salaries and benefits	62,137	69,407	159,489	213,520
Stock-based compensation	29,238	35,023	52,995	64,023
Transfer agent, listing and filing fees	5,026	3,988	11,525	15,515
Travel	8,504	8,978	12,912	35,272
Other	6,145	16,324	13,884	32,324
	137,156	189,334	316,214	463,195
Interest income	(136)	(7,603)	(269)	(20,394)
Foreign exchange	(2,106)	(43,581)	9,195	(56,018)
Property review costs	-	4,915	700	6,092
Loss on sale of equipment	4,101	-	4,101	-
Mineral properties abandoned	-	64,467	-	64,467
Loss for the period	$ 168,701	$ 484,558	$ 391,356	$ 972,402
Loss per share	$0.01	$0.03	$0.02	$0.07

The Company incurred a loss of $168,701 and $391,356 for the three months and six month periods ended August 31, 2009 respectively; compared to a loss of $485,558 and $942,402 for the comparable periods of the prior year. The most significant change is the decrease in exploration expenditures due to lack of funds to carry out any significant work.

For the three months and six months ended August 31, 2009 and 2008, salaries and benefits comprised the largest administrative expense. Effective March 15, 2008, the Company commenced paying a salary of US$12,500 per month plus benefits to its president. During the same quarter, the Company paid a US$50,000 recruitment fee to an employment consultant in connection with the executive search and also paid a US$40,000 signing bonus to the new president. These amounts were all expensed as salaries and benefits. On October 1, 2008, the Company hired a part-time VP-Business Development at US$8,333 per month. This position was terminated on April 15, 2009.

Stock-based compensation costs are a non-cash cost and are computed using the Black-Scholes option pricing model to estimate the fair value of stock options granted. During the three months ended May 31, 2009, the Company recorded a $23,757 expense with respect to the vesting of certain options granted in February 2008.

The Company's only source of income is interest earned from funds on deposit. Interest income decreased for the three months and six months ended August 31, 2009 due to the declining interest rate and reduced funds on deposit.

Financial Position, including Cash Flows, Liquidity and Capital Resources

At August 31, 2009, the Company had a working capital deficiency of $28,921 compared with working capital of $28,169 at February 28, 2009. Cash at the end of the current quarter was $64,695. On April 3, 2009, the Company completed a private placement of 2,045,666 units at the price of $0.30 per unit for gross proceeds of $613,700. Of this amount, $240,000 had been received as at February 28, 2009.

Administrative costs (excluding stock-based compensation and depreciation, non-cash expenses) were $252,994 for the six months ending August 31, 2009. During the six months ending August 31, 2009, the Company spent $84,702 on property acquisition costs (advance royalty payments) and $61,415 on mineral property exploration expenditures.

During the current quarter, the Company was obligated to make advance royalty payments totalling US$145,000 on the Paris Foothills Property. However due to lack of available funding, the Company was unable to meet this obligation. The property owners issued a default notice to the Company to make the required payments by November 1, 2009. The Company has negotiated with the Property owners to extend the payment date deadline to December 1, 2009.

Rocky Mountain requires additional financing to fund corporate activities and to cover option payments and exploration and development of its mineral properties. Financing required to fund anticipated activities for the next 12 months through to the end of August 2010 include US$325,000 for option payments on the Paris Hills and Gibellini properties and a minimum of $250,000 for corporate and administrative costs. No exploration budget has been formulated as it will depend on available financing.

The Company has negotiated an agreement to sell its interest in the Paris Hills Phosphate / Vanadium project for cash proceeds of $1,000,000 and 6,000,000 shares of the purchaser, Stonegate, a private company. (See Proposed sale of Paris Hills Property). However, this transaction is not anticipated to close until mid-November. There is no assurance that this transaction will be successful.

The Company has also negotiated a letter of intent to merge with Western Lithium Canada Corporation, whereby shares of Rocky Mountain would be exchanged for shares of Western Lithium. (See Proposed merger with Western Lithium Canada Corporation). However this agreement is non-binding. There is no assurance that this transaction will be successful.

To meet the Paris Hill property option payments rescheduled to December 1, 2009, it will be necessary for the transaction with Stonegate and / or the transaction with Western Lithium to be completed during November 2009. If the transactions with Stonegate and / or Western Lithium do not complete, the Company will have to seek outside equity financing.

The current economic uncertainty and financial market volatility is having a negative impact for many companies seeking financing. The ability to complete a financing could be negatively impacted if the current uncertain market conditions continue. Although the Company has been successful with its equity financings in the past, there is no assurance that future financings will be successful.

Summary of Quarterly Results:

	Mineral Exploration ($)	General Expenses ($)	Stock-based Compensation ($)	Interest Income ($)	Net Loss ($)	Basic & Diluted Loss Per Share ($)
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
Q4 – February 28, 2009	306,832	204,148	40,713	(540)	553,730	0.04
Q3 – November 28, 2008	478,718	264,491	60,122	(3,154)	767,946	0.05
Q2 – August 31, 2008	277,026	154,311	35,023	(7,603)	484,558	0.03
Q1 – May 31, 2008	238,034	244,861	29,000	(12,791)	487,844	0.03
Q4 – February 29, 2008	85,787	62,594	267,696	(19,081)	503,548	0.03
Q3 – November 30, 2007	286,171	32,056	-	(20,300)	317,118	0.02

Explanatory Notes:

1. The Company earns interest income on funds on deposit but has no operating revenue. Interest income is dependant upon the amount of funds on deposit and interest rates paid. Interest income continues to drop due to consumption of funds and declining interest rates.

2. General expenses have been trending upward since incorporation reflecting increased levels of activity. Costs for Q4 – February 29, 2008 were elevated primarily due to higher professional fees, including an accrual for the year end-audit and legal costs associated with documents for proposed property lease acquisitions. During Q1 – May 31, 2008, the Company hired a full-time president and commenced paying US$12,500 per month plus benefits. In connection with this placement, the Company paid a US$40,000 signing bonus and a US$50,000 placement fee to the recruitment consultant who conducted the executive search. In addition, the Company moved its U.S. operations from East Helena, Montana to expanded facilities in Reno, Nevada and costs increased accordingly. During Q3 – November 30, 2008, the Company hired a part-time VP – Business Development and as a result, salary costs increased by US$8,333 per month. This position was eliminated during Q1 – May 31, 2009 as part of a number of cost saving measures. This process continued during Q2 – August 31, 2009 when the Reno office was closed.

3. The drop in mineral exploration expenses for Q1 – May 31, 2009 and Q2 – August 31, 2009 was due to a lack of funds.

4. Stock-based compensation costs are a non-cash expense and represent an estimate of the fair value of stock options granted. During the quarter ended Q4 - February 29, 2008, the Company granted to certain consultants a total of 690,000 options, of which 650,000 were subject to vesting provisions. During Q3 – November 30, 2008, the Company granted 100,000 options to its VP – Business Development, subject to vesting provisions.

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 $24,000 ($4,000 per month) for accounting and various administrative office services provided and consulting fees of $2,500 for services related to the private placement. 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.

During the quarter, the Company borrowed $25,000 each from three directors of the Company. The loans are unsecured, are repayable on demand, and bear interest at 5% per annum compounded annually.

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.

New Accounting Policies:

Adoption of New Accounting Pronouncements

Goodwill and intangible assets

The Accounting Standards Board ("AcSB") issued CICA Handbook Section 3064, which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous 3602. As of May 31, 2009, the Company does not have Goodwill nor intangible assets and therefore the adoption of these new sections does not have any impact on the Company's financial statements.

Future pronouncements

International financial reporting standards ("IFRS")

In February 2008, The Canadian Accounting Standards Board confirmed that convergence to International Financial Reporting Standards ("IFRS") will be required in Canada. The Company will be required to report using IFRS beginning March 1, 2011 for interim and annual financial statements with appropriate comparative data from the prior year. The Company has begun the process of evaluating the impact of the change to IFRS.

Business combinations, consolidated financial statements and non-controlling interest

In January 2009, the CICA issued CICA Handbook Section 1582, "Business Combinations", Section 1601, "Consolidations", and Section 1602, "Non-Controlling Interests". These sections replace the former Section 1581, "Business Combinations", and Section 1600, "Consolidated Financial Statements, and establish a new section for accounting for a non-controlling interest in a subsidiary. Section 1582 establishes standards for the accounting for a business combination, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. It provides the Canadian equivalent to IFRS 3, Business Combinations (January 2008). The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

Section 1601 establishes standards for the preparation of consolidated financial statements.

Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS International Accounting Standards ("IAS") 27, Consolidated and Separate Financial Statements (January 2008).

Sections 1601 and 1602 apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. The Company is currently evaluating the impact of the adoption of these sections.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Outstanding Share Data

The following securities are outstanding at October 28, 2009:

Common shares issued and outstanding	16,738,816
Shares issuable on the exercise of outstanding stock options and share purchase warrants	2,760,666

Risks and Uncertainties

Exploration and development of mineral properties involves a high degree of risk and the successful achievement of a profitable operation cannot be assured. Costs of evaluating an ore body are substantial, and may take several years to complete. 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.

The ability of the Company to meet option payments on its mineral properties is dependent upon there being sufficient financial resources. 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.