Consolidated Financial Statements of

ROCKY MOUNTAIN RESOURCES CORP.

For the six months ended August 31, 2010

(Unaudited)

Management's Comments On Unaudited Financial Statements

The accompanying unaudited interim consolidated financial statements of Rocky Mountain Resources Corp. (the "Company") for the six months ended August 31, 2010 have been prepared by management and approved by the Board of Directors of the Company. These financial statements have not been reviewed by the Company's external auditors.

Rocky Mountain Resources Corp.

Consolidated Balance Sheets

(Unaudited - Prepared by Management)

	August 31 2010	February 29 2010
ASSETS		
Current assets:		
Cash and cash equivalent	$ 3,713,977	1,076,988
Amounts receivable	17,774	9,764
Prepaid expenses	26,168	367
Short-term investments	-	3,000,000
	3,757,919	4,087,119
Equipment (Note 4)	14,819	18,100
Reclamation bond	50,141	43,893
Mineral properties (Note 5)	809,708	696,833
	$ 4,632,587	4,845,945
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 237,875	71,981
Income tax payable	1,948	499,938
	239,823	571,919
Shareholders' equity:		
Share capital (Note 6)	5,437,996	5,343,455
Contributed surplus	762,140	699,571
Deficit	(1,807,372)	(1,769,000)
	4,392,764	4,274,026
	$ 4,632,587	4,845,945

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:

Signed: "William J. Radvak" Director

Signed: "Brian E. Bayley" Director

Rocky Mountain Resources Corp.

Consolidated Statements of Loss and Deficit

(Unaudited - Prepared by Management)

	Three months ended August 31 2010	Three months ended August 31 2009	Six months ended August 31 2010	Six months ended August 31 2009
Mineral property expenditures (Note 5(b))	$ 518,620	29,686	605,972	61,415
Expenses:				
Audit and legal	13,461	798	27,719	15,331
Consulting	2,796	-	3,316	-
Depreciation	1,655	5,080	3,281	10,225
Investor relations	52,000	750	72,969	750
Office and sundry	7,931	5,352	18,533	11,824
Office facilities and administrative services	25,693	19,478	49,904	39,103
Salaries and benefits	40,797	62,137	72,876	159,489
Shareholder information	1,647	793	2,817	2,060
Stock-based compensation	32,119	29,238	62,568	52,995
Transfer agent, listing and filing fees	8,241	5,026	10,117	11,525
Travel	31,737	8,504	40,072	12,912
	218,077	137,156	364,172	316,214
Other (income) expenses:				
Interest income	(1,288)	(136)	(1,295)	(269)
Foreign exchange	(40,271)	(2,106)	(42,468)	9,195
Property review costs	-	-	-	700
Loss on sale of equipment	-	4,101	-	4,101
Unrealized gain on short-term investments	1,020,000	-	-	-
Gain on short-term investments	(888,009)	-	(888,009)	-
	90,432	1,859	(931,772)	13,727
Net loss and comprehensive loss for the period	827,129	168,701	38,372	391,356
Deficit, beginning of period	980,243	4,421,820	1,769,000	4,199,165
Deficit, end of period	$ 1,807,372	4,590,521	1,807,372	4,590,521
Basic and diluted loss per share	$ 0.05	0.01	-	0.02
Weighted average number of common shares outstanding	18,139,250	16,738,816	18,075,989	16,360,813

See accompanying notes to consolidated financial statements.

Rocky Mountain Resources Corp.

Consolidated Statements of Cash Flow

(Unaudited - Prepared by Management)

	Three months ended August 31		Six months ended August 31	
	2010	2009	2010	2009
Cash provided by (used for):				
Operating activities:				
Loss for the period	$ (827,129)	(168,701)	(38,372)	(391,356)
Items not involving cash				
Depreciation	1,655	5,080	3,281	10,225
Loan interest accrued	-	51	-	51
Stock-based compensation	32,119	29,238	62,568	52,995
Loss on sale of equipment	-	4,101	-	4,101
Unrealized gain on short-term investments	1,020,000	-	-	-
Gain on short-term investments	(888,009)	-	(888,009)	-
Changes in non-cash working capital balances:				
Amounts receivable	(5,269)	6,297	(8,010)	3,063
Prepaid expenses	23,440	(12)	(25,801)	2,898
Accounts payable and accrued liabilities	138,573	(16,674)	165,894	(191,814)
Income tax payable	(141,771)	-	(497,989)	-
	(646,391)	(140,620)	(1,226,438)	(509,837)
Investing activities:				
Reclamation bonds	(1,081)	(590)	(6,248)	6,942
Mineral property expenditures	(66,333)	-	(112,875)	(84,702)
Sale of short-term investments	3,888,009	-	3,888,009	-
Purchase of equipment	-	(2,977)	-	(2,977)
Sale of equipment	-	1,443	-	1,444
Mineral property recovery of costs	-	-	-	3,517
	3,820,595	(2,124)	3,768,886	(75,776)
Financing activities:				
Exercise of warrants	16,000	-	96,000	-
Loans payable	-	75,000	-	75,000
Shares issued for cash, net of costs	-	(10,564)	(1,459)	343,776
	16,000	64,436	94,541	418,776
Increase (decrease) in cash and cash equivalent	3,190,204	(78,308)	2,636,989	(166,837)
Cash and cash equivalent, beginning of period	523,773	143,003	1,076,988	231,532
Cash and cash equivalent, end of period	$ 3,713,977	64,695	3,713,977	64,695
Supplementary cash flow information:				
Cash amount of payments received (made):				
Interest received	$ 1,288	136	1,295	269

See accompanying notes to consolidated financial statements.

1 Nature of operations and ability to continue as a going concern:

Rocky Mountain Resources Corp. is a public company whose shares trade on the TSX Venture Exchange ("TSX-V"). The Company is engaged in the acquisition, exploration and development of resource properties.

These consolidated financial statements were prepared on a "going concern" basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. At August 31, 2010, the Company had accumulated losses of $1,807,372, had working capital of $3,518,096, and expects to incur further losses in the development of its business.

The recovery of the Company's investment in resource properties and attainment of profitable operations is dependent upon financing being arranged by the Company to continue operations, and the discovery, development and profitable sale of commercial ore reserves. There can be no assurances that adequate financing will be available on a timely basis under acceptable terms to the Company or that the resource properties will be profitably developed. These consolidated financial statements do not include any adjustments that may result from the inability to secure financing or successfully develop its mineral properties, either of which would have a material adverse effect on the Company's business, results of operations and financial position.

2 Basis of presentation:

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the accompanying financial information reflects all adjustments, consisting primarily of normal and recurring adjustments considered necessary for fair presentation of the results for the interim period. Operating results for the six months ended August 31, 2010 are not necessarily indicative of the results that may be expected for the year ending February 28, 2011. These interim consolidated financial statements follow the same accounting policies as set out in Note 3 to the audited consolidated financial statements of the Company for the year ended February 28, 2010.

New Accounting 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.

3 Short-term investments:

During the quarter ended August 31, 2010, the Company sold its short-term investments consisting of 6,000,000 common shares of Stonegate Agricom Ltd. for total net proceeds of $3,888,009 and recorded a realized gain of $888,009.

4 Equipment:

	February 28, 2010	Additions	Disposals	August 31, 2010
Field equipment				
Cost	$28,680	-	-	$28,680
Depreciation	(12,427)	(2,990)	-	(15,417)
Office equipment				
Cost	2,794	-	-	2,794
Depreciation	(947)	(291)	-	(1,238)
	$18,100	(3,281)	-	$14,819

5 Mineral properties:

(a) The summary of mineral property acquisition costs is as follows:

	February 28, 2010	Additions / Disposals	Recovery of costs	August 31, 2010
Gibellini, Nevada, USA	$696,833	$77,784	-	$774,617
Del Rio, Nevada, USA	-	$35,091	-	$35,091
	$696,833	$112,875	-	$809,708

(b) The details of exploration expenditures incurred and expensed on the Company's mineral properties during the six month period ended August 31, 2010 are as follows:

	Gibellini $	Del Rio $	Total $
Exploration expenditures:			
General	94,196	-	94,196
Property maintenance	20,321	15,792	36,113
Drilling	191,612	-	191,612
Metallurgy	24,813	-	24,813
Engineering	13,680	-	13,680
Power	18,329	-	18,329
Water	22,845	-	22,845
Environmental Permitting	137,563	-	137,563
Exploration	56,544	10,277	66,821
	579,903	26,069	605,972

The details of exploration expenditures incurred and expensed on the Company's mineral properties during the three month period ended August 31, 2009 are as follows:

	Gibellini $	Paris Foothills $	Total $
Exploration expenditures:			
Assays and analysis	789	-	789
Engineering and consulting	-	15,860	15,860
Field office and supplies	15,073	7,332	22,405
Property maintenance and taxes	13,102	-	13,102
Reproduction and drafting	-	551	551
Travel and accommodation	1,776	6,932	8,708
	30,740	30,675	61,415

6 Share capital:

(a) Authorized:

Unlimited number of common shares without par value.

(b) Issued:

	Number of Shares	Stated Amount
Balance, February 28, 2010	17,938,815	$5,343,455
Issued on exercise of warrants	240,000	96,000
Less: share issue costs	-	(1,459)
Balance, August 31, 2010	18,178,815	$5,437,996

(c) Share purchase options:

The continuity of share purchase options is as follows:

Expiry Date	Exercise price	Balance, February 28, 2010	Granted	Exercised/ Cancelled	Balance, August 31, 2010
February 12, 2013	$1.30	190,000	-	-	190,000
December 17. 2013	$0.40	25,000	-	-	25,000
January 21, 2015	$0.35	1,200,000	-	-	1,200,000
February 26, 2015	$0.35	25,000	-	-	25,000
April 1, 2015	$0.75	-	50,000	-	50,000
August 17, 2015	$0.75	-	50,000	-	50,000
		1,440,000	100,000	-	1,540,000
Stock options exercisable					1,135,000
Weighted average exercise price		$0.48	$0.75	-	$0.49

On August 18, 2010, the Company granted 50,000 options exercisable on or before August 17, 2015 at a price of $0.75 per share. These options are subject to vesting provisions as follows: 25% vest each on September 1, 2010, January 1, 2011, May 1, 2011 and September 1, 2011. The Company recorded a stock based compensation expense of $6,939 during the current quarter and will record additional expense of $20,816 as the remaining options become vested.

The fair value of the stock options granted were calculated using a Black-Scholes option pricing model assuming the following:

Risk free interest rate	2.18%
Expected dividends	--
Expected stock price volatility	97.7%
Expected life	5 years

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(d) Share purchase warrants:

Warrants outstanding at August 31, 2010 are as follows:

Expiry Date	Exercise price	Balance, February 28, 2010	Granted	Exercised	Balance, August 31, 2010
October 3, 2010	$0.40	2,045,666	-	(240,000)	1,805,666
August 26, 2011	$0.40	1,199,999	-	-	1,199,999
		3,245,665	-	(240,000)	3,005,665
Weighted average exercise price		$0.40	-	$0.40	$0.40

(e) Contributed surplus:

The continuity of contributed surplus is as follows:

	Number of		Amounts		
	Options	Warrants	Options	Warrants	Total
Balance, February 28, 2010	1,440,000	3,245,665	$ 695,852	$ 3,719	$ 699,571
Granted during the period	100,000	-	22,864	-	22,864
Amortized during the period	-	-	39,705	-	39,705
Exercised during the period	-	(240,000)	-	-	-
Balance, August 31, 2010	1,540,000	3,005,665	$758,421	3,719	$762,140

7. Related party transactions:

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

(a) Office facilities and administrative services of $24,000 to a company with a director and two officers in common;

(b) Accounts payable to a company with a director and two officers in common of $5,754.

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.

8. 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 $
August 31, 2010:			
Loss (Gain) from operations	(613,920)	652,292	38,372
Identifiable assets	3,513,850	1,118,737	4,632,587
August 31, 2009:			
Loss from operations	113,803	277,553	391,356
Identifiable assets	59,613	942,444	1,002,057

9. Financial instruments and risk management:

As at August 31, 2010, the Company's financial instruments are comprised of cash and cash equivalent, accounts payable and accrued liabilities. The fair value of cash and cash equivalent, 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	Total
Cash and cash equivalent	$3,713,977	-	-	$3,713,997
Total	$3,713,977	-	-	$3,713,997

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and 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 August 31, 2010, the Company held the following US dollar denominated current assets and liabilities:

	US$
Cash	1,749,290
Prepaid	21,400
Accounts payable	(188,264)
Income taxes payable	(1,827)
Net exposure	(1,580,599)

Based on the above net exposure as at August 31, 2010, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in an increase/decrease of approximately $158,060 in the Company's income (loss).

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at August 31, 2010, the Company had a cash balance of $3,713,977 to settle current liabilities of $239,822. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Interest rate risk

As of August 31, 2010, the Company has no interest-bearing financial assets or liabilities.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

10. Capital management:

The Company's objective when managing capital is to maintain adequate levels of funding to support exploration and development of its mineral exploration projects, and to maintain corporate and administrative functions.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through the issuance of common shares, the issue of debt or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended February 29, 2010.