ROCKY MOUNTAIN RESOURCES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
AUGUST 31, 2007

Background

This discussion and analysis of financial position and results of operation is prepared as at October 23, 2007 and should be read in conjunction with the unaudited interim consolidated financial statements for the six months ended August 31, 2007 and the audited consolidated financial statements for the period from incorporation on March 2, 2006 to February 28, 2007 of Rocky Mountain Resources Corp. (the "Company" or "Rocky Mountain") where necessary. 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 an early stage precious and base metals exploration and development company. The Company has two mineral properties: Gibellini property located in Nevada and Lake Owen property located in Wyoming. The Company's head office is located in Vancouver, Canada and its U.S. operations are conducted from East Helena, Montana.

Gibellini Project, Eureka Co., Nevada

- Drill sites were constructed for planned drilling program
- All adits and shafts were fenced and secured to keep public from harm.

Lake Owen Project, Albany County, Wyoming

- Ground magnetic survey was completed on the west side of the claims
- Six older Chevron core holes were split and sent for assay
- A soil geochemical survey was completed with over 2200 samples collected over the entire project area. Results are not yet available.

Refer to the Company's October 2, 2007 news release for a corporate update on activities.

Results of Operations

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

	Three Months Ended August 31		Six Months Ended August 31	From date of incorporation March 2, 2006 to August 31
	2007	2006	2007	2006
Exploration expenditures	$356,713	167,267	480,203	176,771
General expenses:				
Office facilities and administrative services	8,920	1,800	16,733	3,000
Legal fees	9,707	9,781	24,331	30,491
Salaries and benefits	10,621	-	22,926	-
Other	7,349	504	11,494	2,902
	36,597	12,085	75,484	36,393
Interest income	(6,262)	(5,664)	(16,723)	(8,543)
Foreign exchange	20,513	4,075	18,110	3,532
Property review costs	28,279	11,750	52,323	16,104
Loss for the period	$ 435,840	189,513	609,397	224,257
Loss per share	$0.04	$0.02	$0.05	$0.03

The Company incurred a loss of $435,840 and $609,397 for the three months and six months ended August 31, 2007 respectively; compared to a loss of $189,513 and $224,257 for the three months and the period from incorporation on March 2, 2006 to August 31, 2006. Rocky Mountain is a mineral exploration company without 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.

Exploration expenditures in the amount of $356,713 and $480,203 were incurred for the three and six months ended August 31, 2007; compared to $167,267 and $176,771 for the three months and the period from incorporation from March 2, 2006 to May 31, 2007 respectively. Expenditures on the Company's two mineral properties represent the Company's largest use of funds.

Effective April 2, 2006, the Company engaged the services of Quest Management Corp. to provide office facilities and administrative services for $600 per month. Such services include

accounting and assistance with regulatory matters provided in the Vancouver office. Effective March 1, 2007 the rate was increased to $1,000 per month. Effective May 1, 2007, the Company also engaged the services of MGC Resources Inc. to provide office facilities and administrative services at US$1,850 per month in the Montana office.

The Company incurred $28,279 and $52,323 in costs associated with reviewing prospective mineral properties for the three months and six months ended August 31, 2007, an increase from $11,750 and $16,104 for the three months and the period from March 2, 2006 to May 31, 2006, respectively. This increase in spending reflects the Company's ongoing effort to review other property prospects.

Effective February 1, 2007 the Company commenced paying a salary of US$3,000 per month plus benefits to Mr. Alan Branham for his services as Vice-President of Explorations.

The foreign exchange gain recorded in the current year represents the impact of exchange rate fluctuations on the Company's U.S. dollar holdings.

The Company's only source of income is interest earned from funds on deposit.

Cash Flows, Liquidity and Capital Resources

The Company had cash of $372,053 as at August 31, 2007, compared to $1,245,296 as at February 28, 2007.

Exploration expenditures of $480,203 for the six months ended August 31, 2007 on the Company's two mineral properties represent the Company's largest use of funds. Under the terms of mineral lease agreements for the Gibellini property, the Company is obligated to make quarterly payments of US$30,000; a series of escalating annual advance royalties, commencing with US$12,000 due on or before December 30, 2007; and a series of escalating annual advance royalties, commencing with US$10,000 due on or before April 16, 2008 . Under the terms of the Lake Owen property agreement, the Company is required to make annual advance royalties of US$35,000; and work commitments as follows: US$200,000 on or before September 1, 2007 (completed); US$350,000 on or before June 1, 2008; and US$500,000 on or before June 1, 2009 and annually thereafter. Annual costs for general and administration are estimated to be approximately $320,000. During September 2007, the Company completed its initial public offering for 2,500,000 common shares at $1.00 per share for gross proceeds of $2,500,000. In the Company's opinion, it has sufficient funding to meet its anticipated commitments for the coming year.

Summary of Quarterly Results:

	Mineral Exploration ($)	General Expenses ($)	Interest Income ($)	Net Loss ($)	Basic & Diluted Loss Per Share ($)
Q2 – August 31, 2007	356,713	36,597	(6,262)	435,840	0.04
Q1 – May 31, 2007	123,490	38,887	(10,461)	173,557	0.01

Q4 – February 28, 2007	64,419	49,752	(5,584)	111,383	0.01
Q3 – November 30, 2006	119,822	25,703	(2,773)	$139,382	0.01
Q2 – August 31, 2006	167,267	23,831	(5,664)	$189,514	$ 0.02
Q1 – May 31, 2006	9,504	28,662	(2,879)	$34,744	$ 0.01

Explanatory Notes:

1. The Company is a start-up mineral exploration company, incorporated on March 2, 2006 and earns interest income but has no operating revenue. Interest income is mainly a function of funds on deposit. The Company completed an initial private placement for approximately $820,000 during May and June of 2006 and an additional private placement of approximately $1,120,000 during January 2007.

2. Q1 – May 31, 2006 is for the period from incorporation on March 2, 2006 to May 31, 2006.

3. General expenses have been trending upward since incorporation reflecting increased levels of activity. Expenses during Q1 – May 31, 2006 were high due to the costs of incorporation and start-up.

Transactions with Related Parties

Effective April 1, 2006, the Company entered into an agreement with Quest Management Corp. (“Quest”), a company related by virtue of one director and two officers in common, to pay a monthly fee of $600 for accounting and various administrative office services. This rate was increased to $1,000 per month on March 1, 2007. During the six months ended August 31, 2007, the Company paid a total of $6,000. In addition, the Company reimburses Quest 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.

Effective May 1, 2007, the Company entered into an agreement with MGC Resources Inc. (“MGC”), a subsidiary of Midway Gold Corp. which is related by virtue of four directors in common, to pay US$1,850 for various administrative office services. During the six months ended August 31, 2007 the Company incurred costs of $8,104 to MGC.

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 Policy Including Initial Adoption

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.

The adoption of these sections had no impact on the Company's financial statements.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Outstanding Share Data

The Company has only one class of share capital, common shares without par value. The number of shares authorized is unlimited.

The following securities are outstanding at October 23, 2007:

Common shares issued	14,454,000
Common shares issuable upon the exercise of warrants	250,000

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.

Controls and Procedures

During the three months ended August 31, 2007, there were no changes to internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.