Interim Consolidated Financial Statements of

# ROCKY MOUNTAIN RESOURCES CORP.

For the nine months ended November 30, 2009

### Management's Comments On Unaudited Financial Statements

The accompanying unaudited interim consolidated financial statements of Rocky Mountain Resources Corp. (the "Company") for the nine months ended November 30, 2009 have been prepared by management and approved by the Board of Directors of the Company.

These unaudited interim consolidated financial 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 2009 | February 28 2009 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash | $ 786,702 | 231,532 |
| Amounts receivable | 38,253 | 9,420 |
| Prepaid expenses | - | 6,746 |
| | 824,955 | 247,698 |
| Equipment (Note 3) | 19,850 | 55,674 |
| Reclamation bond | 44,023 | 53,060 |
| Investment (Note 4) | 3,000,000 | - |
| Mineral properties (Note 5) | 665,129 | 757,025 |
| | $ 4,553,957 | 1,113,457 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | $ 24,363 | 219,529 |
| Income taxes payable | 435,000 | - |
| | 459,363 | 219,529 |
| Shareholders' equity: | | |
| Share capital (Note 6) | 4,995,974 | 4,416,820 |
| Subscriptions received | - | 240,000 |
| Contributed surplus | 446,804 | 436,273 |
| Deficit | (1,348,184) | (4,199,165) |
| | 4,094,594 | 893,928 |
| | $ 4,553,957 | 1,113,457 |

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:

*Signed: "William Radvak"* Director

*Signed: "Brian E. Bayley"* Director

# Rocky Mountain Resources Corp.

Interim Consolidated Statements of Income (Loss), Comprehensive Income (Loss) and Deficit

*(Unaudited - Prepared by Management)*

| | | Three months ended November 30 | | Nine months ended November 30 | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| Mineral property expenditures (Note 4(b)) | $ | 6,013 | 478,718 | 67,428 | 993,778 |
| Expenses: | | | | | |
| Audit and legal | | 14,465 | 16,097 | 29,796 | 65,130 |
| Consulting | | - | 25,756 | - | 33,023 |
| Depreciation | | 1,496 | 4,679 | 11,721 | 8,541 |
| Interest expense | | 854 | - | 908 | - |
| Investor relations | | - | 40,174 | 750 | 64,669 |
| Office and sundry | | 6,162 | 10,633 | 17,932 | 31,940 |
| Office facilities and administrative services | | 15,550 | 18,229 | 54,653 | 47,130 |
| Salaries and benefits | | 488 | 97,076 | 159,977 | 310,596 |
| Shareholder information | | 867 | - | 2,927 | - |
| Stock-based compensation | | (42,464) | 60,122 | 10,531 | 124,145 |
| Transfer agent, listing and filing fees | | 1,644 | 1,834 | 13,169 | 17,349 |
| Travel | | 2,456 | 50,013 | 15,368 | 85,285 |
| | | 1,518 | 324,613 | 317,732 | 787,808 |
| Other (income) expenses: | | | | | |
| Interest income | | 9 | 3,154 | 278 | 23,548 |
| Gain on sale of mineral properties | | 3,698,630 | - | 3,698,630 | - |
| Foreign exchange | | 2,762 | 33,702 | (6,433) | 89,720 |
| Property review costs | | (106) | (1,471) | (806) | (7,563) |
| Loss on sale of equipment | | (16,427) | - | (20,528) | - |
| Mineral properties abandoned | | - | - | - | (64,467) |
| | | 3,684,868 | 35,385 | 3,671,141 | 41,238 |
| Net income (loss) before income taxes | | 3,677,337 | (767,946) | 3,285,981 | (1,740,348) |
| Provision for income taxes | | (435,000) | - | (435,000) | - |
| Net income (loss) and comprehensive income (loss) for the period | | 3,242,337 | (767,946) | 2,850,981 | (1,740,348) |
| Deficit, beginning of period | | (4,590,521) | (2,877,489) | (4,199,165) | (1,905,087) |
| Deficit, end of period | $ | (1,348,184) | (3,645,435) | (1,348,184) | (3,645,435) |
| Basic and diluted earnings (loss) per share | $ | 0.19 | (0.05) | 0.17 | (0.12) |
| Basic and diluted weighted average number of common shares outstanding | | 16,738,816 | 14,671,876 | 16,485,897 | 14,595,645 |

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 2009 | Three months ended November 30 2008 | Nine months ended November 30 2009 | Nine months ended November 30 2008 |
|---|---|---|---|---|
| Cash provided by (used for): | | | | |
| Operating activities: | | | | |
| Income (loss) for the period | $ 3,242,337 | (767,946) | 2,850,981 | (1,740,348) |
| Items not involving cash | | | | |
| Depreciation | 1,496 | 4,679 | 11,721 | 8,541 |
| Provision for income taxes | 435,000 | - | 435,000 | - |
| Loan interest accrued | (51) | - | - | - |
| Mineral properties abandoned | - | - | - | 64,467 |
| Stock-based compensation | (42,464) | 60,122 | 10,531 | 124,145 |
| Gain on sale of mineral properties | (3,698,630) | - | (3,698,630) | - |
| Loss on sale of equipment | 16,427 | - | 20,528 | - |
| Changes in non-cash working capital balances: | | | | |
| Amounts receivable | (36,140) | (2,756) | (33,077) | 16,753 |
| Prepaid expenses | 3,848 | 6,069 | 6,746 | (2,296) |
| Accounts payable and accrued liabilities | 890 | (44,825) | (190,922) | 27,949 |
| | (77,287) | (744,657) | (587,122) | (1,500,789) |
| Investing activities: | | | | |
| Reclamation bonds | 2,095 | (7,298) | 9,037 | (40,067) |
| Purchase of equipment | - | (29,207) | (2,977) | (68,932) |
| Sale of mineral properties | 956,338 | - | 956,338 | - |
| Sale of equipment | 5,110 | - | 6,552 | - |
| Mineral property expenditures | (84,627) | (81,277) | (169,329) | (383,922) |
| Mineral property recovery of costs | - | - | 3,517 | - |
| | 878,916 | (117,782) | 803,138 | (492,921) |
| Financing activities: | | | | |
| Exercise of warrants | - | 118,850 | - | 143,200 |
| Loans payable | (75,000) | - | - | - |
| Shares issued for cash, net of costs | (4,622) | - | 339,154 | - |
| | (79,622) | 118,850 | 339,154 | 143,200 |
| Increase (decrease) in cash | 722,007 | (743,589) | 555,170 | (1,850,510) |
| Cash, beginning of period | 64,695 | 1,108,179 | 231,532 | 2,215,100 |
| Cash, end of period | $ 786,702 | 364,590 | 786,702 | 364,590 |
| Supplementary cash flow information: | | | | |
| Cash amount of payments received (made): | | | | |
| Interest received | $ 9 | 3,154 | 278 | 23,548 |
| Non-cash financing and investing activities: | | | | |
| Fair value of warrants transferred to share capital from contributed surplus on exercise of warrants | - | 40,742 | - | 49,089 |

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 principally in the acquisition, exploration and development of resource properties. The recovery of the Company's investment in resource properties and attainment of profitable operations is principally dependent upon financing being arranged by the Company to continue operations, explore and develop the resource properties and the discovery, development and sale of ore reserves. The outcome of these matters cannot presently be determined because they are contingent on future events.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheets. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

Current market conditions and volatility increase the uncertainty of the Company's ability to continue as a going concern given the need to both curtail expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows. The Company will continue to search for new or alternate sources of financing but anticipates that the current market conditions may impact the ability to source such funds.

| | November 30, 2009 | February 28, 2009 |
|---|---|---|
| Working capital | $ 365,592 | $ 28,169 |
| Deficit | (1,348,184) | (4,199,165) |

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 nine months ended November 30, 2009 are not necessarily indicative of the results that may be expected for the year ending February 28, 2010. 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 29, 2009.

New Accounting Policies:

Adoption of New Accounting Pronouncements

CICA 3064 "Goodwill and intangible assets"

In February 2008, the CICA issued Handbook Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Intangible Assets", and Section 3450, "Research and Development Costs". Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. The Company does not hold any such assets at this time.

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.

3. Equipment:

| | February 29, 2009 | Additions | Disposals | November 30, 2009 |
|---|---|---|---|---|
| Field equipment | | | | |
| Cost | $30,955 | - | - | $30,955 |
| Depreciation | (7,446) | (5,511) | - | (12,957) |
| Office equipment | | | | |
| Cost | 45,771 | 2,977 | (35,393) | 13,355 |
| Depreciation | (13,606) | (6,210) | 8,313 | (11,503) |
| Total | $55,674 | (8,744) | (27,080) | $19,850 |

4. Investments:

At November 30, 2009, the Company had the following investments:

| | Cost | Accumulated Unrealized Gains (Losses) | Fair Value |
|---|---|---|---|
| Stonegate Agricom Ltd. ("Stonegate") | $3,000,000 | $ - | $3,000,000 |

As partial consideration for the sale of its interest in the Paris Hills Property completed on November 3, 2009, the Company received 6,000,000 common shares of Stonegate valued at $0.50 per share.

Stonegate is a private Canadian company engaged in the acquisition, exploration and development of agricultural nutrient projects. Stonegate's focus is the development of phosphate rock projects in the Americas. Stonegate's majority shareholder is Sprott Resource Corp.

5. Mineral properties:

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

| | February 29, 2009 | Additions / Disposals | Recovery of costs | November 30, 2009 |
|---|---|---|---|---|
| Gibellini, Nevada, USA | $495,799 | $169,329 | - | $665,129 |
| Paris Foothills, Idaho, USA | $257,709 | (257,709) | - | - |
| Other Regional | $3,517 | - | $(3,517) | - |
| Total | $757,025 | $(88,380) | $(3,517) | $665,129 |

In August 2009, the Company was obligated, but due to lack of funds, was unable to pay two advance royalties totaling US$145,000 on the Paris Hills Property:

Default notices were issued by the property owners obligating the Company to make the required payments by November 1, 2009. This payment deadline was later extended to December 1, 2009.

Effective November 3, 2009, the Company sold the Paris Hills Property for total consideration of CDN$4,000,000 consisting of cash payment of $1,000,000 and 6 million shares of Stonegate Agricom Ltd. at a deemed price of $0.50 per share. The purchaser of the property assumed responsibility for the advance royalty payments which were in default.

(b) The details of exploration expenditures incurred and expensed on the Company's mineral properties during the nine month period ended November 30, 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 | 18,226 | 7,332 | 25,558 |
| Property maintenance and taxes | 14,522 | - | 14,522 |
| Reproduction and drafting | - | 551 | 551 |
| Travel and accommodation | 3,216 | 6,932 | 10,148 |
| | 36,753 | 30,675 | 67,428 |

The details of exploration expenditures incurred and expensed on the Company's mineral properties during the nine month period ended November 30, 2008 are as follows:

| | Gibellini $ | Goodsprings $ | Paris Foothills $ | Other Regional $ | Total $ |
|---|---|---|---|---|---|
| Exploration expenditures: | | | | | |
| Assays and analysis | 16,813 | 6,403 | 25,726 | - | 48,942 |
| Drilling | 121,207 | - | 182,163 | - | 303,370 |
| Engineering and consulting | 34,891 | 10,240 | 141,076 | - | 186,207 |
| Equipment rental | 13,230 | 3,221 | 4,461 | - | 20,912 |
| Field office and supplies | 9,463 | 388 | 23,615 | - | 33,466 |
| Insurance | 5,070 | - | 5,070 | - | 10,140 |
| Metallurgy | 34,204 | - | 37,342 | - | 71,546 |
| Property maintenance and taxes | 20,311 | 1,798 | 9,994 | 709 | 32,812 |
| Reclamation | 16,157 | - | - | - | 16,157 |
| Reproduction and drafting | 7,362 | - | 12,172 | - | 19,534 |
| Scoping study | 200,100 | - | - | - | 200,100 |
| Travel and accommodation | 14,922 | 1,941 | 31,838 | 1,891 | 50,592 |
| | 493,730 | 23,991 | 473,457 | 2,600 | 993,778 |

6. Share capital:

(a) Authorized:

Unlimited number of common shares without par value.

(b) Issued:

| | Number of Shares | Stated Amount |
|---|---|---|
| Balance, February 29, 2009 | 14,693,150 | $4,416,820 |
| Issued on private placement | 2,045,666 | 613,700 |
| Less: share issue costs | - | (34,546) |
| Balance, November 30, 2009 | 16,738,816 | $4,995,974 |

(c) Share purchase options:

The continuity of share purchase options is as follows:

| Expiry Date | Exercise price | Balance, February 28, 2009 | Granted | Exercised/ Cancelled | Balance, November 30, 2009 |
|---|---|---|---|---|---|
| February 12, 2013 | $1.30 | 690,000 | - | (200,000) | 490,000 |
| October 16, 2013 | $1.00 | 100,000 | - | (100,000) | - |
| December 17, 2013 | $0.40 | 25,000 | - | - | 25,000 |
| | | 815,000 | - | (300,000) | 515,000 |
| Stock options exercisable | | | | | 455,000 |
| Weighted average exercise price | | $1.24 | - | $1.20 | $1.26 |

On February 12, 2008, the Company granted 690,000 options exercisable on or before February 12, 2013 at a price of $1.30 per share. Of these options, 650,000 were subject to vesting provisions: 40% vesting on the grant date and 20% vesting on each anniversary for three years from the date of grant. In September, 2009, the Company terminated 200,000 options and reversed $49,154 of stock-based compensation associated with same terminated options and recorded $6,690 on the remaining outstanding options during the current quarter.

(d) Share purchase warrants:

Warrants outstanding at November 30, 2009 are as follows:

| Expiry Date | Exercise price | Balance, February 28, 2009 | Granted | Exercised | Balance, November 30, 2009 |
|---|---|---|---|---|---|
| October 3, 2010 | $0.40 | - | 2,045,666 | - | 2,045,666 |
| Weighted average exercise price | | - | $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 29, 2009 | 815,000 | - | $ 432,554 | $ 3,719 | $ 436,273 |
| Granted during the period | - | 2,045,666 | - | - | - |
| Amortized during the period | - | - | 65,167 | - | 65,167 |
| Terminated during the period | (300,000) | - | (54,636) | - | (54,636) |
| Balance, November 30, 2009 | 515,000 | 2,045,666 | $443,085 | 3,719 | $446,804 |

7. Related party transactions:

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

(a) Office facilities and administrative services of $36,000 and consulting fees of $2,500 related to a private placement, 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 $4,251.

(c) Loans interest in the amount of $908 was paid to four directors who provided short-term loans totaling $125,000. These unsecured loans bear interest at 5% per annum and were repaid on November 9, 2009.

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<br>$ | United States<br>$ | Total<br>$ |
|---|---|---|---|
| November 30, 2009: | | | |
| Loss (Gain) from operations | 94,672 | (3,380,653) | (3,475,325) |
| Identifiable assets | 769,793 | 3,784,163 | 4,553,956 |
| November 30, 2008: | | | |
| Loss from operations | 258,189 | 1,482,159 | 1,740,348 |
| Identifiable assets | 220,175 | 1,040,304 | 1,260,479 |

9. Financial instruments and risk management:

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest risk and price risk.

As at November 30, 2009, the Company's financial instruments are comprised of cash, equity investments and accounts payable and accrued liabilities. The fair value of cash and accounts payable and accrued liabilities approximate their carrying value due to their short-term maturity.

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 significant change in the currency exchange rates between the Canadian dollar relative to the U.S. 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. The net exposure in financial instruments as at November 30, 2009 is not material.

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 November 30, 2009, the Company had a cash balance of $786,702 to settle current liabilities of $459,363. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company has a $3,000,000 investment in common shares of Stonegate, a private Canadian company (Note 4). The Company has liquidity risk associated with this investment in that there is a limited market for the sale of these shares.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Interest rate risk

As of November 30, 2009, 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, 2009.