ROCKY MOUNTAIN RESOURCES CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
MAY 31, 2010

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 July 23, 2010 and should be read in conjunction with the May 31, 2010 unaudited consolidated financial statements and the February 28, 2010 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 junior mining company whose main focus is the development of its Gibellini property, located in Eureka County, Nevada. The Company's head office is located in Vancouver, Canada. The Company's shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "RKY".

Gibellini Project, Eureka County, Nevada

In October 2008, AMEC of Sparks, Nevada produced a Scoping Study covering the Vanadium Hill deposit on the Gibellini Project. The economic projections for the preferred scenarios for the production of 79.6 million pounds of V205 were an IRR of 27% for the mining and processing of 2 million tons per year, and an IRR of 40% for mining and processing 3 million tons per year.

Subject to arranging the necessary financing, the two preferred cases are being advanced into the feasibility phase of the project for technical and economic evaluation.

On April 14, 2010, the Company announced that it had engaged Enviroscientists, Inc. of Reno, Nevada to obtain various permits required for the development and operation of the Gibellini Vanadium Project. In preparation for an Environmental Assessment to satisfy the BLM requirement of the National Environmental Policy Act, Enviroscientists has initiated biological, cultural and spring/riparian studies.

In June, 2010, the Company initiated a bulk sampling program comprised of the collection of oxide, transition and non-oxide layers from four different trenches on the project, while the diamond drill program will be two-phased. In July, 2010, the Company completed the first phase of diamond drilling which obtained samples from 500 feet of core from each material layer type across six holes for a comprehensive metallurgical testing program. The second phase of diamond drilling, to be undertaken in August, 2010, is to obtain geotechnical data that will provide information for design of the open pit, waste dump and access road designs.

The samples from the trenching and drilling programs will be used in a metallurgical testing program that will build on historical metallurgical data and the AMEC Scoping Study to optimize the leaching process. This program will optimize sulfuric acid leach recovery/consumption, develop a custom bottle roll procedure and further improve recovery of vanadium extraction at Gibellini. Column tests will be done to test composite samples taken from the new trenches. The metallurgical program will further verify ore body data and optimize the vanadium pentoxide production process which will directly support the feasibility study.

On June 4, 2010, the Company submitted an application for appropriation of underground water to the State of Nevada Department of Conservation and Natural Resources Division of Water Resources.

The above information has been reviewed and approved by Alan Branham, is a member of the American Institute of Professional Geologists, is a Certified Professional Geologist, and is a "qualified person" as that term is defined in National Instrument 43-101.

Results of Operations

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

	Three months ended May 31	
	2010	2009
Exploration expenditures	$87,352	$31,729
General expenses:		
Depreciation	1,626	5,145
Investor relations and shareholder information	22,139	1,267
Office facilities and administrative services	24,211	19,625
Office and sundry	10,602	6,472
Professional fees	14,258	14,533
Salaries and benefits	27,493	97,352
Stock-based compensation	30,449	23,757
Transfer agent, listing and filing fees	1,876	6,499
Travel	8,335	4,408
Other	5,106	-
	146,095	179,058
Interest income	(7)	(133)
Foreign exchange	(2,197)	11,301
Unrealized gain on short-term investments	(1,020,000)	-
Property review costs	-	700
Net (income) loss for the period	$(788,757)	$222,655

The Company produced earnings of $788,757 for the three months ended May 31, 2010, compared to a loss of $222,655 for the comparable period of the prior year. The most significant changes are the unrealized gain on short-term investments in the current year, increased investor relations in the current year and decrease in salaries and benefits in the current year. As at May 31, 2010, the Company held 6 million shares of Stonegate Agricom Ltd. ("Stonegate"). Stonegate completed its

initial public offering and listed on the Toronto Stock Exchange in April 2010. On May 31, 2010, the closing bid price for shares of Stonegate was $0.67 per share, resulting in an unrealized gain of $1,020,000. For the three months ended May 31, 2010, the Company incurred salaries and benefits of $27,493 to its current president. During the same period in 2009, the Company paid its former president US$12,500 per month and a part-time VP-Business Development at US$8,333 per month. Investor relations for the three months ended May 31, 2010 was $22,139 compared to $1,267 during the same period in 2009. In order to conserve its working capital, the Company had to cut back on its investor relation activities during 2009.

Financial Position, including Cash Flows, Liquidity and Capital Resources

At May 31, 2010, the Company had working capital of $4,362,864 compared with working capital of $3,515,200 at February 28, 2010. Cash at the end of the current quarter was $523,773.

Rocky Mountain plans to use proceeds from the sale of short-term investments to fund corporate activities and to cover option payments and exploration, development and feasibility studies on the Gibellini property. Funding requirements for the next 12 months through to the end of May 2011 include: $750,000 for corporate and administrative costs, US$129,000 for option payments and US$3,275,000 for exploration, development and feasibility study costs on the Gibellini property. Fluctuations in the exchange rate between the Canadian and US dollar and fluctuations in the price per share obtained from the sale of short-term investments will have an impact on whether current working capital will be sufficient.

As of the date of this MD&A, the following were "in the money": 1,218,266 warrants, exercisable into common shares at $0.40, 1,225,000 stock options exercisable into common shares at $0.35 and 25,000 stock options exercisable into common shares at $0.40. If all these warrants and stock options were exercised, this would provide the Company with $1,657,016. While it is likely that some of these warrants and options will be exercised, it is not possible to predict the extent or timing of any exercise.

It is likely that the Company will require additional equity financing within the next 12 months. Although the Company has been successful with its equity financings in the past, there is no assurance that future financings will be successful in the future.

Summary of Quarterly Results:

	Mineral Exploration ($)	General Expenses ($)	Stock-based Compensation ($)	Interest Income ($)	Net (Income) Loss ($)	Basic & Diluted (Income) Loss Per Share ($)
Q1 – May 31, 2010	87,352	115,646	30,449	(7)	(788,757)	(0.04)
Q4 – February 28, 2010	8,380	84,539	252,767	(12)	420,816	0.03
Q3 – November 30, 2009	6,013	43,982	(42,464)	(9)	(3,677,337)	(0.19)
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

Explanatory Notes:

1. During Q1 – May 31, 2008, the Company hired a full-time president and commenced paying US$12,500 per month plus benefits. 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. Following the resignation of the former President in September 2009, this position was without compensation until January 2010 when Mr. Radvak, the new President was hired.

2. The Company reduced mineral exploration expenses commencing Q1 – May 31, 2009 and for the succeeding quarters of fiscal 2010 to preserve cash resources. Spending activity recommenced during Q1 – May 31, 2010 under the direction of the new President as the Company began feasibility study work on the Gibellini property.

3. Stock-based compensation costs are a non-cash expense and represent an estimate of the fair value of stock options granted. The recovery of stock-based compensation costs in Q3 – November 30, 2009 is due to termination of unvested stock options held by the former president of the Company.

4. In November 2009, the Company sold its interest in the Paris Hills Phosphate/Vanadium Property, located in Bear Lake County in Idaho, USA for gross cash consideration of $1,000,000 and 6,000,000 shares of Stonegate Agricom Ltd. valued at $0.50 per share, resulting in a gain of $3,698,631. The Company recorded a $1,020,000 unrealized gain in value of these shares as at May 31, 2010 which was the major contributor to the earnings recorded in Q1 – May 31, 2010. No shares were sold during this quarter.

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 $12,000 ($4,000 per month) for accounting and various administrative office services provided. 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.

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 Prouncements:

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.

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.

While IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in recognition, measurement and disclosures. The Company’s accounting staff has attended several training courses on the adoption and implementation of IFRS. Additionally, the Company, with the assistance of an independent consultant, is currently performing a review of major differences between Canadian GAAP and IFRS. The Company will implement a comprehensive IFRS conversion plan, which takes into account matters such as changes in accounting policies, restatement of comparative periods, organizational and internal controls and any required changes to business processes.

The Company’s conversion plan involves the following phases: 1 – scoping and planning, 2 – detailed assessment, 3 – implementation, and 4 – post-implementation.

Scoping and Planning

In the scoping and planning phase, the Company has commenced its review of accounting policies and the changes that may be required on conversion to IFRS. The following discussion highlights some of the initial findings of this exercise:

IFRS 1, "First Time Adoption of International Financial Reporting Standards", provides entities adopting IFRS for the first time with a number of optional exemptions and mandatory exceptions in certain areas, relating to the general requirement for full retrospective application of IFRS. The various accounting policy choices available are being assessed and those determined to be most appropriate will be implemented.

The Company has also identified, in broad terms, certain key areas of financial reporting which may be significantly affected by the adoption of IFRS. These initial findings are discussed in the table below:

Standards	Difference from Canadian GAAP	Potential Impact
Presentation and disclosure	IFRS requires significantly more disclosure than Canadian GAAP for certain standards.	The increased disclosure requirements will cause the Company to change financial reporting processes to ensure the appropriate data is collected.
Stock-based compensation	Under Canadian GAAP, vesting of employee stock options can be recognized on a straight-line basis whereas IFRS requires that each tranche of stock option vesting is treated as having a separate fair value.	The amount of the expense recognized under IFRS may be different to that under Canadian GAAP and is recognized more upfront.
Impairment of long-lived assets	IFRS requires the assessment of asset impairment to be based on discounted cash flows while Canadian GAAP only requires discounting if the carrying value of the assets exceeds the undiscounted cash flows. IFRS also requires the reversal of any previous asset impairment, excluding goodwill, where circumstances have changed. GAAP prohibits the reversal of impairment losses.	The differences in methodology may result in asset impairments upon transition to IFRS. The potential for asset impairments may increase in the future.

It should be note that at this time, the full impact of the transition of IFRS cannot be reasonably estimated. It is anticipated that there will not be a significant impact on the Company's internal and disclosure control processes with the adoption of IFRS.

Detailed Assessment

Phase 2, the detailed assessment phase, will involve further technical analysis of the potential impacts, quantification of alternatives where there are accounting policy choices, detailed analysis, and conclusions regarding IFRS 1 ("First Time Adoption of IFRS") exemptions and exceptions available to the Company.

Implementation

In Phase 3, the implementation phase, the Company will apply management's accounting choices under IFRS, prepare reconciliations, calculate the opening balance sheet at the transition date of March 1, 2010, develop disclosure requirements and develop sample financial statements.

Post-Implementation

Finally, in Phase 4, the post implementation phase, the Company will continuously monitor changes in IFRS and update its accounting policies and internal and disclosure controls as required.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Outstanding Share Data

The following securities are outstanding at July 23, 2010:

Common shares issued and outstanding	18,138,815
Shares issuable on the exercise of outstanding stock options	1,490,000
Shares issuable on the exercise of share purchase warrants	3,045,665

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.