

Consolidated Financial Statements of

ROMARCO MINERALS INC.

(an exploration stage company)

Nine month period ended September 30, 2007 and 2006
(Unaudited)

ROMARCO MINERALS INC.

(an exploration stage company)

Consolidated Balance Sheets

Canadian \$

	September 30, 2007	December 31, 2006
	<i>Unaudited</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 7,981,734	\$ 7,212,203
Amounts receivable	208,017	123,009
Prepaid expenses	52,353	58,812
	8,242,104	7,394,024
Mineral property interests (note 5)	2,906,307	3,423,709
Equipment (note 6)	180,180	101,982
Deferred acquisition costs (note 7)	167,668	-
Reclamation bonds	103,243	114,597
	\$ 11,599,502	\$ 11,034,312

Liabilities and Shareholders' Equity

Current Liabilities:

Accounts payable and accrued liabilities \$ 255,071 \$ 174,519

Long-term liabilities:

Asset retirement obligations 56,689 56,689

311,760 231,208

Shareholders' equity:

Share capital (note 8(a)) 45,578,373 40,343,097

Warrants (note 8(b)) 2,652,560 2,717,564

Stock options (note 8(c)) 997,621 540,100

Contributed surplus 672,446 672,446

Deficit **(38,613,258)** **(33,470,103)**

11,287,742 10,803,104

\$ 11,599,502 \$ 11,034,312

Commitments (note 11)

Subsequent events (note 12)

See accompanying notes to consolidated financial statements

Approved on behalf of the Board:

"Diane Garrett"

Director

"R. J. MacDonald"

Director

ROMARCO MINERALS INC.

(an exploration stage company)

Consolidated Statements of Operations, Comprehensive Loss and Deficit

(Unaudited)

Canadian \$

	Three months ended September 30,		Nine month period ended September 30,	
	2007	2006	2007	2006
Revenue:				
Interest income	\$ 47,784	\$ 30,522	\$ 165,811	\$ 75,085
General and administrative expenses:				
Amortization	9,550	2,398	26,135	6,225
Audit and accounting	17,753	-	37,632	14,886
Consulting fees	47,334	39,357	144,848	134,445
Insurance	16,069	15,894	48,090	47,956
Legal fees	4,106	33,010	14,512	57,727
Office, rent and communication	77,639	36,613	231,674	83,607
Salaries	320,894	145,438	898,640	512,714
Shareholder relations and transfer agent	60,862	73,158	219,547	204,985
Stock based compensation (note 8(d))	190,021	23,400	478,521	91,800
Travel	85,287	102,296	240,085	178,659
Vehicle	977	-	6,454	-
Other	2,022	2,009	5,156	19,787
	832,513	473,573	2,351,293	1,352,791
Other income (expense):				
Merger break fees (note 4)	-	-	-	1,407,404
Merger costs (note 4)	-	-	-	(107,326)
Financing fees	-	-	-	(20,000)
Write down of mineral property interests	(2,677,895)	-	(2,677,895)	-
Income (loss) on foreign exchange	(135,116)	11,977	(279,778)	(55,523)
	(2,813,011)	11,977	(2,957,673)	1,224,555
Loss and comprehensive loss for the period	(3,597,740)	(431,074)	(5,143,155)	(53,151)
Deficit, beginning of period	(35,015,518)	(32,215,073)	(33,470,103)	(32,592,996)
Deficit, end of period	\$ (38,613,258)	\$ (32,646,147)	\$ (38,613,258)	\$ (32,646,147)
Loss per share				
- basic	\$ (0.04)	\$ (0.01)	\$ (0.05)	\$ (0.01)
- diluted	(0.04)	(0.01)	(0.05)	(0.01)
Weighted average number of shares outstanding	98,710,201	63,279,501	95,227,976	52,595,801

See accompanying notes to consolidated financial statements

ROMARCO MINERALS INC.

(an exploration stage company)

Consolidated Statements of Cash Flows

(Unaudited)

Canadian \$

	Three months ended September 30,		Nine month period ended September 30,	
	2007	2006	2007	2006
Cash provided by (used in):				
Operating activities:				
Loss for the period	\$ (3,597,740)	\$ (431,074)	\$ (5,143,155)	\$ (53,151)
Items not involving cash:				
Amortization	9,550	2,398	26,135	6,225
Write-down of mineral property interests	2,625,631		2,625,631	-
Stock based compensation	190,021	23,400	478,521	91,800
Change in non-cash working capital	69,865	9,536	(100,523)	878,448
Deposit on office lease	-	-	(5,806)	-
	(702,673)	(395,740)	(2,119,197)	923,322
Financing activities:				
Exercise of stock options	-	-	39,000	-
Proceeds from exercise of warrants	4,508,035	7,737,128	4,938,924	7,737,128
	4,508,035	7,737,128	4,977,924	7,737,128
Investing activities:				
Mineral property interests	(572,766)	(1,132,487)	(1,840,788)	(1,421,663)
Deferred acquisition costs	(140,765)	-	(155,430)	-
Reclamation bonds	1,524	-	11,354	-
Equipment	(16,202)	(4,373)	(104,333)	(4,373)
	(728,209)	(1,136,860)	(2,089,197)	(1,426,036)
Increase in cash and cash equivalents	3,077,154	6,204,528	769,531	7,234,414
Cash and cash equivalents at beginning of period	4,904,580	1,960,324	7,212,203	930,438
Cash and cash equivalents at end of period	\$ 7,981,734	\$ 8,164,852	\$ 7,981,734	\$ 8,164,852
Supplementary information:				
Issuance of common shares for:				
- mineral property interests	\$ -	\$ -	\$ 171,348	\$ 48,000

See accompanying notes to consolidated financial statements

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007

Canadian \$

1. Basis of presentation

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for the preparation of interim statements. Accordingly, these interim statements do not contain all the information required for annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of Romarco Minerals Inc. as at, and for the year ended, December 31, 2006. These consolidated financial statements follow the same accounting policies and methods of application as the December 31, 2006 audited annual consolidated financial statements of Romarco Minerals Inc., except as described in note 3.

2. Nature of operations

Romarco Minerals Inc. (the "Company" or "Romarco") is incorporated under the laws of British Columbia and at September 30, 2007, its principal business activities are the acquisition, exploration and development of mineral properties. To date, the Company has not earned significant revenues and is considered to be in the exploration stage.

At September 30, 2007, the Company is in the process of developing its mineral properties and has not yet determined whether its mineral properties contain resources that are economically recoverable. The underlying value of the Company's mineral properties and the recoverability of the related deferred costs are entirely dependent on the existence of economically recoverable resources in its mineral properties and the ability of the Company and its joint venture partners to obtain the necessary financing to complete development and upon future profitable production from or the proceeds from the disposition of its mineral properties.

3. Change in accounting policies

New Accounting Policy – Financial Instruments

Effective January 1, 2007, Romarco adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA").

- (a) Section 3855, *Financial Instruments – Recognition and Measurement* and Section 3861, *Financial Instruments – Disclosure and Presentation*, prescribe the criteria for recognition and presentation of financial instruments on the balance sheet and the measurement of financial instruments according to prescribed classifications. These sections also address how financial instruments are measured subsequent to initial recognition and how the gains and losses are recognized.

The Company was required to designate its financial instruments into one of the following five categories: held-for-trading; available-for-sale; held-to-maturity; loans and receivables; and other financial liabilities. All financial instruments are to be initially measured at fair value. Financial instruments classified as held-for-trading or available-for-sale are subsequently measured at fair value with any change in fair value recorded in net earnings and other comprehensive income, respectively. All other financial instruments are subsequently measured at amortized cost.

All derivative financial instruments, including derivative features embedded in financial instruments or other

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007

Canadian \$

contracts but which are not considered closely related to the host financial instrument or contract, are generally classified as held-for-trading and, therefore, must be measured at fair value with changes in fair value recorded in net earnings. However, if a derivative financial instrument is designated as a hedging item in a qualifying cash flow hedging relationship, the effective portion of changes in fair value is recorded in other comprehensive income. Any change in fair value relating to the ineffective portion is recorded immediately in net earnings.

Romarco has designated its financial instruments as follows:

- Cash, cash equivalents, and short-term investments are classified as "Available-for-Sale". Due to their short-term nature, their carrying value approximates their fair value;
- Other receivables and advances are classified as "Loans and Receivables". These financial assets are recorded at values that approximate their amortized cost using the effective interest method; and
- Accounts payable and accrued liabilities are classified as "Other Financial Liabilities". These financial liabilities are recorded at values that approximate their amortized cost using the effective interest method.

Under Section 3855, embedded derivatives are required to be separated from the host contract and accounted for as a derivative financial instrument if the embedded derivative and host contract are not closely related, and the combined contract is not held-for-trading or designated at fair value. This change did not have any impact on the Company as it does not have any embedded derivatives.

- (b) Section 1530, Comprehensive Income, introduces a new financial statement - "Statement of Comprehensive Income" and provides guidance for the reporting and display of other comprehensive income. Comprehensive income represents the change in equity of an enterprise during a period from transactions and other events arising from non-owner sources including gains and losses arising on translation of self-sustaining foreign operations, gains and losses from changes in fair value of available-for-sale financial assets and changes in the fair value of the effective portion of cash flow hedging instruments. The new standard did not have an impact upon adoption and the Company has not recognized any adjustments through other comprehensive income for the nine months ended September 30, 2007.
- (c) Section 3865, Hedges specifies the criteria under which hedge accounting may be applied, how hedge accounting should be performed under permitted hedging strategies and the required disclosures. This standard did not have an impact on the Company upon adoption nor for the nine months ended September 30, 2007.

4. Merger break fees

In August 2005 the Company announced that it had entered into an agreement to merge with Western Goldfields, Inc, a public US company which owns and operates the Mesquite gold mine in southern California. A merger agreement was signed in September 2005. In February 2006, the Company and Western Goldfields terminated the definitive merger agreement. In consideration for agreeing to such termination, Western Goldfields paid the Company \$1,407,404 for break fees and expense compensation. The company incurred legal and other costs of \$107,326 in 2006 in connection with the merger.

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007

Canadian \$

5. Mineral Property Interests

	Balance		Additions	
	Sep 30, 2007	Dec 31, 2006	9 months ended Sep 30, 2007	3 months ended Sep 30, 2007
Pinos Gold District, Mexico				
Acquisition, advance royalty and land holding costs	\$ 412,076	\$ 195,018	\$ 217,058	\$ 118,685
Exploration:				
Drilling	442,147	-	442,147	73,419
Geological and geochemistry	10,020	8,219	1,801	167
Logistics, permitting and reporting	285,931	100,016	185,915	63,317
	1,150,174	303,253	846,921	255,588
Buckskin-National, Nevada				
Acquisition and land holding costs	-	644,838	101,705	14,705
Exploration:				
Aerial photography	-	24,408	-	-
Data compilation	-	2,966	-	-
Drilling	-	1,097,261	55,553	323
Geological and geochemistry	-	137,395	-	-
Logistics, permitting and reporting	-	37,985	9,369	6,947
Provision for reclamation costs	-	32,169	-	-
	-	1,977,022	166,627	21,975
Written down in the period	-	-	(2,143,649)	(2,143,649)
	-	1,977,022	-	-
Pine Grove, Nevada				
Acquisition and land holding costs	310,153	179,146	131,007	23,841
Exploration:				
Aerial photography	2,280	2,280	-	-
Data compilation	7,900	7,900	-	-
Drilling	952,692	210,976	741,716	71,889
Geological and geochemistry	51,222	35,286	15,936	15,936
Logistics, permitting and reporting	68,488	21,466	47,022	34,479
Provision for reclamation costs	17,583	17,583	-	-
	1,410,318	474,637	935,681	146,145

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007

Canadian \$

	Balance		Additions	
	Sep 30, 2007	Dec 31, 2006	9 months ended Sep 30, 2007	3 months ended Sep 30, 2007
Roberts Mountains, Nevada				
Acquisition and land holding costs	-	171,663	15,544	15,544
Exploration:				
Data compilation	-	5,485	-	-
Drilling	-	293,926	16,441	16,379
Geological and geochemistry	-	20,106	-	-
Logistics, permitting and reporting	-	4,039	105	105
Provision for reclamation costs	-	6,937	-	-
	-	502,156	32,090	32,028
Written down in the period	-	-	(534,246)	(534,246)
	-	502,156	-	-
Red Canyon, Nevada				
Acquisition and land holding costs	169,442	80,957	88,485	33,486
Exploration:				
Drilling	2,299	-	2,299	806
Geological and geochemistry	54,182	-	54,182	45,800
Logistics, permitting and reporting	2,118	1,089	1,029	718
	228,041	82,046	145,995	80,810
Golden Zebra, Nevada				
Acquisition and land holding costs	110,600	77,421	33,179	33,179
Exploration:				
Geological and geochemistry	5,558	5,558	-	-
Logistics, permitting and reporting	1,616	1,616	-	-
	117,774	84,595	33,179	33,179
Additions during the period	-	-	\$ 2,160,493	\$ 569,725
Written off during the period	-	-	(\$ 2,677,895)	(\$ 2,677,895)
	\$ 2,906,307	\$ 3,423,709	(\$517,402)	(\$2,108,170)

Pinos Gold District, Mexico

In July 2007, the Company made an advance royalty payment of US\$60,000 in accordance with the Pinos agreement with Minera Apolo.

Pine Grove, Nevada

In March 2007, the Company issued 127,600 common shares at \$0.23 per share in accordance with the amended Pine Grove agreement with Carlin Gold Corporation.

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007

Canadian \$

Red Canyon, Nevada

In January 2007, the Company issued 250,000 common shares at \$0.22 per share in accordance with the Red Canyon agreement with Miranda Gold Corp. ("Miranda"). Original terms of the agreement required Romarco to spend US\$400,000 in qualifying work expenditures during the first year of the agreement, subject to certain conditions. In July 2007, Romarco and Miranda agreed to enter into an amendment to replace the first year work expenditure of US\$400,000 with a 6,000 foot drilling program to be completed by December 31, 2007, subject to permits and drill availability.

Golden Zebra, Nevada

In August 2007, the Company made an advance royalty payment of US\$20,000 in accordance with the Golden Zebra agreement with Diversified Inholdings LLC.

Roberts Mountain, Nevada

During the 3rd Quarter of 2007, the Company indicated to the owners of the Roberts Mountain, Nevada property that, due to limited drilling results, the Company would not be continuing with the property. During the quarter the Company wrote off cumulative costs incurred to September 30, 2007 of \$534,246.

Buckskin National, Nevada

The Company has advised the owners of Buckskin, Nevada property that the Company will not be continuing with the property. Owing to the considerable drilling costs required to determine an economically feasible mineral body, the Company had sought assistance from a company with either significant financial or drilling resources who would be willing to enter into a joint venture partnership. These efforts did not identify a suitable joint venture partner and so the Company decided not to continue working on the property and to concentrate its resources on its other properties with near term potential. The Company wrote off cumulative costs incurred to date of \$2,143,649 during the quarter ended September 30, 2007.

6. Equipment

	Sep 30, 2007			Dec 31, 2006
	Cost	Accumulated amortization	Net book value	Net book Value
Computer equipment	\$ 77,703	\$ 19,156	\$ 58,547	\$ 9,744
Office furniture and equipment	76,806	8,948	67,858	8,008
Field equipment	18,426	11,049	7,377	26,881
Vehicles	64,707	18,309	46,398	57,349
	\$ 237,642	\$ 57,462	\$ 180,180	\$ 101,982

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007

Canadian \$

7. Deferred acquisition costs

Deferred acquisition costs relate to due diligence and other costs in connection with the planned acquisition of the Haile Gold Mine (note 12). These costs will be added to the cost of the acquisition on closing, which occurred on October 17, 2007.

8. Capital Stock

(a) Common shares:

	Number of shares	Amount
Authorized:		
Unlimited common shares		
Issued:		
At December 31, 2006	92,080,648	\$ 40,343,097
Issued on exercise of warrants	22,997,364	5,003,928
Issued for mineral property interests	677,600	171,348
Issued on exercise of stock options	150,000	60,000
At September 30, 2007	115,905,612	\$ 45,578,373

(b) Warrants:

The following warrants to purchase common shares of the Company were outstanding at September 30, 2007:

	Value assigned	Number	Average exercise price
At December 31, 2006	\$ 2,717,564	70,368,644	\$ 0.27
Exercised	(65,004)	(22,997,364)	0.21
Expired	-	(639,000)	0.21
Issued on exercise of warrants	-	16,100	0.30
At September 30, 2007	\$ 2,652,650	46,748,380	\$ 0.27

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007

Canadian \$

Expiry date	Number outstanding	Exercise price
September 2008	43,706,362	0.30 ¹
September 2008	2,528,418	0.19 ²
September 2008	513,600	0.19
Outstanding, September 30, 2007	46,748,380	

1. If the shares of the Company trade at \$0.40 or higher for 20 consecutive days, the warrants will expire 30 days following notice to warrant holders.
2. An additional 2,528,418 warrants will be issued upon the exercise of these warrants. The additional warrants are exercisable at \$0.30 per share until August 28, 2008. If the shares of the Company trade at \$0.40 or higher for 20 consecutive days, the warrants will expire 30 days following notice to warrant holders.

(c) Stock options:

The following stock options to purchase common shares of the Company were authorized and outstanding at September 30, 2007:

	Value Assigned \$	Number	Average exercise price
At December 31, 2006	\$ 540,100	4,465,000	\$ 0.26
Issued	517,521	3,900,000	0.28
Exercised	(60,000)	(150,000)	0.26
At September 30, 2007	\$ 997,621	8,215,000	\$ 0.27

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007

Canadian \$

Expiry date	Number outstanding	Exercise price	Exercisable
December 2007	700,000	\$ 0.30	700,000
January 2008	100,000	0.23	100,000
June 2008	150,000	0.30	150,000
September 2008	1,100,000	0.26	1,100,000
November 2008	250,000	0.36	250,000
January 2010	815,000	0.25	815,000
October 2010	450,000	0.15	450,000
April 2011	400,000	0.29	300,000
December 2011	350,000	0.22	175,000
January 2012	100,000	0.30	25,000
February 2012	1,725,000	0.27	431,250
February 2012	350,000	0.24	87,500
April 2012	50,000	0.23	12,500
May 2012	50,000	0.19	12,500
August 2012	1,625,000	0.29	1,625,000
Outstanding, September 30, 2007	8,215,000	\$ 0.27	6,233,750

(d) Stock based compensation:

The Company recognized \$190,021 (2006 - \$23,400) of stock-based compensation in the three months ended September 30, 2007 and \$478,521 (2006 - \$91,800) in the nine months ended September 30, 2007 with corresponding increases in the separate stock options category of shareholders' equity.

The weighted average fair value of the option grants for the options granted was estimated on the date of the grant using the Black-Scholes option pricing model with the following assumptions:

	2007	2006
Expected option lives	5 years	5 years
Risk-free interest rate	4.0% - 4.6%	3.5%
Dividend yield	nil	nil
Volatility	87%	95%
Weighted average fair value	\$ 0.12 - 0.21	\$ 0.19 - 0.21

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's warrants and stock options granted and/or vested during the period.

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007

Canadian \$

9. Related party transactions

Amounts paid to related parties in the normal course of business are measured at the exchange amount as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
Consulting fees paid to directors	\$ 35,235	\$ 36,163	\$ 64,213	\$ 131,250
Salaries paid to directors	16,776	-	44,930	-
Graphic design fees paid to a brother of the Company's President	-	11,582	-	26,531
Amounts paid pursuant to a property agreement to a company controlled by the Company's former Vice President of Exploration	-	-	-	48,000
Financing fee paid to a large shareholder of the Company	-	-	-	20,000
	\$ 52,011	\$ 47,745	\$ 109,143	\$ 225,781

10. Segmented information

(a) Operating segment – The Company operates in one segment being the acquisition, exploration and development of resource properties.

(b) Geographic segments – The Company's assets, revenues and expenses by geographic areas are as follows:

	<u>September 30, 2007</u>			
	Canada	United States	Mexico	Total
Total assets at September 30, 2007	\$ 8,291,090	\$ 1,937,465	\$ 1,370,947	\$ 11,599,502
Interest income	\$ 47,784	\$ -	\$ -	\$ 47,784
Net loss for the three months ended September 30, 2007	\$ (560,215)	\$ (2,968,416)	\$ (13,454)	\$ (3,542,085)
Interest income	\$ 165,811	\$ -	\$ -	\$ 165,811
Net loss for the nine months ended September 30, 2007	\$ (1,409,054)	\$ (3,661,169)	\$ (17,277)	\$ (5,087,500)

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007

Canadian \$

September 30, 2006

	Canada	United States	Peru	Mexico	Total
Total assets at September 30, 2006	\$ 8,335,541	\$ 2,962,254	\$ 388,600	207,642	\$ 11,894,037
Interest income	\$ 30,522	\$ -	\$ -	-	\$ 30,522
Net loss for the three months September 30, 2006	\$ (301,186)	\$ (117,288)	\$ (15,789)	-	\$ (431,074)
Interest income	\$ 75,085	\$ -	\$ -	-	\$ 75,085
Net income (loss) for the nine months September 30, 2006	\$ 397,094	\$ (434,456)	\$ (15,789)	-	\$ (53,151)

11. Commitments

	Payments due by period				
	Total \$	2007 \$	2008 – 2010 \$	2011 – 2012 \$	2013 and beyond \$
Contractual Obligations					
Office operation leases – CDN\$	40,126	14,670	25,457	-	-
Office operation leases – US\$	211,091	16,703	145,638	48,750	-
Property Payments - US\$	-	-	250,000	-	-
Discretionary Commitments					
Property payments – US\$	490,000	-	270,000	270,000	-
Advance minimum royalties – US\$	3,267,500	50,000	680,000	430,000	2,107,500
Work expenditures – US\$	4,181,600	481,600	2,950,000	750,000	-

Discretionary commitments refer to amounts set out in the lease and option agreements the Company has on its mineral property interests. The Company may, at any time, terminate any of its lease or option agreements, at which time it will no longer be obligated to make the payments specified in the terminated agreement.

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007

Canadian \$

12. Subsequent events

Haile Gold Mine

Pursuant to an agreement dated October 16, 2007, between subsidiaries of Romarco and Kinross Gold Corporation, Romarco acquired the properties associated with the Haile Gold Mine, in Lancaster County, S.Carolina. This property, and associated buildings and equipment, as well as certain obligations were acquired for consideration of 5,000,000 shares of Romarco Minerals Inc at a price per share of \$0.238 for a purchase price of \$1.19 million. As part of the agreement, Romarco posted a US\$3.2 million cash bond, of which US\$2.4 million is scheduled to be released by October 2008.

The purchase is also subject to a royalty agreement which provides that:

- (i) if a Technical Report, produced within two years from the date of closing, identifies proven and probable reserves in the Mineral Properties in excess of 1,000,000 ounces of gold, the Purchaser shall pay to Kinross US\$3.00 for each ounce in excess of 1,000,000 ounces to a maximum of 3,000,000 ounces in total; and
- (ii) if a Technical Report, produced within two years from the date of closing, identifies proven and probable reserves in the Mineral Properties in excess of 3,000,000 ounces of gold, the Purchaser shall pay to Kinross US\$5.00 for each ounce in excess of 3,000,000 ounces to a maximum of 5,000,000 ounces in total.

In addition, pursuant to an agreement dated October 17, 2007, through a subsidiary, Romarco agreed to lease adjacent property from a third party on the following terms: a payment of US\$220,000 on the closing date and US\$250,000 on the first anniversary of the closing date. In addition, Romarco has the option, and first right of refusal, to purchase the property no later than two years after the completion date at a price of US\$2,375,000 and a royalty amount calculated as follows:

In the event more than 500,000 ounces are discovered on the Property during the Option Term of this Agreement, Romarco shall pay an additional amount representing the net present value of such additional ounces in excess of 500,000 based on 2% of the average daily closing value of gold at the London Metals Exchange rate during the 30 day period ending on the date of Option Closing, less estimated mining, production and smelting and refining costs, assuming a 73% processing recovery rate and a discount rate of 7% over 10 years. The classification of ounces shall be in accordance with industry standards and the estimate of expected mining, production and smelting and refining costs shall be based on the most current estimates available from work that has been conducted on the basis of a feasibility study on the Property which classifies gold reserves to SEC Industry Guide 7 or to N1-43101 prepared by a reputable independent engineering or consulting firm.

In addition a further amount may be payable if: During the ten-year period after the Option Closing, in the event that Romarco receives separate compensation for silver or any other non-gold mineral to be mined from the Property, at the time Romarco receives such compensation, Romarco shall pay to Owner a sum equal to the net present value of the ounces of such other mineral which Romarco plans to mine from the Property and sell separately over the remainder of such ten-year period, based on two percent (2%) of the average daily closing value of such mineral at the London Metals Exchange Rate during the thirty (30) day period prior to the date of such payment, less estimated mining, production, smelting and refining costs for such mineral, using Romarco's reasonably projected processing recovery rate and a discount rate of seven percent (7%) over the remainder of such ten-year period. The obligation to pay such additional royalty for non-gold minerals shall only apply if separate sale of such minerals is commenced within ten (10) years after the date of the Option Closing, and shall expire ten (10) years from the date of the Option Closing. The provisions of this subsection apply only if Romarco sells silver or other minerals separately; the provisions of this subsection do not apply if Romarco receives a credit of any kind against the costs of the processing

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007

Canadian \$

of gold by a third party because the gold bars produced by Romarco contain varying amounts of silver or other minerals which are of value to such third party.

Stock options

In October 2007, the Company granted 200,000 stock options to employees of its subsidiary, Haile Gold Mine, Inc., employees exercisable until October 2012 at a price of \$0.24 per share. All options were granted pursuant to the Company's Stock Option Plan.