

Consolidated Financial Statements of

ROMARCO MINERALS INC.

(an exploration stage company)

Years ended December 31, 2007 and 2006
(Audited)

April 29, 2008

PricewaterhouseCoopers LLP
Chartered Accountants
PricewaterhouseCoopers Place
250 Howe Street, Suite 700
Vancouver, British Columbia
Canada V6C 3S7
Telephone +1 604 806 7000
Facsimile +1 604 806 7806

Auditors' Report

To the Shareholders of Romarco Minerals Inc.

We have audited the consolidated balance sheets of Romarco Minerals Inc. (an exploration stage company) as at December 31, 2007 and 2006 and the consolidated statements of operations, comprehensive loss and deficit and cash flows for each of the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2007 and 2006 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

(Signed) PricewaterhouseCoopers LLP

Chartered Accountants
Vancouver, British Columbia

ROMARCO MINERALS INC.

(an exploration stage company)

Consolidated Balance Sheets

As at December 31, 2007 and 2006

Canadian \$

	2007	2006
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,191,085	\$ 7,212,203
Accounts receivable	70,291	100,163
Prepaid expenses	34,351	58,812
Other assets	124,303	22,846
	3,420,030	7,394,024
Mineral property interests (notes 3 and 4)	6,605,579	3,423,709
Property, plant and equipment (note 6)	451,080	101,982
Reclamation bonds (note 3)	3,346,941	114,597
Security deposit	5,403	-
	\$ 13,829,033	\$ 11,034,312

Liabilities and Shareholders' Equity

Current Liabilities:		
Accounts payable and accrued liabilities	\$ 653,813	\$ 174,519
Asset retirement obligations (note 7)	601,662	-
Long-term liabilities:		
Asset retirement obligations (note 7)	1,549,849	56,689
	2,805,324	231,208
Shareholders' equity:		
Share capital (note 8(a))	46,778,373	40,343,097
Warrants (note 8(b))	2,652,560	2,717,564
Stock options (note 8(c))	1,076,974	540,100
Contributed surplus	672,446	672,446
Deficit	(40,156,644)	(33,470,103)
	11,023,709	10,803,104
	\$ 13,829,033	\$ 11,034,312

Commitments (notes 4 and 13)

Measurement Uncertainty (note 4(c))

Subsequent Events and Contingency (note 15)

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

Years ended December 31, 2007 and 2006

Canadian \$

	2007	2006
General and administrative expenses:		
Amortization (note 6)	\$ 42,272	\$ 15,120
Audit and accounting	103,932	100,121
Consulting fees	219,944	151,183
Insurance	64,158	63,850
Legal fees	114,183	57,727
Office rent and communications	299,245	118,266
Salaries	1,190,005	675,107
Shareholder relations and transfer agent	300,679	323,981
Stock-based compensation (note 8(d))	539,810	119,900
Travel	337,896	262,287
Vehicle	6,731	-
Other	15,309	21,445
	3,234,164	1,908,987
Other income (expense):		
Interest income	247,446	152,254
Merger break fees (note 5)	-	1,407,404
Merger costs	-	(109,019)
Financing fees	-	(20,000)
Writedown of mineral property interests (note 4)	(3,332,491)	(389,662)
Gain on settlement of asset retirement obligation (note 7)	6,938	-
Loss on foreign exchange	(374,270)	(9,097)
	(3,452,377)	1,031,880
Loss and comprehensive loss for the year	(6,686,541)	(877,107)
Deficit, beginning of year	(33,470,103)	(32,592,996)
Deficit, end of year	\$ (40,156,644)	\$ (33,470,103)
Basic and diluted loss per share	(0.07)	(0.01)
Weighted average number of shares outstanding	101,480,969	62,548,146

See accompanying notes to consolidated financial statements

ROMARCO MINERALS INC.

(an exploration stage company)

Consolidated Statements of Cash Flows

Years ended December 31, 2007 and 2006

Canadian \$

	2007	2006
Cash provided by (used in):		
Operating activities:		
Loss and comprehensive loss for the year	\$ (6,686,541)	\$ (877,107)
Items not involving cash:		
Amortization	42,272	15,120
Writedown of mineral property interests (note 4)	3,332,491	389,662
Gain on settlement of asset retirement obligation (note 7)	(6,938)	-
Stock-based compensation (note 8 (d))	539,810	119,900
Unrealized foreign exchange adjustment on reclamation bond	(34,569)	-
Interest on reclamation bond	(35,293)	-
Net change in non-cash working capital (note 12)	(42,551)	(91,389)
Settlement of asset retirement obligation (note 7)	(98,288)	56,689
Deposit on office lease	(5,403)	-
	(2,995,010)	(387,125)
Financing activities:		
Exercise of stock options	39,000	-
Proceeds from issuance of shares	-	8,532,950
Proceeds from exercise of warrants	4,938,924	-
Share issue costs	-	(795,822)
	4,977,924	7,737,128
Investing activities:		
Mineral property interests	(2,450,180)	(1,772,006)
Reclamation bonds	(3,162,482)	(45,628)
Property, plant and equipment (note 6)	(391,370)	(87,304)
Repayment of advances by Western Goldfields, Inc. (note 5)	-	836,700
	(6,004,032)	(1,068,238)
(Decrease) increase in cash and cash equivalents	(4,021,118)	6,281,765
Cash and cash equivalents, beginning of year	7,212,203	930,438
Cash and cash equivalents, end of year	\$ 3,191,085	\$ 7,212,203
Supplementary information:		
Non-cash investing and financing activities:		
Issuance of common shares for mineral property interests (note 8(a))	1,371,348	48,000
Recognition of asset retirement obligations (note 7)	2,200,048	56,689

See accompanying notes to consolidated financial statements

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

December 31, 2007 and 2006

Canadian \$

1. Nature of operations

Romarco Minerals Inc. (the "Company" or "Romarco") is incorporated under the laws of British Columbia and at December 31, 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 December 31, 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 is entirely dependent on the existence of economically recoverable resources in its mineral properties and the ability of the Company to obtain the necessary financing to complete development and upon future profitable production from or the proceeds from the disposition of its mineral properties.

2. Significant accounting policies

(a) Basis of presentation:

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada. They include the accounts of the Company and its wholly-owned subsidiaries, Romarco Minerals US Inc., a company incorporated under the laws of the State of Nevada, USA; Haile Gold Mine Inc., a company incorporated under the laws of the State of Delaware, and Romarmex S.A. de C.V. and Exploraciones Santo Tomas. S.A. de C.V., companies incorporated under the laws of Mexico. All significant intercompany transactions have been eliminated.

(b) Adoption of new accounting policies:

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

- (i) Section 3855, *Financial Instruments – Recognition and Measurement* and Section 3861, *Financial Instruments – Disclosure and Presentation*, prescribes 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 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

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

December 31, 2007 and 2006

Canadian \$

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 and cash equivalents, and short-term investments are classified as "Available-for-Sale".
- Accounts receivable, other assets and reclamation bonds 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.

- (ii) 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 twelve months ended December 31, 2007.
- (iii) 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 twelve months ended December 31, 2007.

(c) Cash and cash equivalents:

Cash and cash equivalents consists of cash and highly liquid short-term investments with a maturity date of three months or less at acquisition. Cash and cash equivalents are recorded at fair value with changes in fair value reflected in other comprehensive income.

(d) Mineral property interests:

Direct mineral property acquisition costs, holding costs, field exploration and field supervisory costs are deferred on a property-by-property basis until the properties are brought into production, at which time they will be amortized on a unit-of-production basis, or until the properties are abandoned, sold or considered to be impaired in value, at which time an appropriate charge to operations will be made.

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

December 31, 2007 and 2006

Canadian \$

The amounts reported as mineral property interests represent costs incurred to date and do not necessarily reflect present or future values.

(e) Property, plant and equipment:

Property, plant and equipment is recorded at cost and is being amortized on a straight-line basis over their estimated useful lives at the following annual rates:

Computer equipment	30%
Field equipment	30%
Buildings	4%
Office furniture and equipment	20% - 30%
Vehicles	30%

(f) Impairment of long-lived assets:

The Company reviews the recoverability of our long-lived assets, including buildings, equipment, computer hardware and software, and other intangible assets, when events or changes in circumstances occur that indicate that the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on the ability to recover the carrying value of the asset from the expected future pre-tax cash flows of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. The primary measure of fair value is based on discounted cash flows. The measurement of impairment requires management to make estimates of these cash flows related to long-lived assets, as well as other fair value determinations.

(g) Asset retirement obligations:

The fair value of a liability for an asset retirement obligation, such as site closure and reclamation costs, is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The Company is required to record the estimated present value of future cash flows associated with site closures and reclamation as a liability and increase the carrying value of the related assets for that amount. Subsequently, these asset retirement costs will be amortized to expense over the life of the related assets. At the end of each period, the liability is revised to reflect the passage of time and changes in the estimated future cash flows underlying any initial fair value measurements.

(h) Stock-based compensation plans:

The Company has a stock-based compensation plan, which is described in note 8(c). The Company recognizes stock-based compensation using the fair value method at the date of grant. Under the fair value based method, compensation cost attributable to options granted is measured at the fair value at the grant date using the Black-Scholes option pricing model, with the offset to a separate component of shareholders' equity (stock options). Compensation cost is recognized over the vesting period of the underlying options. Any consideration paid by employees on exercise of stock options, along with the related fair value previously credited to the separate component of shareholders' equity, is credited to share capital.

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

December 31, 2007 and 2006

Canadian \$

(i) Foreign currency translation:

Monetary assets and liabilities of the Company denominated in currencies other than the Canadian dollar and monetary assets and liabilities of the Company's US operations are translated to Canadian dollars at the rate of exchange in effect at the balance sheet date. Non-monetary assets and liabilities are translated to Canadian dollars at historical rates of exchange on the date of the transaction. Transactions in foreign currencies are translated at the actual rates of exchange on the transaction dates. Gains and losses on foreign currency translation are included in results from operations. Transactions for revenues and expenses are translated at exchange rates in effect during the period, except for amortization, which is translated at historical rate.

(j) Income taxes:

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, future income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in operations in the year that includes the date of enactment or substantive enactment. The amount of future income tax assets recognized is limited to the amount that is more likely than not to be realized.

(k) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant areas requiring the use of management estimates include recoverability of mineral property interests, amortization periods for equipment, obligations for site reclamation costs and valuation allowances for future income tax assets. Actual amounts could differ from those estimates.

(l) Loss per share:

Basic loss per share is calculated by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding. For all periods presented, loss attributable to common shareholders equals reported loss. The Company uses the treasury stock method to calculate diluted loss per share. Diluted loss per share is similar to basic loss per share, except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential dilutive common shares had been issued. The treasury stock method assumes that the proceeds received on exercise of stock options is used to repurchase common shares at the average market value for the period. In the periods when a loss is incurred the exercise of outstanding stock options and warrants would not be included in this calculation as it would be anti-dilutive.

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

December 31, 2007 and 2006

Canadian \$

(m) New accounting pronouncements:

During 2007, the CICA issued new additional standards affecting financial statement disclosures for fiscal years beginning on or after October 1, 2007. These standards are as follows:

Section 1535 – Capital Disclosures – This section establishes disclosure standards for information about an entity's capital and how it is managed. Under this section, the Company will be required to disclose information that enables users of the Company's financial statements to evaluate the entity's objectives policies and processes for managing capital. Management is currently assessing the impact of this standard on future consolidated financial statements and expects the only impact will be in terms of additional disclosures.

Section 3862 – Financial Instruments – Disclosures – requires entities to provide disclosure of quantitative and qualitative information in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and management's objectives, policies and procedures for managing risks. Management is currently assessing the impact of this standard on future consolidated financial statements and expects the only impact will be in terms of additional disclosures.

Section 3863 – Financial Instruments – Presentation – This section carries forward the presentation requirements of CICA Handbook Section 3861. Management is currently assessing the impact of this standard on future consolidated financial statements and expects the only impact will be in terms of additional disclosures.

Section 3064 – Goodwill and Intangible Assets – This section replaces CICA Handbook Section 3062. The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and start-up costs and requires that these costs be expensed as incurred. This standard applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. Management is currently assessing the impact of this standard on future consolidated financial statements.

(n) Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

3. Acquisition of Haile Gold Mine

On October 16, 2007, Romarco completed the acquisition of the Haile Gold Mine in South Carolina a subsidiary of Kinross Gold Corporation (Kinross). Romarco established a wholly owned Delaware Corporation subsidiary, Haile Gold Mine Inc. (HGMI), to hold the Haile Gold Mine asset. The terms of the agreement with Kinross included the issuance of 5,000,000 common shares of the Company valued at \$0.24 (closing date price), the assumption of the financial assurance bonding \$3,162,482 (US\$3,242,800) and reclamation obligations; and a commitment per ounce payment to Kinross on new reserve ounces delineated on its property only (US\$3 per ounce on reserves identified between 1 and 3 million ounces and US\$5 per ounce on reserves identified between 3 and 5 million ounces). These per ounce payments will be calculated based on the most recent independent technical report within two (2) years from the date of closing and shall be paid once the Project reaches commercial production and shall be paid from net cash flows. No value has been assigned to this commitment in the total consideration summarized below since it is contingent to future events.

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

December 31, 2007 and 2006

Canadian \$

The acquisition has been accounted for as a purchase of assets and may be summarized as follows on October 16, 2007:

	<u>2007</u>
Net assets acquired:	
Mineral properties (note 4(g))	\$ 3,255,258
Reclamation bonds	3,162,482
Capital assets	258,768
Liabilities	(11,955)
Asset retirement obligations (note 7)	(2,183,522)
	<u>\$ 4,481,031</u>
Satisfied by:	
Cash	3,281,031
Issuance of shares	1,200,000
	<u>\$ 4,481,031</u>

In addition to the agreement added October 16, 2007, and through its subsidiary, Romarco agreed to lease adjacent property from a private 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 a first right of refusal on the property and an option to purchase the property no later than two (2) years from the closing date, at a price of US\$2,375,000 plus an additional royalty amount calculated as follows:

In the event that 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 the Securities and Exchange Commission of the United States (SEC) Industry Guide 7 or to National Instrument 43-101 prepared by a reputable independent engineering or consulting firm.

Romarco does not currently intend to sell other minerals such as silver separately, as opposed to as a by-product of gold production, during the ten-year period after the closing of the option period. If Romarco does receive separate compensation for any non-gold mineral mined from the property, Romarco shall compensate the private third party. The compensation is 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 a 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 from the date of the option closing, and shall expire (10) years from the date of the option closing. These provisions apply only if Romarco sells silver or other minerals separately; they do not apply if Romarco receives a credit of any kind against the costs of the

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

December 31, 2007 and 2006

Canadian \$

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

4. Mineral Property Interests

	Balance		2007		2007		Balance
	31-Dec-06		Expenditures		Writedowns		31-Dec-07
Pinos Gold District, Mexico (a)	\$ 303,253	\$	969,342	\$	-	\$	1,272,595
Buckskin-National, Nevada (b)	1,977,022		170,685		(2,147,707)		-
Pine Grove, Nevada (c)	474,637		948,005		-		1,422,642
Roberts Mountains, Nevada (d)	502,156		27,901		(530,057)		-
Red Canyon, Nevada (e)	82,046		572,681		(654,727)		-
Golden Zebra, Nevada (f)	84,595		33,179		-		117,774
Haile Gold Mine, South Carolina (notes 3 & 4(g))	-		3,792,568		-		3,792,568
	\$ 3,423,709	\$	6,514,361	\$	(3,332,491)	\$	6,605,579

	Balance		2006		2006		Balance
	31-Dec-05		Expenditures		Writedowns		31-Dec-06
Pinos Gold District, Mexico	\$ -	\$	303,253	\$	-	\$	303,253
Buckskin-National, Nevada	1,355,598		621,424		-		1,977,022
Pine Grove, Nevada	175,754		298,883		-		474,637
Roberts Mountains, Nevada	142,150		360,006		-		502,156
Red Canyon, Nevada	-		82,046		-		82,046
Golden Zebra, Nevada	61,421		23,174		-		84,595
Cori Puncho, Peru	258,442		131,220		(389,662)		-
	\$ 1,993,365	\$	1,820,006	\$	(389,662)	\$	3,423,709

(a) Pinos Gold District, Mexico

In July 2006 the Company entered into two agreements with Minera Apolo SA for the Pinos Gold District in Mexico.

Terms of the agreements:

- Catanava - 50/50 Joint Venture with Minera Apolo. Upon successful completion of an up to 180 day drilling program, the Company may choose to enter into a 50/50 Joint Venture with Minera Apolo. If the Company elects to enter in the Joint Venture, it will be required to provide the financing for an up to 350 tonnes per day plant. At production, both parties participate according to their pro rata share.
- Old Pinos District - 100% exploration / exploitation license. The Company has been granted a 100% right to explore and exploit this project area. At the end of two years, the Company must submit a Scoping Study and, if the Study recommends that the development of a mine is feasible, the Company will have two additional years to complete a Feasibility Study and initiate commercial

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

December 31, 2007 and 2006

Canadian \$

production at a rate of 600 tonnes per day. The Old District is subject to a 3.5% Net Smelter Royalty (NSR) to Minera Apolo of which the Company can buy back 0.5% for US\$500,000.

- In February and July 2007, the Company made advance royalty payments of US \$60,000 each in accordance with the Pinos agreement with Minera Apolo.

A summary of the expenditures incurred in this project were as follows:

	<u>Balance</u>		<u>2007</u>		<u>Balance</u>
	<u>31-Dec-06</u>		<u>Expenditures</u>		<u>31-Dec-07</u>
Acquisition, advance royalty and land holding costs	\$ 195,018	\$	219,220	\$	414,238
Exploration:					
Drilling	-		442,819		442,819
Geological and geochemistry	8,219		5,111		13,330
Logistics, permitting and reporting	100,016		254,732		354,748
Assaying	-		47,460		47,460
	<u>\$ 303,253</u>	\$	<u>969,342</u>	\$	<u>1,272,595</u>

(b) Buckskin-National, Nevada

In March 2004, the Company entered into agreements to acquire a 100% operating interest in 103 unpatented lode mining claims that comprise the Buckskin-National Gold/Silver Project, located in Humboldt County, Nevada. During each of the years ended December 31, 2007, 2006, and 2005 the Company issued 300,000 common shares pursuant to the lease agreement. The shares issued in 2007 were recorded at their fair value of \$87,000.

In October 30, 2007 the Company decided to divest itself of the project and return it to the underlying owners. In accordance with Section 3063 of the CICA Handbook, the Company wrote off the costs associated with the project via a charge to operations.

A summary of the expenditures incurred on this project were as follows:

	<u>Balance</u>		<u>2007</u>		<u>2007</u>		<u>Balance</u>
	<u>31-Dec-06</u>		<u>Expenditures</u>		<u>Writedowns</u>		<u>31-Dec-07</u>
Acquisition, advance royalty and land holding costs	\$ 644,838	\$	101,705	\$	(746,543)	\$	-
Exploration:							
Aerial photography	24,408		-		(24,408)		-
Data compilation	2,966		-		(2,966)		-
Drilling	1,097,261		55,747		(1,153,008)		-
Geological and geochemistry	137,395		1,783		(139,178)		-
Logistics, permitting and reporting	37,985		9,369		(47,354)		-
Provision for reclamation costs	32,169		2,081		(34,250)		-
	<u>\$ 1,977,022</u>	\$	<u>170,685</u>	\$	<u>(2,147,707)</u>	\$	<u>-</u>

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

December 31, 2007 and 2006

Canadian \$

(c) Pine Grove, Nevada

In February 2005, The Company and Toquima Minerals US Inc. ("Toquima") agreed to enter into an option agreement whereby the Company has an option to earn a 60% interest in the Pine Grove Project by spending US\$2 million in exploration and project holding costs prior to December 31, 2009. The Pine Grove Project is located in Lyon County, Nevada and consists of 138 unpatented lode mining claims controlled by Toquima through a lease agreement with the underlying property owners.

On December 23, 2006, the Company and Carlin Gold Corporation ("Carlin"), the parent company of Toquima, entered into a binding Letter of Intent to amend the terms of the Option Agreement on the Pine Grove Project. Under the February 2005 agreement, the Company had an option to earn a 60% interest in the Pine Grove Project by issuing 100,000 common shares to Toquima and spending US\$2 million in exploration and project holding costs prior to December 31, 2009. The agreement called for work expenditures of US\$600,000 in 2006, US\$300,000 in 2007, US\$600,000 in 2008 and US\$500,000 in 2009. During 2006 the Company spent a total of approximately US\$418,000 on the project for the Phase I drilling program. Due to delays in permitting, the Company was not able to spend the balance of the 2006 work expenditure requirement totalling approximately US\$182,000.

The Company, Carlin and Toquima agreed to amend the original option agreement in order to account for the shortfall of expenditures. The terms of the amendment included issuing to Carlin Gold US\$25,000 in common shares and continuing to make all property payments relating to the underlying agreement to keep the property in good standing. The previous 2006 work expenditure was replaced with a work expenditure of 11,000 feet of drilling. The 11,000 feet of drilling was comprised of 7,500 feet of drilling on the East Pine Grove area (completed in 2007) and 3,500 feet of drilling on the Rockland Mine Target area (pending receipt of permits). The Company may, at its discretion, accelerate its expenditures and commitments in order to earn its interest at an earlier date. Upon completion of its earn-in, the Company will have the option to elect to earn an additional 10% interest (for a total of 70%) by committing to take the project to final feasibility within three years.

In addition to the above work expenditures, the Company agreed to make all advance royalty payments due to the property owners by Toquima in accordance with the terms of the underlying agreements and has committed to keeping the property in good standing by making the required property payments. All advance royalty payments and property payments will be credited toward the work expenditures set out above. The agreement with the underlying property owners provides for annual advance royalty payments of US\$30,000 (paid) in 2005, US\$35,000 (paid) in 2006, US\$40,000 (paid) in 2007, US\$45,000 in 2008 and US\$75,000 each year thereafter to a cumulative total of US\$1,000,000. Upon production, the property owners will receive a sliding scale net smelter royalty of between 3% and 4%, based on the gold price.

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

Measurement Uncertainty

Subsequent to year end, a Wilderness Legislation proposal was submitted in Nevada whereby a significant amount of land in the Walker Land District in the State of Nevada would be set aside for wilderness use. The Company's Pine Grove project, which is classified as federal land with the US Forest Service, is located in the Walker Land District. A portion of the Pine Grove property is included in the land area that is proposed for wilderness use. The Company is unable to determine whether the legislation proposed will be successful. No adjustments have been made to these financial statements to reflect the potential impairment, if any, of the Pine Grove project if the legislation is successful.

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

December 31, 2007 and 2006

Canadian \$

A summary of the expenditures incurred on this project is as follows:

	<u>Balance</u>		<u>2007</u>		<u>Balance</u>
	<u>31-Dec-06</u>		<u>Expenditures</u>		<u>31-Dec-07</u>
Acquisition, advance royalty and land holding costs	\$ 179,146	\$	131,007	\$	310,153
Exploration:					
Aerial photography	2,280		-		2,280
Data compilation	7,900		-		7,900
Drilling	210,976		746,246		957,222
Geological and geochemistry	35,286		15,936		51,222
Logistics, permitting and reporting	21,466		54,816		76,282
Provision for reclamation costs	17,583		-		17,583
	<u>\$ 474,637</u>	\$	<u>948,005</u>	\$	<u>1,422,642</u>

(d) Roberts Mountains, Nevada

In October 2004, the Company entered into a mining lease with Scoonover Exploration LLC, a private Nevada corporation, for a 100% operating interest in the Roberts Mountain Gold Project in Eureka County, Nevada. The project consisted of 110 unpatented lode mining claims.

During the 3rd quarter of 2007, the Company indicated to the owners of Roberts Mountain that the Company would not be continuing with the property. Due to limited drilling results the Company decided to cease with its exploration activities on the property and wrote-off the cumulated costs incurred to date of \$530,057 via a charge to operations.

A summary of the expenditures incurred on this project is as follows:

	<u>Balance</u>		<u>2007</u>		<u>2007</u>		<u>Balance</u>
	<u>31-Dec-06</u>		<u>Expenditures</u>		<u>Writedowns</u>		<u>31-Dec-07</u>
Acquisition, advance royalty and land holding costs	\$ 171,663	\$	(5,775)	\$	(165,888)	\$	-
Exploration:							
Data compilation	5,485		(949)		(4,536)		-
Drilling	293,926		(7,392)		(286,534)		-
Geological and geochemistry	20,106		(3,063)		(17,043)		-
Logistics, permitting and reporting	4,039		(379)		(3,660)		-
Provision for reclamation costs	6,937		(6,805)		(132)		-
Foreign exchange	-		52,264		(52,264)		-
	<u>\$ 502,156</u>	\$	<u>27,901</u>	\$	<u>(530,057)</u>	\$	<u>-</u>

(e) Red Canyon, Nevada

In July 2006 the Company signed an agreement with Miranda Gold Corp. ("Miranda") whereby Romarco may earn a joint venture interest in the Red Canyon property, located in the Cortez Trend of Nevada. The

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

December 31, 2007 and 2006

Canadian \$

Red Canyon Project comprises 237 unpatented lode mining claims. Under the terms of the agreement, Romarco could earn a 60% interest by completing a 6,000 feet drilling program and by issuing 250,000 common shares to Miranda. These common shares were issued in January 2007 and recorded at their fair value of \$55,000. As at December 31, 2007 due to poor drilling results the Company terminated its agreement with Miranda and wrote off the accumulated costs incurred to date of \$654,727 with a charge to operations.

A summary of the expenditures incurred on this project is as follows:

	Balance	2007	2007	Balance
	31-Dec-06	Expenditures	Writedowns	31-Dec-07
Acquisition, advance royalty and land holding costs	\$ 80,957	\$ 138,143	\$ (219,100)	\$ -
Exploration:				
Drilling	-	294,234	(294,234)	-
Geological and geochemistry	-	144,518	(144,518)	-
Logistics, permitting and reporting	1,089	4,459	(5,548)	-
Provision for reclamation costs	-	13,542	(13,542)	-
Foreign exchange	-	(22,215)	22,215	-
	\$ 82,046	\$ 572,681	\$ (654,727)	\$ -

(f) Golden Zebra, Nevada

In September 2004, the Company entered into a mining lease with Diversified Inholdings, LLC, a private Nevada corporation, for a 100% operating interest in the Golden Zebra Gold/Silver Project in Elko County, Nevada. Golden Zebra consists of 85 unpatented lode mining claims.

Under the terms of the lease, the Company is required to make advance royalty payments of US\$5,000 on execution of the lease, US\$10,000 on the first and second anniversary of the lease, US\$20,000 on the third and fourth anniversary, US\$30,000 on the fifth and sixth anniversary, and US\$40,000 a year thereafter. The Company has made the required royalty payments for 2005 (US\$10,000), 2006 (US\$10,000) and 2007 (US\$20,000). The Company will be required to pay a sliding scale net smelter royalty of 2% - 4% depending on the price of gold if the project reaches production. The Company may, at its option, reduce the percentage points by up to 2% at a cost of \$1,500,000 for each percentage point decrease.

A summary of the expenditures incurred on this project is as follows:

	Balance	2007	Balance
	31-Dec-06	Expenditures	31-Dec-07
Acquisition, advance royalty and land holding costs	\$ 77,421	\$ 33,179	\$ 110,600
Exploration:			
Geological and geochemistry	5,558	-	5,558
Logistics, permitting and reporting	1,616	-	1,616
	\$ 84,595	\$ 33,179	\$ 117,774

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

December 31, 2007 and 2006

Canadian \$

(g) Haile Gold Mine, South Carolina

The summary of the expenditures incurred on this project is as follows:

	Balance		2007		Balance
	31-Dec-06		Expenditures		31-Dec-07
Acquisition of mineral property	\$ -		\$ 3,255,258		\$ 3,255,258
Other land acquisition and holding costs	-		214,900		214,900
Exploration:					
Drilling	-		78,564		78,564
Geological and geochemistry	-		2,622		2,622
Permitting	-		13,887		13,887
Environmental	-		180		180
Feasibility	-		165,920		165,920
Office	-		54,508		54,508
Property maintenance	-		6,729		6,729
	\$ -		\$ 3,792,568		\$ 3,792,568

5. Merger

In February 2006, the Company and Western Goldfields terminated their September 2005 merger agreement. In consideration for agreeing to such termination, Western Goldfields repaid all outstanding loans and accrued interest of \$836,700 previously advanced pursuant to the merger agreement and paid the Company \$1,407,404 for break fees and reimbursement of costs incurred by the Company.

6. Property, plant and equipment

	31-Dec-07		
	Cost	Accumulated Amortization	Net book value
Computer equipment	\$ 87,119	\$ 22,405	\$ 64,714
Office furniture and equipment	76,804	10,722	66,082
Field equipment	77,203	15,087	62,116
Vehicles	97,582	23,821	73,761
Buildings	185,971	1,564	184,407
	\$ 524,679	\$ 73,599	\$ 451,080

	31-Dec-06		
	Cost	Accumulated Amortization	Net book value
Computer equipment	\$ 21,499	\$ 11,755	\$ 9,744
Office furniture and equipment	11,238	3,230	8,008
Field equipment	36,538	9,657	26,881
Vehicles	64,034	6,685	57,349
	\$ 133,309	\$ 31,327	\$ 101,982

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

December 31, 2007 and 2006

Canadian \$

7. Asset retirement obligation

	2007		2006
Asset retirement obligation - Beginning of year	\$ 56,689	\$	-
Obligations incurred during the year - Haile Acquisition (note 3)	2,183,522		-
Obligations incurred during the year - Other	16,526		56,689
Settlement of obligations during the year	(98,288)		-
Gain/Loss on settlement of asset retirement obligation	(6,938)		-
Asset retirement obligation - End of year	\$ 2,151,511	\$	56,689
Current portion	\$ 601,662	\$	-
Long-term portion	\$ 1,549,849	\$	56,689

The Company's asset retirement obligation arises from its obligations to undertake site reclamation and remediation in connection with the acquisition of Haile (note 3). As required under its operating permits relating to this property, the Company has provided a deposit to certain governmental agencies aggregating US \$3,242,800 (2006 – \$nil).

The total undiscounted amount of the estimated cash flows required to settle the asset retirement obligation is estimated to be \$2,475,469 (2006 – \$56,689) of which \$2,402,254 relates to the Haile project. These expenditures are expected to be incurred over the period to 2015. In determining the carrying value of the asset retirement obligation, the Company has assumed a credit-adjusted, risk-free discount rate of 4.5% and a long-term inflation rate of 3%.

8. Capital Stock

(a) Common shares:

	Number of shares		Amount
Authorized			
Unlimited common shares			
Issued:			
At December 31, 2005	46,870,385	\$	35,275,533
Issued for mineral property interests (note 4)	300,000		48,000
Issued for cash	44,910,263		5,941,131
Issue costs	-		(921,567)
At December 31, 2006	92,080,648	\$	40,343,097
Issued for mineral property interests (note 4)	5,677,600		1,371,348
Issued on exercise of warrants	22,997,363		5,003,928
Issued on exercise of stock options	150,000		60,000
At December 31, 2007	120,905,611	\$	46,778,373

In August 2006, the Company issued a total of 44,910,263 units for total gross proceeds of \$8,532,950. Each unit was priced at \$0.19 and each unit consisted of one full common share and one full common share

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

December 31, 2007 and 2006

Canadian \$

purchase warrant. Each full warrant is exercisable at C\$0.30 per share until August 28, 2008. If the shares of the Company trade at C\$0.40 or higher for 20 consecutive days, the warrants will expire 30 days following notice to warrant holders. All of the securities were subject to the customary four-month hold period in Canada, which expired December 29, 2006. During 2007 1,220,000 of these warrants were exercised for total proceeds of \$366,000.

During 2006 a commission of \$483,458 and 2,544,518 broker's warrants was paid to one party. Each broker warrant is exercisable into one common share and one common share purchase warrant, with the same terms as the units, for a price of \$0.19 for a period of two years. Another party was paid a finder's fee of \$113,177 and 513,600 warrants. Each warrant is exercisable into one common share at a price of \$0.19 for a period of two years. During 2007, 16,100 broker warrants were exercised for total proceeds of \$3,059.

Cash issue costs totaled \$795,822 and have been recorded as a reduction to the value of share capital and the common share purchase warrants. In addition the fair value of the 2,544,518 brokers' warrants and the 513,600 warrants issued for the finder's fee totaling \$527,779 have been treated as issue costs and allocated as a reduction to the value of share capital and the common share purchase warrants.

In June 2007, 150,000 options were exercised at \$0.26 by a director of the Company. In addition, \$21,000 was transferred from the stock options section of shareholders' equity to share capital.

(b) Warrants:

A summary of changes in the warrants to purchase common shares of the Company for the years ended December 31, 2007 and 2006 is set out below:

	Value assigned	Number	Average exercise price
As at December 31, 2005	\$ -	22,400,263	\$ 0.21
Issued for 2006 private placement	2,591,819	44,910,263	0.30
Issued for commission and finder's fee	527,779	3,058,118	0.19
Issue costs	(402,034)	-	-
As at December 31, 2006	2,717,564	70,368,644	0.27
Warrants exercised	(65,004)	(22,997,364)	0.21
Issued on exercise of warrants	-	16,100	0.19
Warrants expired	-	(639,000)	0.21
Outstanding as at December 31, 2007	\$ 2,652,560	\$ 46,748,380	\$ 0.29

The following warrants to purchase common shares of the Company were outstanding at December 31, 2007:

Expiry date	Number	Exercise price
August 2008	43,706,362	\$ 0.30 ¹
August 2008	2,528,418	0.19 ²
August 2008	513,600	0.19
Outstanding as at December 31, 2007	46,748,380	\$

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

December 31, 2007 and 2006

Canadian \$

1. If the shares of the Company trade at C\$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 C\$0.30 per share until August 28, 2008. If the shares of the Company trade at C\$0.40 or higher for 20 consecutive days, the warrants will expire 30 days following notice to warrant holders.

In September 2005, the Company completed a private placement financing and issued 22,400,263 units for gross proceeds of \$3,808,045. The terms of the private placement were \$0.17 per unit with each unit consisting of one common share and one full common share purchase warrant. Each full warrant is priced at \$0.21 with a two-year term expiring September 2007. During the 2007 year and before the September 2007 expiry date, a total of 21,761,263 warrants were exercised for total proceeds of \$4,569,865 with a fair value of \$65,004. The remaining 639,000 warrants expired.

The fair value of the warrants was determined at the time of grant using the Black-Scholes option pricing model with the following assumptions:

Expected term	2 years
Average risk-free interest rate	4.33%
Expected dividend yield	nil
Expected stock price volatility	101%

(c) Stock options:

The Company has a stock option plan which permits the Company's Board of Directors to grant stock options to certain employees, directors and consultants. The exercise prices and terms to expiry are determined at the discretion of the Board of Directors but exercise prices may not be lower than the market prices of the common shares on the date of grant, less any discount permitted by the TSX Venture Exchange. The terms to expiry may not exceed five years from the date of grant and all options vest over a period of eighteen months with 25% vesting on the date of grant and 25% every six months thereafter.

The following stock options to purchase common shares of the Company were authorized and outstanding at December 31, 2007:

	Number	Average exercise price	Value assigned
Outstanding, December 31, 2005	3,765,000	\$ 0.26	\$ 420,200
Issued	750,000	0.26	124,000
Expired	(50,000)	0.23	(4,100)
Outstanding, December 31, 2006	4,465,000	\$ 0.26	\$ 540,100
Issued	4,150,000	0.27	615,336
Expired	(1,450,000)	0.28	(57,462)
Exercised	(150,000)	0.26	(21,000)
Outstanding as at December 31, 2007	7,015,000	\$ 0.26	\$ 1,076,974

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

December 31, 2007 and 2006

Canadian \$

Expiry date	Number outstanding	Exercise price	Exercisable
January 2008	100,000	0.23	100,000
March 2008	500,000	0.19	500,000
June 2008	150,000	0.30	150,000
September 2008	800,000	0.26	800,000
November 2008	250,000	0.36	250,000
January 2010	715,000	0.25	715,000
October 2010	100,000	0.14	100,000
April 2011	400,000	0.29	400,000
December 2011	350,000	0.22	262,500
January 2012	100,000	0.30	50,000
February 2012	1,925,000	0.26	962,500
April 2012	50,000	0.23	25,000
August 2012	1,325,000	0.29	331,250
October 2012	200,000	0.24	50,000
November 2012	50,000	0.25	12,500
Outstanding, as at December 31, 2007	7,015,000	\$ 0.26	\$ 4,708,750

(d) Stock based compensation:

During 2007 the Company recognized \$557,874 (2006 - \$119,900) of stock-based compensation with corresponding increases in the separate stock options category of shareholders' equity. Of the \$557,874 the amount of \$539,810 (2006 - \$119,900) was expensed during the year and \$18,064 (2006 - \$nil) was capitalized to mineral properties.

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	3.95 - 4.62%	3.31 - 3.50%
Dividend yield	nil	nil
Volatility	84% - 88%	90% - 95%
Weighted average fair value	\$ 0.12 - 0.21	\$ 0.11 - 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

December 31, 2007 and 2006

Canadian \$

9. Related party transactions

	2007		2006	
Consulting fees paid to directors	\$	156,367	\$	143,487
Fees paid to a brother of the Company's President for graphic designs		4,093		25,815
Fees paid to a brother of the Company's President for core storage and transportation		7,226		-
Legal fees paid to corporate secretary's law firm		47,155		-
Amounts paid pursuant to a property agreement to a company controlled by the Company's former Vice President of Exploration		-		117,726
Financing fee paid to a large shareholder of the Company		-		20,000
	\$	214,841	\$	307,028

10. Segmented information

The Company currently operates in one business segment, being the acquisition and exploration of mineral properties.

(a) Operating segment – The Company's operations are primarily directed towards the acquisition and exploration of resource properties.

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

	2007			
	Canada	United States	Mexico	Total
Total Assets	\$ 3,232,286	\$ 9,134,384	\$ 1,462,363	\$ 13,829,033
Interest income	\$ 212,153	\$ 35,293	\$ -	\$ 247,446
Exploration, general and administrative expenses	(1,811,860)	(1,414,926)	(7,378)	(3,234,164)
Other income (expenses)	(854,169)	(2,943,114)	97,460	(3,699,823)
Net loss for the year	\$ (2,453,876)	\$ (4,322,747)	\$ 90,082	\$ (6,686,541)

	2006				
	Canada	United States	Mexico	Peru	Total
Total Assets	\$ 7,419,383	\$ 3,208,968	\$ 405,961	\$ -	\$ 11,034,312
Interest income	\$ 152,254	\$ -	\$ -	\$ -	\$ 152,254
Exploration, general and administrative expenses	(1,325,612)	(582,127)	(1,248)	-	(1,908,987)
Other income (expenses)	1,269,288	-	-	(389,662)	879,626
Net loss for the year	\$ 95,930	\$ (582,127)	\$ (1,248)	(389,662)	(877,107)

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

December 31, 2007 and 2006

Canadian \$

11. Income taxes

The Company does not recognize any future income tax assets as it is not more likely than not that the asset will be realized.

The Company has approximately \$9,344,000 of non-capital losses for Canadian tax purposes that expire between 2008 and 2027 and \$23,445,000 of capital loss carry forwards which may be carried forward indefinitely to offset future capital gains. The Company also has approximately \$2,760,000 of non-capital losses in the United States which expire between 2023 and 2027 and \$1,700,000 capital loss carry forwards which may also be carried forward indefinitely. Certain of the Company's losses are restricted in their use. Gross unrecorded future income tax assets related to non-capital losses total 3,505,000 (2006: \$2,751,000) and for capital loss carry-forwards total \$6,900,000 (2006: \$3,420,000).

12. Change in non-cash operating working capital

	2007	2006
Accounts receivable and other assets	\$ (71,585)	\$ (57,867)
Prepaid expenses	24,461	(44,617)
Accounts payable and accrued liabilities	4,573	11,095
	\$ (42,551)	\$ (91,389)

Cash for the year ended December 31, 2007 totaled \$335,653 and short-term liquid investments totaled \$2,855,432.

13. Commitments

The Company is committed to payments under operating leases for equipment and buildings through 2009 in the total amount of \$561,418. Annual payments are:

	Payments due by period				
	Total	2008	2009-2011	2012-2014	2015 and beyond
Office operation leases - CDN\$	122,755	68,189	54,566	-	-
Office operation leases - US\$	438,663	112,413	310,589	15,661	-

14. Fair value of financial instruments

The carrying values of accounts receivable, deposits and accounts payable and accrued liabilities approximates their fair value due to their short-term nature. Reclamation bonds reflect cash on deposit with financial institutions, and their carrying value approximates their fair value.

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Consolidated Financial Statements

December 31, 2007 and 2006

Canadian \$

15. Subsequent events and contingency

Contingency

In April 2008 the former CFO of Romarco Minerals Inc. commenced action in the British Columbia Supreme court against Romarco Minerals Inc. seeking wrongful dismissal damages from the termination of his employment. The total amount of the claim has not been determined at this time. Management believes that the claim is without merit and intends to vigorously defend it. No amounts related to this have been recorded in the financial statements.

Payments made under property agreements

In January 2008, the Company paid an advance minimum royalty payment of \$60,000 US in accordance with the Pinos Property agreement with Mineral Apolo SA de CA.

In March 2008, the Company paid an advance minimum royalty payment of \$45,000 US and a property payment of \$20,000 in accordance with the Pine Grove Property agreement with the owners of Toquima Minerals US Inc.

Stock Options

In February 2008 the Company granted 200,000 stock options exercisable until February 2013 at \$0.195 per share to a consultant. In March 2008 the consultant accepted the position as Senior VP and Chief Operating Officer of the Company and was granted an additional 300,000 options exercisable until March 2013 at \$0.18 per share.

March 2008 Private Placement

In January 2008, the Company announced that it had engaged MGI Securities Inc. to conduct a brokered private placement on a best efforts agency basis up to \$5 million. However, in February 2008, due to the fact that Romarco's existing shareholders had agreed to purchase the same number of units on a non-brokered basis (the "Non-brokered Offering"), the board of directors of the Company has determined that it is in the best interests of the Company to proceed with the Non-brokered Offering, rather than the Brokered Offering. On April 1, 2008, Romarco closed the private non-brokered placement. The Company's largest shareholders, certain insiders and employees participated in the private placement. The Non-brokered Offering consisted of 27.58 million units (the "Units") at \$0.17 per Unit, for aggregate gross proceeds of \$4.69 million. Each Unit is comprised of one common share in the capital of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Common Share for a period of two years from the closing date of the Non-brokered Offering at an exercise price of \$0.21 per Common Share.

Purchase of McDowell Tract

In March 28, 2008, the Company entered into an agreement with a private party (the "Seller") to purchase land in Lancaster County, South Carolina for US \$205,000 payable as follows:

- (a) Upon execution of the contract, Romarco shall pay to the seller the sum of US \$20,000 (paid).
- (b) At closing, the Company shall pay to the Seller the balance of the purchase price (US \$185,000)

The closing date will be held no later than thirty (30) days after the date of this agreement at the office of the Company's attorney.