

Interim Consolidated Financial Statements of

ROMARCO MINERALS INC.
(an exploration stage company)

Nine months period ended September 30, 2008 and 2007
(Unaudited)

ROMARCO MINERALS INC.

(an exploration stage company)

Interim Consolidated Balance Sheets

(Unaudited)

Canadian \$

	September 30, 2008	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 9,070,388	\$ 3,191,085
Accounts receivable	74,268	70,291
Prepaid expenses	222,251	34,351
Reclamation bonds (note 13 (c))	2,328,416	-
Other	200,271	124,303
	<u>11,895,594</u>	<u>3,420,030</u>
Mineral property interests (note 4)	12,604,935	6,605,579
Property, plant and equipment (note 5)	657,247	451,080
Reclamation bonds (note 13 (c))	1,381,342	3,346,941
Security deposit and advance on equipment	226,668	5,403
	<u>\$ 26,765,786</u>	<u>\$ 13,829,033</u>

Liabilities and Shareholders' Equity

Current Liabilities:		
Accounts payable and accrued liabilities	\$ 1,086,280	\$ 653,813
Asset retirement obligations (note 7)	813,461	601,662
	<u>1,899,741</u>	<u>1,255,475</u>
Long-term liabilities:		
Asset retirement obligations (note 7)	902,577	1,549,849
	<u>2,802,318</u>	<u>2,805,324</u>
Shareholders' equity:		
Share capital (note 6(a))	59,852,803	46,778,373
Warrants (note 6(b))	2,137,529	2,652,560
Stock options (note 6(c))	1,257,920	1,076,974
Contributed surplus (note 6(e))	3,454,195	672,446
Deficit	(42,738,979)	(40,156,644)
	<u>23,963,468</u>	<u>11,023,709</u>
	<u>\$ 26,765,786</u>	<u>\$ 13,829,033</u>

Measurement uncertainty (note 4)

Commitments (note 11)

Subsequent events and contingency (note 13)

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)

Interim Consolidated Statements of Operations, Comprehensive Loss and Deficit (Unaudited)

Canadian \$

	Three month period ended September 30,		Nine months period ended September 30,	
	2008	2007	2008	2007
General and administrative expenses:				
Amortization	32,905	9,550	89,766	26,135
Audit and accounting	36,431	17,753	100,571	37,632
Consulting fees	4,232	47,334	63,003	144,848
Insurance	19,358	16,069	51,883	48,090
Legal fees	56,226	4,106	177,396	14,512
Office, rent and communication	83,211	77,639	232,357	231,674
Salaries	476,998	320,894	1,063,316	898,640
Shareholder relations and transfer agent	124,367	60,862	302,684	219,547
Stock based compensation (note 6(d))	200,022	190,021	353,506	478,521
Travel	86,024	85,287	223,097	240,085
Vehicle	852	977	5,224	6,454
Accretion expense (note 7)	22,279	-	69,293	-
Other	58,324	2,022	76,904	5,156
	1,201,229	832,513	2,809,000	2,351,293
Other income (expense):				
Interest income	88,370	47,784	206,467	165,811
Financing fees	-	-	(150,000)	-
Gain on foreign exchange	98,068	(187,380)	92,845	(332,042)
Write down mineral property interests	-	(2,625,631)	-	(2,625,631)
Gain on asset retirement obligation (note 7)	29,340	-	77,353	-
	215,778	(2,765,227)	226,665	(2,791,862)
Net Loss and Comprehensive Loss for the period	(985,451)	(3,597,740)	(2,582,335)	(5,143,155)
Deficit, beginning of period	(41,753,528)	(35,015,518)	(40,156,644)	(33,470,103)
Deficit, end of period	\$ (42,738,979)	\$ (38,613,258)	\$ (42,738,979)	\$ (38,613,258)
Loss per share				
- basic and diluted	\$ (0.01)	\$ (0.04)	\$ (0.02)	\$ (0.05)
Weighted average number of shares outstanding	187,031,923	98,710,201	152,034,800	95,227,976

See accompanying notes to consolidated financial statements

ROMARCO MINERALS INC.

(an exploration stage company)

Interim Consolidated Statements of Cash Flows

(Unaudited)

Canadian \$

	Three month period ended September 30,		Nine months period ended September 30,	
	2008	2007	2008	2007
Cash provided by (used in):				
Operating activities:				
Loss for the period	\$ (985,451)	\$ (3,597,740)	\$ (2,582,335)	\$ (5,143,155)
Items not involving cash:				
Amortization	32,905	9,550	89,766	26,135
Write-down of mineral property interests	-	2,625,631	-	2,625,631
Stock based compensation	200,022	190,021	353,506	478,521
Accretion expense	22,279	-	69,293	-
Interest on reclamation bonds	(38,926)	-	(112,471)	-
Unrealized foreign exchange translation on reclamation	(118,769)	-	(215,409)	-
Accrued interest on cash equivalents	(11,996)	-	(15,783)	-
Gain on asset retirement obligation	(29,340)	-	(77,353)	-
Settlement of asset retirement obligation	(152,308)	-	(423,336)	-
Change in non-cash working capital (note 10)	375,320	69,865	(169,825)	(100,523)
Security deposits	(215,418)	-	(221,265)	(5,806)
	(921,682)	(702,673)	(3,305,212)	(2,119,197)
Financing activities:				
Exercise of warrants	97,584	-	97,584	-
Exercise of stock options	-	-	52,500	39,000
Proceeds from private placement (note 6(a))	10,325,057	4,508,035	15,013,699	4,938,924
Share issue costs	(3,734)	-	(19,966)	-
	10,418,907	4,508,035	15,143,817	4,977,924
Investing activities:				
Mineral property interests	(2,896,595)	(572,766)	(5,663,369)	(1,840,788)
Deferred acquisition costs	-	(140,765)	-	(155,430)
Reclamation bonds	-	1,524	-	11,354
Property, plant and equipment	(52,118)	(16,202)	(295,933)	(104,333)
	(2,948,713)	(728,209)	(5,959,302)	(2,089,197)
Increase in cash and cash equivalents	6,548,512	3,077,154	5,879,303	769,531
Cash and cash equivalents at beginning of period	2,521,876	4,904,580	3,191,085	7,212,203
Cash and cash equivalents at end of period	\$ 9,070,388	\$ 7,981,734	\$ 9,070,388	\$ 7,981,734
Supplementary information:				
Issuance of common shares for:				
- mineral property interests	\$ -	\$ -	\$ -	\$ 171,348
Accounts payable and accrued liabilities in mineral properties	\$ 384,564	\$ 96,093	\$ 350,230	\$ 105,611

See accompanying notes to consolidated financial statements

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Interim Consolidated Financial Statements (Unaudited)

For the nine months period ended September 30, 2008

Canadian \$

1. Nature of operations

Romarco Minerals Inc. (the "Company" or "Romarco") is incorporated under the laws of British Columbia and at September 30, 2008, its principal business activities are the acquisition, exploration and development of mineral properties. To date, the Company has not earned significant revenues from any of its properties.

At September 30, 2008, 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 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. Accounting policies

Basis of presentation

The consolidated financial statements have been prepared using Canadian generally accepted accounting principles ("Canadian GAAP") for its interim financial statements and include the accounts of Romarco Minerals Inc. and its wholly owned subsidiaries, Romarco Minerals US Inc., Haile Gold Mine Inc., Romarmex S.A. de C.V. and Exploraciones Santo Tomas S.A. de C.V., (companies incorporated under the laws of Mexico). All significant inter-company transactions are eliminated upon consolidation. The interim financial statements do not include all the information and disclosures required by Canadian GAAP for annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements including notes therein for the year ended December 31, 2007.

In addition, the accounting policies followed by the Company are set out in note 2 of the audited consolidated financial statements for the year ended December 31, 2007 and have been followed in the preparation of these consolidated financial statements, with the exception of the new accounting policies adopted in the period as outlined below.

Effective January 1, 2008 the Company adopted the following CICA standards:

Section 1535: Capital disclosures

This section specifies the disclosure of (i) an entity's objectives, policies, and processes for managing capital; (ii) quantitative data about what the entity manages as capital; (iii) whether the entity has complied with any capital requirements during the period; and (iv) if the Company has not complied, the consequences of such non-compliance. This new disclosure requirement is summarized in note 12.

Section 3862 and 3863: Financial instruments - disclosures and presentation

These sections enhance the disclosure standards to enable financial statement users to evaluate the significance of financial instruments on the Company's financial position, performance and cash flows as well as the nature and extent of risks arising from financial instruments that the Company is exposed to and how the Company manages these risks. These new standards have superseded CICA Handbook Section 3861, Financial instruments – disclosure and presentation. Note 3 provides the required disclosure under these new accounting standards.

International Financial Reporting Standards ("IFRS")

In 2006, the Accounting Standards Board ("AcSB") announced that accounting standards in Canada are to be converged with IFRS. On February 13, 2008, the AcSB confirmed that the use of IFRS will be required by January 1, 2011 with appropriate comparative data from the prior year. Under IFRS, there is significantly more disclosure required, specifically for quarterly reporting. Further, while IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policy that must be addressed.

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The Canadian Securities Staff Notice 52-320 (CSA Staff Notice 52-320) determines that if at the time of preparing its MD&A for the interim periods of the financial year beginning three years before the issuer's changeover date, an issuer has developed an IFRS changeover plan, the issuer should discuss in the interim MD&A the key elements and timing of its plan. No later than in its annual MD&A for the year beginning three years before an issuer's changeover date, the issuer should discuss the status of the key elements and timing of its changeover plan. Romarco is currently assessing the impact of IFRS on its financial statements and MD&A and is in the process of developing a changeover plan.

Section 1400: Going Concern

In April 2007, the CICA approved amendments to Handbook Section 1400, General Standards of Financial Statement Presentation. These amendments require management to assess an entity's ability to continue as a going concern. When management is aware of material uncertainties related to events or conditions that may cast doubt on an entity's ability to continue as a going concern, those uncertainties must be disclosed. In assessing the appropriateness of the going concern assumption, the standard requires management to consider all available information about the future, which is at least, but not limited to, twelve months from the balance sheet date. The standard was adopted by the Company effective January 1, 2008, and it did not have an impact on the consolidated financial statements.

3. Financial instruments and related risks

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 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" and are recorded at fair value.
- 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.
- The book value of accounts receivable, other assets, reclamation bonds, accounts payable, and accrued liabilities approximate their fair value due to the short term nature of the instruments.

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

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Notes to Interim Consolidated Financial Statements

(Unaudited)

For the nine months period ended September 30, 2008

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Currency risk

The Company is exposed to financial risk related to foreign currency exchange rates. The Company operates in Canada, United States, and Mexico. As at September 30, 2008 the Company conducts the majority of its business in the United States; project development expenditures are expected to be paid in US dollars and any future equity raised is expected to be in Canadian dollars. A significant change in the currency exchange rates between the Canadian dollar and the US dollar could have an effect on the Company's results of operations. At September 30, 2008 the company is exposed to currency risk through the following assets and liabilities denominated in US dollars:

(US Dollars)	30-Sep-08	31-Dec-07
Cash and cash equivalents	\$ 263,352	\$ 1,202,625
Other assets	29,545	4,323
Reclamation bonds	3,485,960	3,376,315
Accounts payables and other liabilities	(967,946)	(505,707)

Based on the above net exposures as at September 30, 2008, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in an increase/decrease of approximately \$299,137 in the Company's net loss.

Credit risk

Credit risk is the risk of unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash equivalents are held at a large Canadian financial institution. These short-term investments (presented as part of cash and cash equivalents) are composed of financial instruments issued by a Canadian bank and are easily liquidated, as they mature daily. The Company's Haile Gold Mine, in South Carolina, has a reclamation bond of approximately US\$3.2 million in a certificate of deposit (CD) in a single bank in South Carolina (see note 13). The company has no investments in asset-backed commercial paper.

The Company's accounts receivable and prepayments consist mainly of prepaid expenses and GST receivable. The GST receivable is due from the Federal Government of Canada.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in note 12 in the unaudited interim consolidated financial statements. Accounts payable and accrued liabilities are due within the current operating period.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the short-term investments included in cash and cash equivalents is limited as these investments, although available for sale, roll over daily.

The risk that the Company will realize a loss as a result of a decline in the fair value of the reclamation bonds is limited because these bonds are held until maturity, have a fixed interest rate and may be renewed annually.

ROMARCO MINERALS INC.

(an exploration stage company)

Notes to Interim Consolidated Financial Statements

(Unaudited)

For the nine months period ended September 30, 2008

Canadian \$

4. Mineral Property Interests

	Balance		Expenditures for nine months ended		Balance
	31-Dec-07		30-Sep-08		30-Sep-08
Pinos Gold District, Mexico					
Acquisition and land holding costs	\$ 414,238	\$	120,675	\$	534,913
Exploration:					
Drilling	442,819		34,077		476,896
Data compilation	-		108,772		108,772
Geological and geochemistry	13,330		-		13,330
Assaying	47,460		67,360		114,820
Logistics, permitting and reporting	354,748		73,492		428,240
Other	-		4,447		4,447
	\$ 1,272,595	\$	408,823	\$	1,681,418
Pine Grove, Nevada					
Acquisition and land holding costs	\$ 310,153	\$	65,131	\$	375,284
Exploration:					
Aerial photography	2,280		284		2,564
Data compilation	7,900		-		7,900
Drilling	957,222		4,894		962,116
Geological and geochemistry	51,222		7,958		59,180
Logistics, permitting and reporting	76,282		25,883		102,165
Provision for reclamation costs	17,583		-		17,583
	\$ 1,422,642	\$	104,150	\$	1,526,792
Haile Gold Mine					
Acquisition of Mineral property	\$ 3,255,258	\$	-	\$	3,255,258
Other land acquisition and holding costs	214,900		210,197		425,097
Exploration:					
Drilling	78,564		1,315,747		1,394,311
Geological and geochemistry	2,622		137,879		140,501
Permitting	13,887		6,408		20,295
Environmental	180		(140)		40
Feasibility	165,920		2,980,658		3,146,578
Office	54,508		718,154		772,662
Property maintenance	6,729		88,699		95,428
Asset retirement obligation adjustment	-		(4,077)		(4,077)
	\$ 3,792,568	\$	5,453,525	\$	9,246,093
Golden Zebra, Nevada					
Acquisition and land holding costs	\$ 110,600	\$	31,740	\$	142,340
Exploration:					
Geological and geochemistry	5,558		1,118		6,676
Logistics, permitting and reporting	1,616		-		1,616
	\$ 117,774		32,858	\$	150,632
	\$ 6,605,579	\$	5,999,356	\$	12,604,935

ROMARCO MINERALS INC.

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Notes to Interim Consolidated Financial Statements

(Unaudited)

For the nine months period ended September 30, 2008

Canadian \$

Pinos, Mexico

In July 2008, the Company made an advance royalty payment of US\$60,000 in accordance with the Pinos agreement with Minera Apolo SA de CV.

Pine Grove, Nevada

Measurement uncertainty

A Wilderness Legislation proposal was submitted whereby a significant amount of land in the Walker Land District in the State of Nevada would be set aside for wilderness use. Currently 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 being 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. Such adjustments may be material.

Haile Gold Mine

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. The payment was completed in April 2008.

Golden Zebra, Nevada

In August 2008, the Company made an advance royalty payment of US\$20,000 in accordance with the agreement with Diversified Inholdings LLC.

5. Property, plant and equipment

	30-Sep-08		
	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 170,060	\$ 51,299	\$ 118,761
Office furniture and equipment	113,020	22,156	90,864
Field equipment	83,407	26,751	56,656
Vehicles	237,550	55,453	182,097
Buildings	216,578	7,709	208,869
	\$ 820,615	\$ 163,368	\$ 657,247

	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

ROMARCO MINERALS INC.

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Notes to Interim Consolidated Financial Statements

(Unaudited)

For the nine months period ended September 30, 2008

Canadian \$

6. 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 for mineral property interests	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
Issued for April 2008 private placement	27,580,246	4,688,642
Issued for July 2008 private placement	51,625,284	10,325,057
Fair market value of warrants	-	(2,142,433)
Share issue costs	-	(15,062)
Issued on exercise of warrants	513,600	126,726
Issued on exercise of stock options	350,000	91,500
At September 30, 2008	200,974,741	\$ 59,852,803

On April 1, 2008, Romarco closed a private non-brokered placement consisting of 27,580,246 units (the "Units") at \$0.17 per Unit, for aggregate 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 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 share. The Company's largest shareholders, certain insiders and employees participated in the private placement.

On July 25, 2008, Romarco closed a private non-brokered placement consisting of 51,625,284 units (the "Units") at \$0.20 per Unit, for aggregate proceeds of \$10.325 million. Each unit is comprised of one common share in the capital of the Company (a "Common Share") and one half of one Common Share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder to purchase one Common Share for a period of one year from the closing date of the Non-brokered Offering at an exercise price of \$0.25 per share.

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Notes to Interim Consolidated Financial Statements

(Unaudited)

For the nine months period ended September 30, 2008

Canadian \$

(b) Warrants:

The following warrants to purchase common shares of the Company were outstanding at September 30, 2008:

	Value assigned	Number	Average exercise price
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
As at December 31, 2007	\$ 2,652,560	46,748,380	\$ 0.29
Issued for April 2008 private placement	1,265,652	27,580,246	0.21
Issued for July 2008 private placement	876,781	25,812,642	0.25
Warrants expired	(2,623,418)	(46,234,780)	0.30
Warrants exercised	(29,142)	(513,600)	0.19
Share issue costs	(4,904)	-	-
As at September 30, 2008	\$ 2,137,529	53,392,888	\$ 0.23

The weighted average fair value of the warrants granted in April and July 2008 was estimated on the date of the grant using the Black-Scholes option pricing model with the following range of assumptions:

	2008
Expected warrant life	1-2 years
Risk-free interest rate	2.78 - 3.19%
Dividend yield	nil
Volatility	77% - 81%
Weighted average fair value	\$ 0.03 - 0.046

The following warrants to purchase common shares of the Company were outstanding at September 30, 2008:

Expiry date	Number	Average Exercise price
July 2009	25,812,642	\$ 0.25
April 2010	27,580,246	0.21
Outstanding as at September 30, 2008	53,392,888	\$ 0.23

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For the nine months period ended September 30, 2008

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(c) Stock options:

The following stock options to purchase common shares of the Company were authorized and outstanding at September 30, 2008:

	Number	Average exercise price	Value assigned
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, December 31, 2007	7,015,000	0.26	1,076,974
Issued	3,900,000	0.17	389,214
Expired	(1,100,000)	0.19	(158,331)
Forefeited	(150,000)	0.28	(10,937)
Exercised	(350,000)	0.15	(39,000)
Outstanding, September 30, 2008	9,315,000	0.23	\$ 1,257,920

Expiry date	Number outstanding	Average Exercise price	Exercisable
November 2008	200,000	0.36	200,000
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	350,000
January 2012	100,000	0.30	100,000
February 2012	1,925,000	0.26	1,925,000
April 2012	50,000	0.23	37,500
August 2012	1,325,000	0.29	993,750
October 2012	200,000	0.24	100,000
November 2012	50,000	0.25	25,000
February 2013	200,000	0.20	100,000
March 2013	300,000	0.18	150,000
May 2013	150,000	0.18	37,500
July 2013	3,250,000	0.17	812,500
Outstanding, as at September 30, 2008	9,315,000	\$ 0.23	6,046,250

(d) Stock based compensation:

During the nine months ended September 30, 2008, the Company recognized \$389,214 (2007 - \$478,521) of stock-based compensation with corresponding increases in the separate stock options category of shareholders' equity. Of the \$389,214 the amount of \$353,506 was expensed during the nine month period including the reversal of forfeited options in the amount of \$10,937 and \$24,771 has been capitalized to mineral properties.

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

	2008
Expected option lives	5 years
Risk-free interest rate	2.81 – 3.44%
Dividend yield	nil
Volatility	85 - 90%
Weighted average fair value	\$ 0.12 - 0.14

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.

(e) Contributed surplus:

	Value
As at December 31, 2007	\$ 672,446
Warrants expired	2,623,418
Options expired	158,331
As at September 30, 2008	\$ 3,454,195

7. Asset retirement obligation

Discounted Asset Retirement Obligation Schedule	Nine months ended 30-Sep-08	Year ended 31-Dec-07
Asset retirement obligation - Beginning of period	\$ 2,151,511	\$ 56,689
Obligation incurred during the year	-	2,200,048
Settlement of obligations during the year	(423,336)	(98,288)
Accretion expense	69,293	-
ARO adjustment	(4,077)	-
Gain on settlement of asset retirement obligation	(77,353)	(6,938)
Asset retirement obligation - End of period	\$ 1,716,038	\$ 2,151,511
Current portion	813,461	601,662
Long-term portion	902,577	1,549,849

At September 30, 2008 the total undiscounted amount of the estimated cash flows required to settle the asset retirement obligation is estimated to be \$1,977,913 of which \$1,930,601 relates to the Haile Gold Mine. 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 rate of 4.5% and a long-term inflation rate of 3%.

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For the nine months period ended September 30, 2008

Canadian \$

8. Related party transactions

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

	30-Sep-08	30-Sep-07
Consulting fees paid to directors	\$ 52,738	\$ 109,143
Fees paid to a brother of the Company's President for graphic designs	2,856	-
Legal fees paid to corporate secretary's law firm	109,262	-
	\$ 164,856	\$ 109,143

9. 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:

	Canada	Haile (US)	United States	Mexico	Total
Assets at September 30, 2008	\$ 9,129,493	\$ 13,549,016	\$ 1,995,479	\$ 2,091,798	\$ 26,765,786
Assets at December 31, 2007	\$ 3,232,286	\$ 7,323,807	\$ 1,810,577	\$ 1,462,363	\$ 13,829,033
	Canada	Haile (US)	United States	Mexico	Total
Interest income	\$ 93,996	\$ 112,471	\$ -	\$ -	\$ 206,467
General and administrative expenses	(1,436,346)	(398,796)	(968,282)	(5,576)	(2,809,000)
Other income (expense)	(112,707)	228,761	(21,455)	(74,401)	20,198
Net loss for the nine months ended September 30, 2008	\$ (1,455,057)	\$ (57,564)	\$ (989,737)	\$ (79,977)	\$ (2,582,335)
Interest income	\$ 165,811	\$ -	\$ -	\$ -	\$ 165,811
General and administrative expenses	(1,392,307)	-	(953,335)	(5,651)	(2,351,293)
Other income (expenses)	(2,381,862)	-	(564,185)	(11,626)	(2,957,673)
Net loss for the nine months ended September 30, 2007	\$ (3,608,358)	\$ -	\$ (1,517,520)	\$ (17,277)	\$ (5,143,155)
	Canada	Haile (US)	United States	Mexico	Total
Interest income	\$ 49,446	\$ 38,924	\$ -	\$ -	\$ 88,370
General and administrative expenses	(609,852)	(319,703)	(269,720)	(1,954)	(1,201,229)
Other income (expense)	(213,330)	324,604	41,050	(24,916)	127,408
Net loss for the three months ended September 30, 2008	\$ (773,736)	\$ 43,825	\$ (228,670)	\$ (26,870)	\$ (985,451)
Interest income	\$ 47,784	\$ -	\$ -	\$ -	\$ 47,784
General and administrative expenses	(580,104)	-	(250,582)	(1,827)	(832,513)
Other income (expenses)	(2,237,200)	-	(564,185)	(11,626)	(2,813,011)
Net loss for the three months ended September 30, 2007	\$ (2,769,520)	\$ -	\$ (814,767)	\$ (13,453)	\$ (3,597,740)

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For the nine months period ended September 30, 2008

Canadian \$

10. Non-cash working capital

	30-Sep-08	30-Sep-07
Accounts receivable	\$ (3,977)	\$ (85,008)
Prepaid expenses	(187,900)	(6,459)
Other assets	(60,185)	-
Accounts payable and accrued liabilities	82,237	(9,056)
	<u>\$ (169,825)</u>	<u>\$ (100,523)</u>

Cash for the period ended September 30, 2008 was \$160,377 and short term liquid investments totalled \$8,910,011.

11. Commitments

The following is a summary of the Company's contractual obligations and commitments as at September 30, 2008:

	Payments due by period				
	Total	2008	2009-2011	2012-2014	2015 and beyond
Office operation leases - CDN\$	72,089	17,523	54,566	-	-
Office operation leases - US\$	358,204	31,954	310,589	15,661	-

In April 2008, Romarco appointed Roberts & Schaefer Company of Salt Lake City, Utah to lead the bankable feasibility study at the Haile Gold Mine in South Carolina. The bankable feasibility study was completed during the 4th quarter however, the resource model and mine plan is based on data as of July 2008. Due to recent exploration drilling results, the Company believes it is prudent to include information since July in the feasibility study and will conclude an updated resource and mine plan prior to publishing the feasibility study.

12. Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and maximize shareholder returns. In the management of capital, the Company includes the components of shareholders' equity. Given the current exploration stage of its development, the Company's sole source of capital is equity derived from private placements. The Company satisfies its capital requirements through careful management of its cash resources and by utilizing bank indebtedness or equity issues, as necessary, based on the prevalent economic conditions of both the industry and the capital markets and the underlying risk characteristics of the related assets. As at September 30, 2008, the Company had no bank debt.

The Company is not subject to any externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the nine months ended September 30, 2008.

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13. Subsequent events and contingency

a) 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.

b) Haile Gold Mine

In October 2008, Romarco renegotiated the original lease and option to purchase agreement with Bowater Timber 4 LLC ("Bowater"). The original lease and option to purchase agreement required the Romarco to make a lease payment of US\$220,000 in October 2007 and US\$250,000 in October 2008. The agreement also gave Romarco the option to purchase the property adjacent to the Haile Gold Mine no later than October 2009 for US\$2,000,000 plus royalties on the ounces identified on the property. The original agreement gave Romarco the first right of refusal to purchase the property from Bowater. The new modified agreement still requires Romarco to pay the US\$250,000 in October of 2008 (paid), but an additional payment of US\$750,000 in December 2008 is now required. The amended agreement also gives Romarco the option to purchase the land for \$1,100,000 in December 2009 and eliminates the first right of refusal option and the royalty payment therefore there is no risk of another buyer purchasing the property and no royalties will be paid on the property.

c) Reclamation Bond

On October 9, 2008 The South Carolina Division of Mining and Solid Waste Management and Bureau of Land and Waste Management (the "division") conducted their inspection of the Haile Gold Mine to assess if the mine closure obligations were met in accordance with the Haile Reclamation Summary. Based on their assessment it was determined that Haile Gold Mine met these obligations outlined in the closure plan and a partial release of the reclamation bond was authorized on October 22, 2008. The division authorized the release of \$2,328,416 (US\$2,187,950), which will reduce the principal amount of the reclamation bond at Haile Gold Mine to \$1,122,571 (US\$1,054,850). The remaining principal amount is covered by certificates of deposit (CDs) in multiple banks, so the entire amount is covered by FDIC insurance.

Reclamation Bonds	USD\$	CAD\$
Nevada Properties	\$ 98,333	\$ 104,646
Haile Gold Mine	3,387,627	3,605,112
Total	3,485,960	3,709,758
Current amount	2,187,950	2,328,416
Long term amount	1,298,010	1,381,342
	\$ 3,485,960	\$ 3,709,758