

Interim Consolidated Financial Statements of

**ROMARCO MINERALS INC.**  
(an exploration/development stage company)

For the three months ended March 31, 2009  
(Unaudited)  
Amounts in USD

# ROMARCO MINERALS INC.

(an exploration/development stage company)

## Interim Consolidated Balance Sheets

(Unaudited)

Amounts in US Dollars

	March 31, 2009	December 31, 2008
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 20,080,118	\$ 4,495,423
Accounts receivable	32,740	38,438
Prepaid expenses	143,363	46,235
Other assets	174,607	181,578
Total Current assets	20,430,828	4,761,674
Mineral property interests (note 4)	16,793,667	12,196,989
Property, plant and equipment (note 5)	2,129,871	1,510,226
Reclamation bonds	1,115,463	1,135,739
Security deposit	14,374	14,374
<b>Total Assets</b>	<b>\$ 40,484,203</b>	<b>\$ 19,619,002</b>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 744,060	\$ 371,143
Asset retirement obligations (note 7)	667,689	762,468
Payable for mineral property acquisition (note 4)	1,500,000	-
Total Current liabilities	2,911,749	1,133,611
Long-term liabilities:		
Long term lease on software	15,715	-
Asset retirement obligations (note 7)	453,316	514,599
<b>Total Liabilities</b>	<b>3,380,780</b>	<b>1,648,210</b>
Shareholders' equity:		
Share capital (note 6(a))	63,377,219	47,551,644
Warrants (note 6(b))	4,987,182	1,858,025
Stock options (note 6(c))	1,216,720	1,169,390
Compensation options (note 6(e))	904,132	-
Contributed surplus	3,111,664	3,111,664
Other comprehensive income (note 2)	(379,962)	(379,962)
Deficit	(36,113,532)	(35,339,969)
<b>Total Shareholders' equity</b>	<b>37,103,423</b>	<b>17,970,792</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 40,484,203</b>	<b>\$ 19,619,002</b>

Commitments and Contingency (note 11)

Subsequent events (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/development stage company)

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

Amounts in US Dollars

	For the three months ended March 31,	
	2009	2008
General and administrative expenses:		
Amortization	\$ 12,079	\$ 23,167
Audit and accounting	11,862	11,976
Consulting fees	45	6,824
Insurance	23,310	16,500
Legal fees	8,501	63,006
Office, rent and communication	95,876	75,684
Salaries	355,841	301,440
Shareholder relations and transfer agent	108,259	85,989
Stock based compensation (note 6(d))	58,343	89,607
Travel	51,719	74,533
Vehicle	2,253	3,558
Accretion expense	9,487	24,055
Other	8,345	3,751
	<b>745,920</b>	<b>780,090</b>
Other income (expense):		
Interest Income	31,471	55,351
Financing fees	-	(157,383)
Gain on reclamation costs incurred (note 7)	57,389	-
Mineral property termination fees (note 4)	(243,893)	-
Gain on foreign exchange	127,390	13,867
	<b>(27,643)</b>	<b>(88,165)</b>
Net Loss and Comprehensive Loss for the period	<b>(773,563)</b>	<b>(868,255)</b>
Deficit, beginning of period	<b>(35,339,969)</b>	<b>(30,337,315)</b>
Deficit, end of period	<b>\$ (36,113,532)</b>	<b>\$ (31,205,570)</b>
Loss per share		
- basic and diluted	\$ -	\$ (0.01)
Weighted average number of shares outstanding	<b>223,582,556</b>	<b>120,905,612</b>

See accompanying notes to consolidated financial statements

# ROMARCO MINERALS INC.

(an exploration/development stage company)

## Interim Consolidated Statements of Cash Flows

(Unaudited)

Amounts in US Dollars

For the three months ended March 31,

	2009	2008
Cash provided by (used in):		
Operating activities:		
Net Loss for the period	\$ (773,563)	\$ (868,255)
Items not involving cash:		
Amortization	12,079	23,167
Accretion expense	9,487	24,055
Stock based compensation	58,343	89,607
Interest on reclamation bonds	-	(3,996)
Accrued interest on investment accounts	(12,774)	(36,482)
Gain on reclamation costs incurred	(57,389)	-
Settlement of asset retirement obligation	(108,160)	(114,555)
Security deposit	-	(5,008)
Change in non-cash working capital (note 10)	7,786	128,000
	<b>(864,191)</b>	<b>(763,467)</b>
Financing activities:		
Exercise of stock options	27,048	-
Exercise of warrants	30,357	-
Share issue costs	(1,406,261)	-
Proceeds from brokered placement	21,176,011	4,639,048
	<b>19,827,155</b>	<b>4,639,048</b>
Investing activities:		
Mineral property interests	(2,661,705)	(1,739,269)
Reclamation bonds	20,276	-
Property, plant and equipment (note 5)	(736,840)	(95,739)
	<b>(3,378,269)</b>	<b>(1,835,008)</b>
Increase in cash and cash equivalents	15,584,695	2,040,573
Cash and cash equivalents at beginning of period	4,495,423	3,219,092
Cash and cash equivalents at end of period	<b>\$ 20,080,118</b>	<b>\$ 5,259,665</b>
Supplementary information:		
Issuance of common shares for:		
- mineral property interests	\$ 13,140	\$ -
Promissory note for mineral property acquisition	\$ 1,500,000	\$ -
Increase in accounts payables and accrued liabilities - mineral properties	\$ 293,446	\$ 255,506

See accompanying notes to consolidated financial statements

# ROMARCO MINERALS INC.

(an exploration/development stage company)

## Notes to Interim Consolidated Financial Statements (Unaudited)

For the months ended March 31, 2009

Figures in US Dollars unless otherwise stated

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### 1. Nature of operations

Romarco Minerals Inc. (the "Company" or "Romarco") is incorporated under the laws of British Columbia and at March 31, 2009, 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 March 31, 2009, the Company was in the process of developing its mineral properties and had 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

These consolidated interim financial statements have been prepared using Canadian generally accepted accounting principles ("Canadian GAAP") 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. They do not include all the disclosures as required for annual financial statements under generally accepted accounting principles. These interim consolidated financial statements should be read in conjunction with the Company's 2008 audited annual consolidated financial statements.

#### Change in functional and reporting currency:

Effective January 1, 2009, the Company adopted the US dollar as its functional and reporting currency, as significant portions of the Company's assets, liabilities and expenses are denominated in US dollars. Prior to January 1, 2009, the Company's operations were measured in Canadian dollars and the consolidated financial statements were expressed in Canadian dollars.

The Company followed the recommendations of the Emerging Issues Committee (EIC) of the Canadian Institute of Chartered Accountants (CICA), set out in EIC-130, "Translation method when the reporting currency differs from measurement currency or there is a change in the reporting currency." In accordance with EIC-130 the consolidated comparative financial statements for all years and periods presented have been translated into the new reporting currency using the current rate method. Under this method, assets and liabilities were translated into US dollars using the exchange rate in effect on that date. Revenues, expenses, equity and cash flows were translated at historical average rates. Any exchange differences resulting from the translation were included in the statement of other comprehensive income. Consolidated Financial statements presented after December 31, 2008 have been measured and presented in US dollars.

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, 2008 and have been followed in the preparation of these interim consolidated financial statements, with the exception of the new accounting policies adopted in the period as outlined below.

# ROMARCO MINERALS INC.

(an exploration/development stage company)

## Notes to Interim Consolidated Financial Statements (Unaudited)

For the months ended March 31, 2009

Figures in US Dollars unless otherwise stated

### Section 3064, Goodwill and Intangible Assets

In February 2008, the CICA issued Handbook Section 3064 which replaced Handbook Section 3062 – *Goodwill and Other Intangible Assets*. This revision aligned Canadian GAAP with IFRS and established standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The adoption of this standard did not have any impact on the Company's financial statements.

### EIC 173: Credit risk and the fair value of financial assets and financial liabilities

Effective on or after January 20, 2009, this section considers whether an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments, for presentation and disclosure purposes. The adoption of this standard did not have any material effect on the Company's financial statements.

### EIC 174: Mining exploration costs

This section applies to financial statements issued after March 27, 2009, EIC 174 considers the issues of (i) when exploration costs related to mining properties may be capitalized, and (ii) if exploration costs are initially capitalized, when should impairment be assessed to determine whether a write down is required, and what conditions indicate impairment. Currently, the Company assesses the impairment of long-lived assets, which consist of mineral property interests and equipment, whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used are measured by a comparison of the carrying value of the asset to future undiscounted net cash flows expected to be generated by the asset. Where estimates of future cash flows are not available and where other conditions suggest impairment, management assesses whether the carrying value can be recovered on costs spent on the project itself. If such assets are considered to be impaired, the amount of the impairment is measured by the amount by which the carrying amount of the asset exceeds its fair value. As of March 31, 2009, the Company believes that no such event or change in circumstances has occurred which would have triggered impairment assessment on its mineral properties.

## 3. Financial instruments and related risks

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

### Currency risk

The Company is exposed to financial risk related to foreign exchange rates. The Company operates in Canada, United States, and Mexico. As at March 31, 2009, the Company conducts the majority of its business in the United States and project development and exploration expenditures are expected to be paid in U.S. dollars. The Company equity is in Canadian dollars and expects that any future equity raised will be raised 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, and the jurisdictions in which they will likely be made. At March 31, 2009, the company is exposed to currency risk through the following assets and liabilities denominated in CDN dollars:

<u>(CDN Dollars)</u>		<u>31-Mar-09</u>		<u>31-Dec-08</u>
Cash and cash equivalents	\$	5,213,092	\$	2,279,590
Other assets		20,622		43,579
Accounts payables and other liabilities		(136,803)		(91,030)

# ROMARCO MINERALS INC.

(an exploration/development stage company)

## Notes to Interim Consolidated Financial Statements (Unaudited)

For the months ended March 31, 2009

Figures in US Dollars unless otherwise stated

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Based on the above net exposures as at March 31, 2009, 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 \$404,100 in the Company's net earnings.

### **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 credit risk is primarily attributable to receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Company's management based on the current, economic environment. The credit risk on short-term investments (presented as part of cash and cash equivalents) is limited since they are held at a large Canadian financial institution and are composed of financial instruments issued by a Canadian bank which mature daily. As at March 31, 2009 the Company's Haile Gold Mine subsidiary, in South Carolina, has a reclamation bond of approximately \$1.054 million in multiple certificates of deposits (CDs) in various financial banks in South Carolina which are all FDIC insured. The Company has no investments in asset-backed commercial paper.

### **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 payables 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 held for trading, 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.

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## Notes to Interim Consolidated Financial Statements (Unaudited)

For the months ended March 31, 2009

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### 4. Mineral Property Interests

	Balance	Expenditures for quarter ended	Balance
	31-Dec-08	31-Mar-09	31-Mar-09
<b>Haile Gold Mine</b>			
Acquisition of Haile property	\$ 2,672,626	\$ -	\$ 2,672,626
Other land acquisition and holding costs	1,859,121	3,005,316	4,864,437
Exploration:			
Drilling	1,366,354	547,124	1,913,478
Geological and geochemistry	228,272	203,503	431,775
Permitting	42,988	42,944	85,932
Environmental	-	8,415	8,415
Feasibility	3,037,919	-	3,037,919
Office	1,200,956	346,922	1,547,878
Property maintenance	122,897	55,099	177,996
Project development	30,585	242,520	273,105
ARO adjustment	(3,817)	-	(3,817)
	\$ 10,557,901	\$ 4,451,843	\$ 15,009,744
<b>Pinos Gold District, Mexico</b>			
Acquisition, advance royalty and land holding costs	\$ 439,172	\$ 61,379	500,551
Exploration:			
Drilling	577,654	36,651	614,305
Data compilation	115,812	12,445	128,257
Geological and geochemistry	10,944	-	10,944
Assaying	94,258	2,203	96,461
Logistics, permitting and reporting	350,900	9,337	360,237
Other	50,348	22,820	73,168
	\$ 1,639,088	\$ 144,835	\$ 1,783,923
	\$ 12,196,989	\$ 4,596,678	\$ 16,793,667

#### Haile Gold Mine

##### Purchase of Additional Land

In January 2009, the Company entered into a purchase agreement with a private party for the sum of \$3 million for the assignment of two lease agreements, and the transfer of approximately 15 acres of land near the Haile Gold Mine. Pursuant to the terms of the purchase agreement a payment of \$1.5 million net of fees was made upon signing and a promissory note in amount of \$1.5 million (the "Note") was issued to the private party which provides that the private party will collaterally assign its interest in the leases as security for the Note. The Note is payable February 2010 and no interest is payable or due on the Note.

# ROMARCO MINERALS INC.

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### Pinos Gold District, Mexico

In January 2009, the Company paid an advance minimum royalty payment of \$60,000 in accordance with the Pinos Property agreement with Mineral Apolo SA de CA.

#### Termination Fees

In late March 2009, pursuant to a termination agreement, with Carlin Gold Corporation, the owner of the Pine Grove property, the Company agreed to and paid the amount of \$243,893.

## 5. Property, plant and equipment

	31-Mar-09		
	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 293,042	\$ 73,206	\$ 219,836
Office furniture and equipment	113,838	27,674	86,164
Field equipment	1,561,580	267,691	1,293,889
Vehicles	334,079	85,576	248,503
Buildings	294,027	12,548	281,479
	<u>\$ 2,596,566</u>	<u>\$ 466,695</u>	<u>\$ 2,129,871</u>

	31-Dec-08		
	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 155,144	\$ 54,362	\$ 100,782
Office furniture and equipment	108,965	23,164	85,801
Field equipment	1,077,641	179,478	898,163
Vehicles	268,753	66,898	201,855
Buildings	233,508	9,883	223,625
	<u>\$ 1,844,011</u>	<u>\$ 333,785</u>	<u>\$ 1,510,226</u>

## ROMARCO MINERALS INC.

(an exploration/development stage company)

### Notes to Interim Consolidated Financial Statements (Unaudited)

For the months ended March 31, 2009

Figures in US Dollars unless otherwise stated

## 6. Capital Stock

### (a) Common shares:

	Number of shares	Amount
Authorized:		
Unlimited common shares		
Issued:		
As at December 31, 2007	120,905,611	\$ 34,446,663
Period adjustment	147	-
Issued for April 2008 private placement	27,580,246	4,678,697
Issued for July 2008 private placement	51,625,284	10,304,191
Fair market value of warrants from private placement	-	(2,073,307)
Share issue costs for private placements	-	(14,682)
Issued on exercise of warrants	513,600	120,088
Issued on exercise of stock options	350,000	89,994
As at December 31, 2008	200,974,888	\$ 47,551,644
Issued for Mineral Property	100,000	13,140
Issued for March 2009 brokered private placement	72,100,000	21,176,011
Fair market value of warrants from private placement	-	(3,519,813)
Share issue costs	-	(1,926,372)
Issued on exercise of warrants	180,000	36,992
Issued on exercise of stock options	150,000	45,617
As at March 31, 2009	273,504,888	\$ 63,377,219

The Company's primary market is the Toronto Stock Exchange (TSX Venture Exchange) and historically all share issuances have been denominated in CDN dollars, and all options granted and warrants denominated in CDN dollars.

In March 2009, the Company closed on an underwritten private placement previously announced in February 2009. The offering consisted of 72,100,000 units (the "Units") at a price of \$0.38 CDN per Unit, for aggregate gross proceeds of \$21,176,011 (\$27,398,000 CDN). Each Unit is comprised of one common share in the capital of the Company and one-half of one Common Share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder thereof to purchase one Common Share at an exercise price of \$0.60 CDN per Common Share until March 3, 2011.

The underwriters received a cash commission of 6% of the gross proceeds raised in the private placement. The Underwriters also received compensation options (the "Compensation Options") to purchase an aggregate of 4,326,000 Units, or 6% of the total Units issued. Each Compensation Option will entitle the Underwriters to purchase one Unit of the Company at the exercise price of \$0.38 CDN until March 3, 2011. Each Unit is comprised of one common share in the capital of the Company and one-half of one Warrant. Each whole Warrant will entitle the holder thereof to purchase one Common Share at an exercise price of \$0.60 CDN per Common Share until March 3, 2011. (note 6 (e)).

# ROMARCO MINERALS INC.

(an exploration/development stage company)

## Notes to Interim Consolidated Financial Statements

(Unaudited)

For the months ended March 31, 2009

Figures in US Dollars unless otherwise stated

(b) **Warrants:**

The following warrants to purchase common shares of the Company were outstanding at March 31, 2009:

	Value assigned	Number	Average exercise price (CDN \$)
As at December 31, 2007	\$ 2,295,976	46,748,380	\$ 0.29
Issued for April 2008 private placement	1,244,822	27,580,246	0.21
Issued for July 2008 private placement	828,484	25,812,642	0.25
Warrants expired	(2,478,909)	(46,234,780)	0.30
Warrants exercised	(27,537)	(513,600)	0.19
Share issue costs	(4,811)	-	-
As at December 31, 2008	\$ 1,858,025	53,392,888	\$ 0.23
Issued for March 2009 brokered private placement	3,519,813	36,050,000	0.60
Share issue costs	(384,021)	-	-
Warrants exercised	(6,635)	(180,000)	0.21
As at March 31, 2009	\$ 4,987,182	89,262,888	\$ 0.53

The following warrants to purchase common shares of the Company were outstanding at March 31, 2009:

Expiry date	Number	Exercise price (CDN \$)
July 2009	25,812,642	\$ 0.25
April 2010	27,400,246	0.21
March 2011	36,050,000	0.60
Outstanding as at March 31, 2009	89,262,888	

(c) **Stock options:**

The following stock options to purchase common shares of the Company were authorized and outstanding at March 31, 2009:

	Number	Average exercise price (CDN \$)	Value assigned
Outstanding as at December 31, 2007	7,015,000	\$ 0.26	\$ 937,535
Issued	4,350,000	0.17	486,926
Expired	(1,300,000)	0.22	(174,437)
Forfeited – vested	(168,750)	0.28	(26,093)
Forfeited - non-vested	(106,250)	0.28	(16,183)
Exercised	(350,000)	0.15	(38,358)
Outstanding as at December 31, 2008	9,440,000	\$ 0.26	\$ 1,169,390
Issued	100,000	0.21	65,899
Exercised	(150,000)	0.23	(18,569)
Outstanding as at March 31, 2009	9,390,000	\$ 0.23	\$ 1,216,720

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## Notes to Interim Consolidated Financial Statements (Unaudited)

For the months ended March 31, 2009

Figures in US Dollars unless otherwise stated

Expiry date	Number outstanding	Exercise price (CDN \$)	Exercisable
Jan-2010	715,000	\$ 0.25	715,000
Oct-2010	100,000	0.14	100,000
Apr-2011	400,000	0.29	400,000
Dec-2011	150,000	0.19	150,000
Dec-2011	100,000	0.25	100,000
Jan-2012	100,000	0.30	100,000
Feb-2012	1,925,000	0.27	1,925,000
Apr-2012	50,000	0.23	50,000
Aug-2012	1,325,000	0.29	1,375,000
Oct-2012	100,000	0.24	50,000
Nov-2012	50,000	0.25	37,500
Feb-2013	200,000	0.20	150,000
Mar-2013	300,000	0.18	225,000
May-2013	100,000	0.18	50,000
Jul-2013	3,225,000	0.17	1,612,500
Nov-2013	400,000	0.18	100,000
Dec-2013	50,000	0.14	12,500
Jan-2014	100,000	0.21	25,000
Outstanding, as at March 31, 2009	9,390,000	\$ 0.26	7,177,500

(d) **Stock based compensation:**

During the three months ended March 31, 2009, the Company recognized \$65,899 (2008 - \$99,209) of stock-based compensation with corresponding increases in the separate stock options category of shareholders' equity. Of the \$65,899, the amount of \$58,343 (2008 - \$89,607) was expensed during the quarter and \$7,556 (2008 - \$9,602) was capitalized to mineral properties.

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:

	2009
Expected option lives	5 years
Risk-free interest rate	2.81 – 3.34%
Dividend yield	nil
Volatility	85 - 89%
Weighted average fair value	\$ 0.10 - 0.11

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.

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### (e) Compensation options:

In connection with the private placement closed in March 2009, the Company granted to the Underwriters 4,326,000 Compensation options (note 6 (a)). The estimated fair value assigned to the Compensation options was \$904,132.

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

	2009
Expected option lives	2 years
Risk-free interest rate	1.86%
Dividend yield	nil
Volatility	96.1%
Weighted average fair value	\$ 0.12 - 0.15

## 7. Asset retirement obligation

	3 month period ended March 31, 2009	Year ended December 31, 2008
Asset retirement obligation - Beginning of period	\$ 1,277,067	\$ 1,766,429
Adjustments incurred during the period	-	-
Settlement of obligations during the period	(108,160)	(438,976)
Gain on reclamation costs incurred	(57,389)	(115,267)
Accretion expense	9,487	64,881
Asset retirement obligation - End of period	\$ 1,121,005	\$ 1,277,067
Less: Current portion	\$ (667,689)	\$ (762,468)
Long-term portion	453,316	514,599

At March 31, 2009, the total undiscounted amount of the estimated cash flows required to settle the asset retirement obligation is estimated to be \$1,515,573 of which \$1,475,921 relates to 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%.

## 8. Related party transactions

Amounts paid to related parties in the normal course of business are measured at the exchange amount which is the fair value consideration established and agree to by the related parties, is as follows:

# ROMARCO MINERALS INC.

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## Notes to Interim Consolidated Financial Statements (Unaudited)

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	31-Mar-09	31-Mar-08
Consulting fees paid to directors	\$ -	\$ 6,824
Fees paid to directors	15,000	14,910
Fees paid to a brother of the Company's President for graphic designs	-	245
Legal fees paid to corporate secretary's law firm	3,245	28,631
	\$ 18,245	\$ 50,610

### 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	United States	Mexico	Total
Assets at March 31, 2009	\$ 19,405,166	\$ 19,064,332	\$ 2,014,705	\$ 40,484,203
Interest income	\$ 19,592	\$ 11,879	\$ -	\$ 31,471
General and administrative expenses	(318,235)	(426,030)	(1,655)	(745,920)
Other income (expense)	(78,981)	57,389	(37,522)	(59,114)
Net loss for the three months ended March 31, 2009	\$ (377,624)	\$ (356,762)	\$ (39,177)	\$ (773,563)

	Canada	United States	Mexico	Total
Assets at December 31, 2008	\$ 2,260,922	\$ 15,500,960	\$ 1,857,120	\$ 19,619,002
Interest income	\$ 18,870	\$ 36,481	\$ -	\$ 55,351
General and administrative expenses	(412,713)	(365,610)	(1,767)	(780,090)
Other income (expenses)	(129,736)	(7,246)	(6,534)	(143,516)
Net loss for the three months ended March 31, 2008	\$ (523,579)	\$ (336,375)	\$ (8,301)	\$ (868,255)

The United States figures presented above primarily represent the results of the Haile Gold Mine operations located in South Carolina.

# ROMARCO MINERALS INC.

(an exploration/development stage company)

## Notes to Interim Consolidated Financial Statements (Unaudited)

For the months ended March 31, 2009

Figures in US Dollars unless otherwise stated

### 10. Non-cash working capital

	31-Mar-09	31-Mar-08
Accounts receivable	\$ 5,698	\$ (8,982)
Prepaid expenses	(97,128)	(99,641)
Other assets	19,745	(7,550)
Accounts payable and accrued liabilities	79,471	244,173
	\$ 7,786	\$ 128,000

Cash for the period ended March 31, 2008 was \$937,013 and short term liquid investments totaled \$19,143,105. The short term liquid investments are held in a senior Canadian chartered bank and consists of money market and treasury bill funds with short maturity dates.

### 11. Commitments and Contingency

#### Commitments

The following is a summary of the Company's contractual obligations and commitments as at March 31, 2009:

	Payments due by period			
	Total	2009	2010-2011	2012 and beyond
Office operation leases - CDN\$	50,270	31,458	12,542	6,270
Office operation leases - US\$	324,269	101,787	206,724	15,758

#### 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.

### 12. Management of capital risk

The Company's objectives when managing capital is 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. The Company seeks to satisfy 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 March 31, 2009, the Company had no bank debt.

# **ROMARCO MINERALS INC.**

(an exploration/development stage company)

## **Notes to Interim Consolidated Financial Statements (Unaudited)**

**For the months ended March 31, 2009**

*Figures in US Dollars unless otherwise stated*

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Romarco is currently developing its properties in the United States and Mexico, and based on current plans and estimates, management believes that the Company's working capital position should be sufficient to satisfy the related financial costs.

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 three months ended March 31, 2009.

### **13. Subsequent event**

#### Stock Options

In April 2009, the Company granted a total of 3,000,000 stock options to employees, officers and directors of Romarco Minerals Inc. The options are exercisable up to April 6, 2014 at \$0.65 CDN.