

Rocmec Mining Inc.

(Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED SEPTEMBER 30, 2008 AND 2007

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Raymond Chabot Grant Thornton

Auditors' Report

To the shareholders of
Rocmec Mining Inc.

Raymond Chabot Grant Thornton LLP

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We have audited the consolidated balance sheets of Rocmec Mining Inc. as at September 30, 2008 and 2007 and the consolidated statements of earnings and comprehensive income, deficit, contributed surplus and cash flows for 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 September 30, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Raymond Chabot Grant Thornton LLP ¹

Val-d'Or, December 10, 2008 (except as to Note 20, which is as of
January 19, 2009)

¹ Chartered accountant auditor permit no. 13953

Rocmec Mining Inc.

(Exploration Stage Company)

CONSOLIDATED BALANCE SHEETS

	\$	\$
	September 30, 2008	September 30, 2007
ASSETS		
CURRENT ASSETS		
Precious metals - Fair value	20,853	16,743
Accounts receivable and other receivable	91,366	125,086
Sales taxes receivable	81,450	247,150
Tax credits receivable	1,317,714	2,640,039
Prepaid expenses	50,215	121,458
	<u>1,561,598</u>	<u>3,150,476</u>
PROPERTY, PLANT AND EQUIPMENT (Note 8)	2,708,348	1,504,600
FUNDS HELD FOR EXPLORATION AND DEVELOPMENT CHARGES	234,232	100,655
MINING PROPERTIES (Note 9)	888,142	1,838,368
DEFERRED EXPLORATION AND DEVELOPMENT CHARGES (Note 10)	13,274,792	10,919,604
SECURITY DEPOSITS	6,440	6,440
THERMAL FRAGMENTATION - EXCLUSIVE LICENCE	1,367,132	1,348,346
	<u>20,040,684</u>	<u>18,868,489</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	1,286,706	2,579,890
Loans (Note 11)	1,347,810	1,640,087
Current portion of long-term debt (Note 12)	301,285	150,911
Current portion of debentures (Note 13)	1,881,168	255,289
	<u>4,816,969</u>	<u>4,626,177</u>
LONG-TERM DEBT (Note 12)	1,468,363	174,649
DEBENTURES (Note 13)	1,071,074	2,811,805
FUTURE INCOME TAXES	1,592,975	1,319,732
	<u>8,949,381</u>	<u>8,932,363</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 14)	25,283,415	19,216,927
Contributed surplus	1,618,204	972,823
Warrants (Note 14)	3,056,799	1,580,180
Equity component of convertible debentures	774,944	774,944
Deficit	(19,642,059)	(12,608,748)
	<u>11,091,303</u>	<u>9,936,126</u>
	<u>20,040,684</u>	<u>18,868,489</u>

CONTINGENCIES AND COMMITMENTS (Notes 15 and 16)

The accompanying notes form an integral part of these consolidated financial statements

ON BEHALF OF THE BOARD OF DIRECTORS

(s) Donald Brisebois _____, Director

(s) Daniel Gilbert _____, Director

Rocmec Mining Inc.

(Exploration Stage Company)

CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME

	\$	\$
	Year ended September 30, 2008	Year ended September 30, 2007
GENERAL AND ADMINISTRATIVE EXPENSES		
Salaries and fringe benefits	472,207	353,484
Training	999	999
Stock-based compensation	148,043	130,842
Insurance	19,542	15,168
Bank charges	6,511	7,830
Trustee fees and registration	42,110	26,051
Management fees	6,000	6,025
Professional fees	330,433	341,209
Financial fees	161,224	233,552
Reporting to shareholders	14,865	15,115
Directors' fees	1,800	1,200
Rent	49,750	38,200
Bad debts (recovered)	-	(267,058)
Stationary and office expenses	13,860	15,396
Telecommunications	14,074	17,932
Travelling and promotion	127,177	57,370
Interest on debentures and long-term debt and other interest (A)	892,232	1,331,652
Amortization of fixed assets	7,663	6,542
Gain on disposal of fixed assets	(172,835)	(18,606)
Loss (gain) on revaluation of precious metals	19,875	(2,457)
Part XII.6 income taxes	77,979	-
Write-off of mining properties	1,260,593	214,227
Write-off of deferred exploration and development charges	1,950,695	25,272
	5,444,797	2,549,945
LOSS BEFORE INCOME TAXES	(5,444,797)	(2,549,945)
INCOME TAXES (Note 18)		
Future income taxes	1,354,308	(460,935)
NET LOSS AND COMPREHENSIVE INCOME	(4,090,489)	(3,010,880)
NET LOSS PER SHARE		
Basic	(0.033)	(0.042)
Diluted	(0.033)	(0.042)
Weighted average number of shares outstanding	123,283,929	71,610,419
(A) INTEREST ON DEBENTURES AND LONG-TERM DEBT AND OTHER INTEREST		
Interest on debentures and long-term debt	808,456	1,298,396
Other interest	83,776	33,256
INTEREST ON DEBENTURES AND LONG-TERM DEBT AND OTHER INTEREST	892,232	1,331,652

The accompanying notes form an integral part of these consolidated financial statements

Rocmec Mining Inc.

(Exploration Stage Company)

CONSOLIDATED DEFICIT

	\$	\$
	Year ended September 30, 2008	Year ended September 30, 2007
DEFICIT AT BEGINNING OF YEAR	(12,608,748)	(8,580,589)
NET LOSS	(4,090,489)	(3,010,880)
SHARE ISSUANCE EXPENSES		
Future income taxes related to flow-through shares	(1,627,551)	(225,177)
Other share issuance expenses	(1,315,271)	(792,102)
	(2,942,822)	(1,017,279)
DEFICIT AT END OF YEAR	(19,642,059)	(12,608,748)

The accompanying notes form an integral part of these consolidated financial statements

Rocmec Mining Inc.

(Exploration Stage Company)

CONSOLIDATED CONTRIBUTED SURPLUS

	\$	\$
	September 30, 2008	September 30, 2007
BALANCE, BEGINNING OF YEAR	972,823	265,029
Options granted (Note 14)	148,043	130,842
Brokers' units options granted (Note 14)	318,898	-
Warrants expired (Note 14)	178,440	582,407
Options exercised	-	(5,455)
BALANCE, END OF YEAR	1,618,204	972,823

The accompanying notes form an integral part of these consolidated financial statements

Rocmec Mining Inc.

(Exploration Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	\$	\$
	Year ended September 30, 2008	Year ended September 30, 2007
OPERATING ACTIVITIES		
Net loss	(4,090,489)	(3,010,880)
Operating items not involving cash		
Non-cash interest expense on convertible debentures	285,148	177,177
Amortization of property, plant and equipment	7,663	6,542
Gain on disposal of property, plant and equipment	(172,835)	(18,606)
Stock-based compensation	148,043	130,842
Financial fees paid by the issuance of warrants	-	17,207
Write-off of mining properties	1,260,593	214,227
Write-off of deferred exploration and development charges	1,950,695	25,272
Future income taxes	(1,354,308)	460,935
Changes in working capital items	298,778	(407,517)
Cash flows from operating activities	(1,666,712)	(2,404,801)
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(1,578,763)	(168,996)
Disposal of fixed assets	328,300	206,556
Disposal (acquisition) of mining properties	(310,367)	156
Tax credits received	2,191,053	679,114
Deferred exploration and development charges	(6,169,132)	(6,410,662)
Funds held for exploration and development charges	(133,577)	402,414
Security deposits	-	26,780
Acquisition of thermal fragmentation - exclusive licence	(18,786)	(15,870)
Cash flows from investing activities	(5,691,272)	(5,280,508)
FINANCING ACTIVITIES		
Loans	1,285,500	1,174,000
Loan reimbursement	(1,577,777)	(1,633,913)
Issuance of debenture	-	1,346,000
Debenture reimbursement	(400,000)	-
Issuance of long-term debt	1,500,000	-
Long-term debt reimbursement	(150,912)	(98,310)
Share issuance expenses	(858,451)	(686,102)
Issuance of shares	5,948,934	6,120,527
Issuance of warrants	1,610,690	1,292,554
Equity component of convertible debentures	-	154,000
Cash flows from financing activities	7,357,984	7,668,756
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	(16,553)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-	16,553
CASH AND CASH EQUIVALENTS, END OF YEAR	-	-
Interest paid	700,783	1,104,612

Supplemental cash flows information (Note 17)

The accompanying notes form an integral part of these consolidated financial statements

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

1- STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

Rocmec Mining Inc. (the "Company"), incorporated under Part 1A of the Companies Act (Québec), is an exploration Company with activities in Canada.

The exploration and development of mineral deposits involve significant financial risks. The success of the Company will be influenced by a number of factors including financing, exploration and extraction risks and environmental and other regulations.

2- GOING CONCERN

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and on the basis of the going concern assumption meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

A number of unfavorable conditions and events have left some doubt as to the appropriateness of this assumption. The Company has incurred significant operating losses in the last period and its working capital is deficient.

The Company is trying to obtain various options from its lenders and shareholders that would allow it to obtain additional financing. The company's ability to continue as a going concern depends on its capacity to raise additional funds and while it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate, because management feels that the measures described above that it took or intends to take will mitigate the effect of the conditions and facts that raise doubt about the appropriateness of this assumption.

3- ACCOUNTING CHANGES

On October 1, 2007, according to the applicable transitional provisions, the Company applied the recommendations of the new section 1506, "Accounting changes", of the Handbook of the Canadian Institute of Chartered Accountant. This new chapter, effective for fiscal periods beginning January 1, 2007, establishes criteria of changes in the accounting methods as well as the accounting treatment and information to provide related to changes in accounting methods, accounting estimate changes, and error corrections. Furthermore, the new standard requires communication of the new primary sources of GAAP issued but not yet into force or not yet adopted by the Company. The new standard has no impact on the financial results of the Company.

On October 1, 2007, in accordance with the applicable transitional provisions, the Company applied the recommendations of Section 1535, "Capital Disclosures" of the Canadian Institute of Chartered Accountants' Handbook. This new section, effective for fiscal years beginning on or after October 1, 2007, establishes standards for disclosing information about the Company's capital and how it is managed. The new accounting standard only addresses disclosures and has no impact on the Company's financial results.

On October 1, 2007, in accordance with the applicable transitional provisions, the Company applied the recommendations of Section 3862 "Financial Instruments – Disclosures" and Section 3863 "Financial Instruments – Presentation" describe the required disclosures and presentation of the financial instruments and non financial derivatives. This new requirements come into force for the fiscal periods starting on October 1, 2007 and the Company shall apply them starting on October 1, 2008. They are replacing sections 3861 "Financial Instruments – Disclosures and presentation". The new requirements only address disclosures and have no impact on the Company's financial results.

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

4- FUTURE ACCOUNTING CHANGES

Going concern

In June 2007, The Canadian Institute of Chartered Accountants modified section 1400, "General standards of financial statements presentation", in order to require of the management the assessment of the capacity of the Company to continue its operations over at least, but not limited to, a period of 12 months, from the balance sheet date. These new requirements come into force for the fiscal periods from January 1, 2008 and the Company shall apply them from October 1, 2008. The new requirements only address disclosures and will have no impact on the Company's financial results.

Goodwill and Other Intangible Assets

In February 2008, the Canadian Institute of Chartered Accountants published new Section 3064, "Goodwill and Intangible Assets", to replace Section 3062, "Goodwill and Other Intangible Assets". Publication of this new section resulted, in particular, in the withdrawal of Section 3450, "Research and Development Costs", and Emerging Issues Committee Abstract of Issue Discussed EIC-27, "Revenues and Expenditures During the Pre-operating Period", as well as number of amendments to Section 1000, "Financial Statement Concepts", to clarify the criteria for recognition of assets, and Accounting Guideline AcG-11 "Enterprises in the Development Stage".

The new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets by profit-oriented enterprises. It clarifies the recognition of intangible assets and deals with the recognition of internally generated intangible assets. However, the standards relating to goodwill are identical to those in Section 3062. This new section is effective for fiscal years beginning on or after October 1, 2008 and the Company will implement it as of that date. The Company's management is not able to assess the impact that the application of this new section will have on the financial statements.

5- SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements are prepared using the historical cost method, except for certain financial instruments that are recognized at fair value. No information on fair value is presented when the carrying amount corresponds to a reasonable approximation of the fair value.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. Significant estimates include these related the estimated useful of property, plant and equipment, the recoverability of mineral properties and deferred exploration expenses and thermal fragmentation - exclusive licence, future income taxes and stock-based compensation. While management believes that these estimates and assumptions are reasonable, actual results could vary significantly.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries; 9167-6718 Québec Inc. This subsidiary is presently inactive.

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

5- SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment are accounted for at cost. Amortization is based on their estimated useful life using the diminishing balance method at the following annual rates:

Equipment	20%
Mill plant	20%
Computer equipment	30%
Automotive equipment	30%

Funds held for exploration and development charges

Exploration funds consist of cash and represent the unexpended proceeds of flow-through financing agreement under which the Company has committed to spend the amounts on exploration.

Mining rights tax credit and tax credit for mining exploration companies

The Company is entitled to a refundable mining rights tax credit on mining exploration expenses incurred in Quebec. Furthermore, the Company is entitled to the refundable tax credit that may reach 38.75% for mining exploration companies on qualified expenditures incurred after March 29, 2001.

Those tax credits are accounted for against the costs incurred.

Mining properties and deferred exploration and development charges

Mining properties, composed of mining exploration permits, claims and options to acquire undivided interests in properties are accounted for at their acquisition cost.

Costs related to the acquisition, exploration and development of mining properties are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized on the unit of production method. If it is determined that capitalized acquisition, exploration and development costs are not recoverable over the estimated economic life of the property, or the project is abandoned, the project is written down to its net realizable value.

Management assesses recoverability of amounts recorded for mining properties and deferred exploration expenses by considering whether results from exploration work do not justify further investment, the confirmation of the interest of the Company in the mining claims, the ability of the Company to obtain the necessary financing to complete the development and future profitable production or the disposal of the properties for proceeds in excess of their carrying value.

Thermal fragmentation - Exclusive licence

The thermal fragmentation exclusive license is accounted for at cost and amortization of fixed assets will be based on their estimated useful life using the straight-line method over 10 years beginning with the first of the following: Beginning of the commercial production using the thermal fragmentation or the sale of the first sub license of thermal fragmentation.

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

5- SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of long-lived assets

Property, plant and equipment and the exclusive license thermal fragmentation subject to amortization are tested for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. The carrying amount of a long-lived asset is non-recoverable when it exceeds the sum of the undiscounted cash flows expected from its use and eventual disposal. In such a case, an impairment loss must be recognized and is equivalent to the excess of the carrying amount of a long-lived asset over its fair value.

Foreign currency translation

Transactions pertaining to the statement of earnings are translated at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities resulting from these transactions are translated at the rate of exchange in effect at the balance sheet date. Non monetary assets are translated at the exchange rate in effect at the transaction date. Exchange gains or losses are included in earnings of the year.

Share capital

Capital stock issued for non-monetary consideration is generally recorded at the quoted market price of the shares at the date of agreement. The resource expenditure deductions for income tax purposes related to exploration and development activities funded by the proceeds of the flow-through share arrangements are renounced to investors in accordance with tax legislation. Under the liability method of accounting of income taxes, the future income taxes related to temporary differences arising at the renunciation are recorded at that time together with a corresponding charge in the share issue expense.

Fair value of the warrants

Proceeds from unit placements are allocated between shares and warrants issued using the Black-Scholes pricing model to determine the fair value of warrants issued.

Net loss per share

Net loss per share is calculated using the weighted average number of outstanding shares during the year. The diluted net loss per share is equal to the basic net loss per share due to the anti-dilutive effect of stock options and warrants described in note 14.

Revenue recognition

The Company recognizes revenue from metals when they have been delivered and title has passed to a purchaser. Up until beginning of commercial production, revenue are accounted for in decrease of deferred explorations and development charges.

Stock-option plan

The Company uses the fair value method based on the Black-Scholes pricing model to record the compensation cost related to the issue of stock options to its employees, directors, officers and consultant to earnings or deferred exploration expenses over the vesting period with a corresponding credit to contributed surplus. Any consideration received when options are exercised is credited to capital stock together with the related compensation cost recorded as contributed surplus.

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

5- SIGNIFICANT ACCOUNTING POLICIES (continued)

Share issue expenses

Share issue expenses are recognized in the statement of deficit.

Income taxes

Future income taxes are a result of the future tax consequences attributable to differences between the financial statements carrying amounts for existing assets and liabilities and their respective tax bases. Future tax assets are accounted for only if the management believes that it will be more likely than not that future tax assets will be recoverable. 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.

Financial instruments - Recognition and measurement

All financial instruments are required to be measured at fair value on initial recognition, except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other liabilities.

Financial assets and liabilities classified as held-for-trading are required to be measured at fair value, with gains and losses recognized in net earnings.

Financial assets classified as held-to-maturity, loans and receivables and financial liabilities (other than those held-for-trading) are required to be measured at amortized cost using the effective interest method of amortization.

Available-for-sale financial assets are required to be measured at fair value, with unrealized gains and losses recognized in Other Comprehensive Income (loss). Investments in equity instruments classified as available-for-sale that do not have a quoted market price in an active market should be measured at cost.

Transaction costs are recognized in earnings as they are incurred.

Embedded derivatives that are not closely related to the host contract must be separated and classified as held-for-trading financial instruments. They are therefore measured at fair value and changes in fair value are recognized in earnings and the transaction costs related to these embedded derivatives are recognized in earnings as administrative expenses. As at September 30, 2008 and 2007, the Company has no financial instruments including an embedded derivative that should be separated from the host contract.

The Company has adopted the following classification:

Cash and cash equivalents, precious metals and funds held for exploration and development charges are classified as "Financial Assets Held for Trading".

Trade accounts receivable and other receivable are classified as "loans and receivables".

Accounts payables and accrued liabilities, loans, long-term debt and debentures are classified as "Other Financial Liabilities".

Rocmec Mining Inc.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

6- CAPITAL MANAGEMENT

In terms of capital management, the objectives of the Company are to preserve its ability to continue its mining operations and its thermal fragmentation mining method as well as its current bulk sampling program at the Rocmec 1 mining site. If necessary, the Company raises funds by private placement of common shares, in loans and debentures in order to support the development of its activities. The Company does not intend to pay dividend in the foreseeable future.

The Company includes loans, long-term debt, debentures, share capital, contributed surplus, warrants and equity component of convertible debenture in the definition of capital for a total amount of \$36,803,062 (\$27,577,615 in 2007).

The property in which the Company has an interest is in the development stage and the use of the thermal fragmentation mining method by other mining companies is also in the development stage; As such, the Company is dependant on external financing to fund its activities.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no significant changes in the Company's approach to capital management during the year ended September 30, 2008. The Company does not have any externally imposed capital requirements neither regulatory nor contractual requirements to which it is subject, other than those related to its flow-through financing agreements.

7- FINANCIAL INSTRUMENTS

The Company is exposed to various financial risks that result from both its operations and its investment activities. Financial risk management is carried out by the Company's management.

Credit risk

The credit risk is the risk associated with non-payment of financial obligations by the customers of the Company. The credit risks that the Company faces are mainly attributable to recovery of various accounts receivable. Cash is held by a Canadian Chartered Bank in which management believes that the risk of loss is minimal but the Company is subject to concentration of credit risk.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

7- FINANCIAL INSTRUMENTS (continued)

Liquidity risk

The liquidity risk is the risk that the Company experiences difficulty honoring commitments related to financial liabilities. The management approach concerning cash management is to ensure, as much as possible, that the Company has the necessary funds to meet its financial obligations at maturity. If considered necessary, management renegotiates extensions to maturity dates to balance the needs in cash and financings.

The company expects to satisfy obligations under accounts payable and accrued liabilities, interest payment on convertible debentures and borrowings and repayment of the short-term part of long-term debts and convertible debentures. Management intends to continue, as was done in the past, to finance its activities by raising funds by private equity investments, in loans or debentures. Even if it succeeded in financing its activities in the past, management cannot comment on the success of its future fund raising and it believes that the liquidity risk is high.

During the period October 1, 2008 to January 16, 2009, the Company raised a total of \$ 1,987,000 in flow-through and non flow-through financing to maintain its current liquidity (see Note 20). These additional financing and tax credits receivable in the amount of \$1,317,714 as of September 30, 2008 will allow the Company to meet its financial obligations and maintain its exploration program on its Rocmec 1 property; however non flow-through financing is required to fund its operating expenses for the next year. The Company is also committed to spending in flow-through expenditures by December 31, 2008 and 2009, as disclosed in Note 16.

The following tableau summarizes the Company's financial liabilities as at September 30, 2008:

	Less than one year	Between one and two years	More than two years
	\$	\$	\$
Accounts payable and accrued liabilities	1,286,706	-	-
Loans	1,347,810	-	-
Long-term debt	301,285	856,214	612,149
Debentures	1,881,168	758,755	312,319
	<u>4,816,969</u>	<u>1,614,969</u>	<u>924,468</u>

Interest rate risk

The interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuate because of changes in market interest rates. Loans, long-term debt and debentures issued by the Company bear interest at a fixed rate thus exposing it to the risk of changes in fair value arising from interest rate fluctuations.

Rocmec Mining Inc.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

7- FINANCIAL INSTRUMENTS (continued)

Fair value

Financial instruments book values and fair values were as follows:

	September 30, 2008		September 30, 2007	
	Book value	Fair value	Book value	Fair value
<u>Other financial liabilities</u>				
Long-term debt	1,769,648	1,769,648	325,560	325,560
Convertible debentures	2,952,242	2,952,242	3,067,094	3,067,094

The fair value of long-term debt and debentures are estimated using discounted cash-flow analysis, based on current corresponding borrowing rates for similar types of borrowing arrangements.

8- PROPERTY, PLANT AND EQUIPMENT

	September 30, 2008			September 30, 2007		
	Cost	Accumulated amortization	Net value	Cost	Accumulated amortization	Net value
	\$	\$	\$	\$	\$	\$
Equipment	1,623,830	659,620	964,210	1,538,114	471,533	1,066,581
Mill plant (1)	1,740,540	191,004	1,549,536	523,758	222,992	300,766
Computer equipment	31,513	17,422	14,091	27,643	11,660	15,983
Automotive equipment	193,608	113,029	80,579	172,699	70,029	102,670
	<u>3,589,491</u>	<u>981,075</u>	<u>2,608,416</u>	<u>2,262,214</u>	<u>776,214</u>	<u>1,486,000</u>
Capital lease						
Equipment	101,850	1,918	99,932	6,850	685	6,165
Automotive equipment	-	-	-	20,900	8,465	12,435
	<u>101,850</u>	<u>1,918</u>	<u>99,932</u>	<u>27,750</u>	<u>9,150</u>	<u>18,600</u>
	<u>3,691,341</u>	<u>982,993</u>	<u>2,708,348</u>	<u>2,289,964</u>	<u>785,364</u>	<u>1,504,600</u>

(1) Including a modular plant under construction having a net book value of \$1,387,667 as at September 30, 2008.

Rocmec Mining Inc.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

9- MINING PROPERTIES

	Balance as at September 30, 2007	Addition (Decrease)	Write-off	Balance as at September 30, 2008
	\$	\$	\$	\$
Montauban (Quebec, Canada)	807,658	(25,000)	(782,658)	-
Denain (Quebec, Canada)	142,568	300	(142,868)	-
Courville-Maruska (Quebec, Canada)	-	750	(750)	-
Vauquelin (Quebec, Canada)	-	50	(50)	-
Rocmec 1 (Quebec, Canada)	888,142	-	-	888,142
Puma (Arequipa, Peru)	-	334,267	(334,267)	-
	1,838,368	310,367	(1,260,593)	888,142

	Balance as at September 30, 2006	Addition (Decrease)	Write-off	Balance as at September 30, 2007
	\$	\$	\$	\$
Montauban (Quebec, Canada)	804,694	2,964	-	807,658
Denain (Quebec, Canada)	147,584	(5,016)	-	142,568
Courville-Maruska (Quebec, Canada)	140,831	-	(140,831)	-
Vauquelin (Quebec, Canada)	-	96	(96)	-
Lac Rose (Quebec, Canada)	-	1,800	(1,800)	-
Rocmec 1 (Quebec, Canada)	888,142	-	-	888,142
Tibemont (Quebec, Canada)	71,500	-	(71,500)	-
	2,052,751	(156)	(214,227)	1,838,368

a) Montauban project - Montauban and Grondines township, Québec

A 100% interest in 83 mining claims.

b) Denain project - Denain township, Québec

A 85% interest in 23 mining claims subject to a 3.5% net smelter return (NSR) royalty.

c) Courville-Maruska project - Courville township, Québec

A 100% interest in 20 mining claims.

d) Rocmec 1 project - Dasserat township, Québec

A 100% interest in 11 mining claims subject to a 5% Net Metal Royalty on first 25,000 ounces and 3% on the additional ounces.

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

10- DEFERRED EXPLORATION AND DEVELOPMENT CHARGES

	Balance as at September 30, 2007	Deferred exploration and development charges	Write-off	Tax credit	Balance as at September 30, 2008
	\$	\$	\$	\$	\$
Montauban (Quebec, Canada)	836,537	-	(836,537)	-	-
Denain (Quebec, Canada)	1,114,158	-	(1,114,158)	-	-
Rocmec 1 (Quebec, Canada)	8,968,909	5,174,611	-	(868,728)	13,274,792
	10,919,604	5,174,611	(1,950,695)	(868,728)	13,274,792

	Balance as at September 30, 2006	Deferred exploration and development charges	Write-off	Tax credit	Balance as at September 30, 2007
	\$	\$	\$	\$	\$
Montauban (Quebec, Canada)	792,569	74,496	-	(30,528)	836,537
Denain (Quebec, Canada)	1,070,604	-	-	43,554	1,114,158
Courville-Maruska (Quebec, Canada)	4,124	-	(4,577)	453	-
Vauquelin (Quebec, Canada)	-	-	(911)	911	-
Lac Rose (Quebec, Canada)	-	-	(13,933)	13,933	-
Rocmec 1 (Quebec, Canada)	3,412,871	7,975,029	-	(2,418,991)	8,968,909
Others	-	-	(5,851)	5,851	-
	5,280,168	8,049,525	(25,272)	(2,384,817)	10,919,604

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

12- LONG-TERM DEBT

	<u>September 30, 2008</u>	<u>September 30, 2007</u>
	\$	\$
Obligations under capital lease secured by the equipment of a net book value of \$99,932, repayable by monthly installments varying from \$129 to \$4,000 including interest calculated at rates varying from 8.75% to 14.02% (2007 - 13.92% to 18.65%), maturing September 2010.	96,416	12,728
Loans secured by automotive equipment of a net book value of \$71,869 repayable by monthly installments of \$3,427 including principal and interest calculated at rates varying from 0.06% to 3.9%, maturing between October 2008 and August 2011.	65,131	106,492
Loan secured by thermal fragmentor of a net book value of \$113,897 repayable by monthly installments of \$5,213 including principal and interest calculated at a rate 9.2%, reimbursed in 2008.	-	54,800
Loans secured by loader of a net book value of \$86,976 repayable by monthly installments of \$4,191 including principal and interest calculated at rates varying from 4.8% to 7.0%, maturing between August 2009 and August 2011.	108,101	151,540
Loan secured by a modular plant under construction, repayable by quarterly installments of \$187,500 commencing on September 2009, plus interest at a rate of 1.5% per month, maturing June 2011.	1,500,000	-
	<u>1,769,648</u>	<u>325,560</u>
Current portion	301,285	150,911
	<u>1,468,363</u>	<u>174,649</u>

Long-term debt principal repayments to be made during the following years are as follows:

	<u>Long-term debt</u>	<u>Capital lease</u>
	\$	\$
2009	258,551	49,451
2010	802,532	56,600
2011	612,149	-
	<u>1,673,232</u>	<u>106,051</u>
Total minimum lease payments		
Amounts included in minimum lease payments		
Interest expense		<u>9,635</u>
		<u>96,416</u>

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

13- DEBENTURES

	<u>September 30, 2008</u>	<u>September 30, 2007</u>
	\$	\$
<u>Liability component of convertible debentures</u>		
<p>Eight (ten in 2007) \$100,000 convertible debentures totalling \$1,000,000, bearing interest rate of 12% (effective rate of 40%), repayable monthly, maturing at different maturity dates between September 2007 and November 2010. The debentures are convertible at the holder's option, into common shares at conversion prices ranging between \$0.23 and \$0.28. The holders, subject to regulatory approval, may request that interest payments be paid in common shares, semi-annually.</p>	656,465	700,911
<p>Convertible debenture totalling \$200,000, bearing interest rate of 12% (effective rate of 52%), repayable semi-annually, in common shares, repayable at maturity in March 2009. The debenture is convertible at the holder's option into common shares at conversion prices ranging between \$0.23 and \$0.25. Subject to regulatory approval, interest payments will be paid in common shares.</p>	164,263	115,119
<p>Convertible debentures totalling \$1,300,000 (\$1,500,000 in 2007), bearing interest rate of 12% (effective rate of 17.75%), plus a maximum NSR royalty of 1.8% on gold ounces produced during the first year at Rocmec 1 and 1.2% thereafter. The debentures will mature from December 31, 2008 to December 31, 2010, are redeemable on demand, at the Company's option, with a 3 month interest and royalty penalty. The debenture holders may convert 30% of the total amount of the debentures into common shares at a price of \$0.30 per share and the issuer has the right to force conversion of 70% of the total amount of the debentures into common shares at a price of \$0.70 if the closing stock price of the last 30 days preceding conversion exceeds \$0.90.</p>	1,281,514	1,401,064
Balance to carry-forward	<u>2,102,242</u>	<u>2,217,094</u>

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

13- DEBENTURES (continued)

	<u>September 30, 2008</u>	<u>September 30, 2007</u>
	\$	\$
Carry-forward balance	2,102,242	2,217,094
<u>Others debentures</u>		
Debentures, totalling \$850,000, redeemable at any time with a penalty equal to three months interest and are convertible into common shares at the option of the issuer, at the market price on the date of conversion subject to a minimum price of \$0.22, bearing interest at a rate of 12% per year, repayment of interest may be done semi-annually in common shares at the holder's option, subject to approval by regulatory authorities having jurisdiction on the securities of the Company, payable quarterly, repayable at maturity March 2009.	850,000	850,000
	2,952,242	3,067,094
Current portion	1,881,168	255,289
	<u>1,071,074</u>	<u>2,811,805</u>

Debentures principal repayments to be made during the following years are as follows:

	\$
2009	1,881,168
2010	758,755
2011	312,319
	<u>2,952,242</u>

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

14- SHARE CAPITAL

Authorized

Unlimited number of common shares without par value, voting, participating, dividend as declared by the Board of Directors.

Changes in the Company's common share capital were as follows:

	September 30, 2008		September 30, 2007	
	Number	Amount	Number	Amount
Shares issued		\$		\$
Balance, beginning of year	90,470,166	19,216,927	55,288,070	12,640,688
Paid in cash	2,474,676	274,081	13,813,810	2,336,269
Flow-through financing	45,320,440	5,674,853	20,294,120	4,011,258
Exercise of warrants	-	-	650,000	132,757
Debt settlement	178,274	24,000	374,166	80,000
Brokers' fees	519,739	93,554	-	-
Exercise of share purchase options	-	-	50,000	15,955
Balance, end of year	138,963,295	25,283,415	90,470,166	19,216,927
Weighted average number of shares outstanding	<u>123,283,929</u>		<u>71,610,419</u>	

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

14- SHARE CAPITAL (continued)

Common share purchase options

The Company maintains a stock option plan (the "Plan") whereby the Board of Directors may from time to time grant to employees, officers, directors of, or consultants to the Company, options to acquire common shares in such numbers, for such terms and at such exercise prices as may be determined by the Board of Directors.

The Plan provides that the maximum number of common shares in the capital of the Company that may be reserved for issuance under the Plan shall be equal to 5,000,000 common shares and that the maximum number of common shares which may be reserved for issuance to any one optionee may not exceed 5% of the common shares outstanding at the time of vest. These options must be exercised no later than 5 years after the date of vest. The options currently granted are subject to a minimum of a sixth vesting period for which options will vest gradually, except those granted to consultants providing investor relations services for which options will vest over 12 months.

The option exercise price is established by the Board of Directors and may not be lower than the market price of the common shares at the time of grant.

A summary of changes in the Company's common share purchase options are as follows:

	September 30, 2008		September 30, 2007	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Balance, beginning of year	1,925,000	0.263	1,125,000	0.276
Granted	2,130,000	0.121	1,250,000	0.242
Exercised	-	-	(50,000)	0.210
Expired	(885,000)	0.257	(400,000)	0.241
Balance, end of year	3,170,000	0.169	1,925,000	0.263
Options exercisable at the end	<u>1,685,833</u>		<u>1,683,332</u>	

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

14- SHARE CAPITAL (continued)

Options granted and exercisable as at September 30, 2008:

	Options granted	Options exercisable	Exercise price	Expiry date
	400,000	400,000	0.30 \$	June 2009
	100,000	100,000	0.30 \$	December 2009
	100,000	100,000	0.30 \$	January 2011
	300,000	300,000	0.21 \$	November 2011
	200,000	200,000	0.23 \$	January 2012
	420,000	290,000	0.16 \$	October 2012
(a)	1,650,000	295,833	0.11 \$	August 2013
	3,170,000	1,685,833		

Accounting for compensation plans

The fair value of options was estimated using the Black-Scholes option pricing model with the following assumptions:

	September 30, 2008	September 30, 2007
Weighted average Risk-free interest rate	3.61%	4.02%
Weighted average Expected volatility	89.82%	94.35%
Weighted average Expected life	60 months	51.5 months
Expected dividends	0.0%	0.0%
Fair value of options granted at market value	0.108 \$	0.105 \$
Fair value of options granted at value greater than market value	(a) 0.058 \$	- \$

Compensation cost for stock-based employee recognized in earning amounts to \$148,043 (\$109,023 in 2007).

(a) 1,650,000 stock options have been granted at an exercise price of \$0.11 while the market value was \$0.09.

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

14- SHARE CAPITAL (continued)

Warrants

Outstanding common share purchase warrants, entitling their holders to subscribe to an equivalent number of common shares, were as follows:

	September 30, 2008		
	Number of warrants	Weighted average exercise price	Fair value allocated
		\$	
Balance, beginning of year	26,823,684	0.289	1,580,180
Granted	33,928,990	0.249	1,655,059
Exercised	-	-	-
Expired	(2,987,758)	0.263	(178,440)
Balance, end of year	57,764,916	0.294	3,056,799

	September 30, 2007		
	Number of warrants	Weighted average exercise price	Fair value allocated
		\$	
Balance, beginning of year	12,985,638	0.298	772,083
Granted	24,281,934	0.311	1,415,761
Exercised	(650,000)	(0.165)	(25,257)
Expired	(9,793,888)	(0.363)	(582,407)
Balance, end of year	26,823,684	0.289	1,580,180

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

14- SHARE CAPITAL (continued)

Warrants outstanding as at September 30, 2008 are as follows:

Number	Exercise price	Expiry date
3,115,383	0.750 \$	December 2008
8,006,955	0.350 \$	February 2009
6,547,615	0.350 \$	June 2009
2,128,310	0.350 \$	June 2009
1,013,000	0.280 \$	June 2009
291,332	0.195 \$	August 2009
900,000	0.350 \$	September 2009
1,833,331	0.300 \$	September 2009
		October 2008 and
20,114,164	0.25 \$ et 0.30 \$	2009
		October 2008 and
4,958,415	0.30 \$ et 0.35 \$	2009
		November 2008 and
2,675,194	0.25 \$ et 0.30 \$	2009
1,673,382	0.240 \$	February 2010
306,500	0.180 \$	March 2010
3,658,335	0.180 \$	May 2010
432,000	0.120 \$	August 2010
111,000	0.120 \$	September 2010
<u>57,764,916</u>		

The fair value of warrants was estimated using the Black-Scholes option pricing model with the following assumptions:

	<u>September 30, 2008</u>	<u>September 30, 2007</u>
Weighted average Risk-free interest rate	3.89%	4.35%
Weighted average expected volatility	93.65%	95.70%
Weighted average expected life	24 months	23.8 months
Expected dividends	0.0%	0.0%

During the year, the Company issued 33,928,990 warrants. Each warrant entitles the holder to purchase one common share with expiry dates from October 2008 to September 2010 at a price between \$0.12 to \$0.35 per share.

The warrants were issued under private placements to common shareholders and to brokers. They have been accounted for at their value of \$1,610,690 and \$44,368 respectively in warrants under share holder's equity and share issuance charges.

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

14- SHARE CAPITAL (continued)

Brokers' units options

During the year, the Company issued brokers' units options are as follows:

	Number of units options	Weighted average exercise price	Fair value allocated
		\$	\$
Balance, beginning of year	-	-	-
Granted	2,278,934	0.180	318,898
Balance, end of year	2,278,934	0.180	318,898

Each unit is comprised of one common share that will entitle to one warrant upon the exercise of the option on the common share.

Outstanding brokers' units options as at September 30, 2008:

Number	Exercise price	Expiry date
454,777	0.180 \$	October 2009
695,833	0.180 \$	October 2009
860,805	0.180 \$	October 2009
267,519	0.180 \$	October 2009
2,278,934		

The fair value of each option granted was estimated using the Black-Scholes option pricing model with the following assumptions:

	<u>September 30, 2008</u>
Weighted average Risk-free interest rate	4.07%
Weighted average expected volatility	92.92%
Weighted average expected life	24 months
Expected dividends	0.0%

The fair value of each Brokers' units options granted have been accounted for at their value of \$318,898 under share issuance charges.

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

15- CONTINGENCIES

The Company's operations are governed by governmental laws and regulations regarding environmental protection. The environmental consequences are hardly identifiable, whether it is the result level, the impact or its deadline. At the present time and to the best knowledge of its management, the Company is in conformity with the laws and regulations. A provision of \$18,500 for restoration of the premises is included in the accounts payable and accrued liabilities. It is possible that real account payable differ from this estimate.

During the year, the Company received a lawsuit in debt settlement from a service supplier for the amount of \$313,916. Of that amount, \$282,421 is included in the accounts payable and accrued liabilities and the balance is contested by the Company. The legal proceedings are presently underway and the Company believes that the amount presently accounted for is sufficient in light of the exposed facts.

16- COMMITMENTS

- i) The Company has entered into long-term lease agreements until September 2010 for the hiring of spaces and the hiring of equipment. The balance of engagements according to these leases, is established to \$220,144. The minimum lease payments for the following years are as follows:

	\$
2009	177,223
2010	42,921
	<hr/>
	220,144

- ii) The Company entered into an agreement with an private independent company to acquire the exclusive rights to operate the thermal fragmentation in the narrow vein. By this agreement, the company can use the exploitation method, develop it or transfer sub-licenses.

The Company is responsible for expenses for maintaining the registration of patents held by the private independent company.

In counterpart of the rights acquired by this agreement, the Company will pay a royalty calculated on the quarterly production and royalty payments at \$15,00 per ounce produced by way of thermal fragmentation.

The Company can terminate this agreement at any time without penalty or compensation, by giving the assignor a written notice of 90 days, by which the Company will be released of all it's obligations towards the assignor.

- iii) The Company is committed to spend exploration expenses amounting to \$1,121,247 relating to flow-through financing. These expenses have to be spent before December 31, 2008.
- iv) The Company is committed to spend exploration expenses amounting to \$2,395,203 relating to flow-through financing. These expenses have to be spent before December 31, 2009.

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

17- CASH FLOWS

Supplemental cash flows information:

	<u>September 30, 2008</u>	<u>September 30, 2007</u>
	\$	\$
Non-cash investing and financing activities:		
Asset under capital lease	95,000	6,850
Amortization included in the deferred exploration and development charges	306,887	372,099
Share issuance expense paid by the issuance of unit and warrants	363,266	106,000
Future income taxes included in share issuance expenses	1,627,551	225,177
Tax credit receivable deducted from exploration and development charges	868,728	2,417,866
Deferred exploration and development charges financed by accounts payable	659,064	1,960,472
Debt settlement paid by the issuance of share capital	24,000	-
Brokers' fees paid by the issuance of share capital	93,554	-
Accounts payable settlement paid by issuance of share capital	-	68,000
Warrants exercised carried to share capital	-	25,257
Warrants expired carried to contributed surplus	178,440	582,407
Options exercised carried to share capital	-	(5,455)

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

18- FUTURE INCOME TAXES

The reconciliation of the income tax provision calculated using the combined federal and Quebec provincial statutory tax rate to the provision for income taxes per the financial statements is as follows:

	2008	2007
	\$	\$
Loss before income taxes	5,444,797	2,549,945
Income taxes at the combined federal and provincial income tax rates of 31.02 %.	(1,688,976)	(790,993)
Mining rights (12%)	273,243	686,112
Change in enacted rates	183,230	-
Non-deductible stock-based compensation	45,923	40,587
Share issuance expenses	(196,845)	(143,249)
Future income tax assets not recorded	27,586	668,478
Other	1,531	-
	(1,354,308)	460,935

As at September 30, future income tax assets and liabilities are as follows:

Future income tax assets

Long term

Non-capital losses carried forward (1)	2,245,739	1,938,039
Share issuance charges	473,123	420,717
Fixed assets	300,849	246,393
Obligation under capital lease	25,936	3,948
Mining properties	353,036	119,761

Future income tax liabilities

Long term

Thermal fragmentation - Exclusive licence	(17,485)	-
Deferred exploration and development charges	(2,889,263)	(1,503,333)
Capital lease	(26,882)	(5,769)

Valuation allowance

Mining rights

Future income taxes

	-	-
	1,592,975	1,319,732
	1,592,975	1,319,732

(1) The future income tax asset resulting from operating losses carried forward is not recorded. Operating losses available to reduce income taxes in future years are detailed as follows:

2010	328,277
2011	347,114
2015	578,684
2016	958,813
2027	1,297,730
2028	2,485,717
2029	2,508,418
	8,504,753

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

19- RELATED PARTY TRANSACTIONS

During the year, the Company incurred the following expenses with a company controlled by director of the Company. These transactions occurred during the normal course of operations and were measured at the exchange amount that is the amount established and accepted by the parties.

	<u>September 30, 2008</u>	<u>September 30, 2007</u>
	\$	\$
Exploration charges		
Geology	6,000	20,000

20- SUBSEQUENT EVENTS

- i) On October 30, 2008, the Company issued 4,428,570 flow-through units ("FT Unit") at \$0.07 for a total amount of \$310,000 in cash. Each FT Unit is comprised of one flow-through common share of the Company and one non-flow-through share purchase warrant. Each share purchase warrant entitles its holder thereof to purchase one additional common share of the Company at a price of \$0.10 for a period of 12 months from the closing date and thereafter at a price of \$0.15 for an additional period of twelve months. The broker obtained a cash finder's fee from the Company equal to 8% of the aggregate gross proceeds and finder's options equal to 10% of the number of FT Units subscribed for. The options are issued under the same terms as the share purchase warrants issued to the subscribers.
- ii) On October 30, 2008, the company contracted a loan totalling \$600,000 secured by a modular plan, under construction, repayable by quarterly installments of \$75,000 commencing on September 2009, plus interest at a rate of 1.5% per month, maturing in June 2011.
- iii) On December 12, 2008, the Company issued 1,250,000 flow-through units ("FT Unit") at \$0.10 for a total amount of \$125,000 in cash. Each FT Unit is comprised of one flow-through common share of the Company and one-half non-flow-through share purchase warrant. Each share purchase warrant entitles its holder thereof to purchase one additional common share of the Company at a price of \$0.12 for a period of 24 months from the closing date. The broker received a cash finder's fee from the Company equal to 9% of the aggregate gross proceeds and finder's options equal to 10% of the number of FT Units subscribed for. Each share purchase warrant entitles its holder thereof to purchase one additional common share of the Company at a price of \$0.10 for a period of 24 months from the closing date.
- iv) Between December 4 and 17, 2008, the Company contracted loans, totalling \$141,000, bearing 15% interest, maturing from December 2009 to December 2010.
- v) On December 15 and 31, 2008, the Company issued 710,000 flow-through common share at \$0.10 for a total amount of \$71,000 in cash. The broker received a cash finder's fee from the Company equal to 7.5% of the aggregate gross proceeds.
- vi) On December 23, 2008, the Company issued 3,100,000 flow-through units ("FT Unit") at \$0.10 for a total amount of \$310,000 in cash. Each FT Unit is comprised of one flow-through common share of the Company and one-half non-flow-through share purchase warrant. Each share purchase warrant entitles its holder thereof to purchase one additional common share of the Company at a price of \$0.12 for a period of 24 months from the closing date. The broker received a cash finder's fee from the Company equal to 8% of the aggregate gross proceeds and along with finder's shares equal to 2% of the units subscribed and Brokers' units options. Each unit is comprised of one common share of the Company at a price of \$0.10 and one-half share purchase warrant. The options are issued under the same terms as the share purchase warrants issued to the subscribers.

Rocmec Mining Inc.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

20- SUBSEQUENT EVENTS (continued)

- vii) On December 29 and 31, 2008 and January, 2009, the Company issued 2,300,000 flow-through units ("FT Unit") at \$0.10 for a total amount of \$230,000 in cash. Each FT Unit is comprised of one flow-through common share of the Company and one-half non-flow-through share purchase warrant. Each share purchase warrant entitles its holder thereof to purchase one additional common share of the Company at a price of \$0.12 for a period of 24 months from the closing date. The broker received a cash finder's fee from the Company equal to 9 % of the aggregate gross proceeds.

- viii) On December 31, 2008, the Company issued 1,000,000 flow-through units ("FT Unit") at \$0.10 for a total amount of \$100,000 in cash. Each FT Unit is comprised of one flow-through common share of the Company and one-half non-flow-through share purchase warrant. Each share purchase warrant entitles its holder thereof to purchase one additional common share of the Company at a price of \$0.12 for a period of 24 months from the closing date. The broker received a cash finder's fee from the Company equal to 9% of the aggregate gross proceeds.

- ix) On January 16, 2009, the Company issued 1,250,000 units at \$0.08 for a total amount of \$100,000 in cash. Each Unit is comprised of one common share of the Company and one-half share purchase warrant. Each share purchase warrant entitles its holder thereof to purchase one additional common share of the Company at a price of \$0.12 for a period of 24 months from the closing date. The broker received a cash finder's fee from the Company equal to 9% of the aggregate gross proceeds.

- x) After the end of the Year, the Company has agreed to new terms of repayment of the convertible debentures due December 31th, 2008. Those new terms of reimbursement provide a capital repayment of \$175,000 on December 31th 2008, \$268,750 on June 30th 2009, \$318,750 on December 31th 2009, \$293,750 on June 30th 2010 and the balance \$243,750 on December 31th 2010.

21- COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation adopted.