

Rocmec Mining Inc.

(Exploration Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

9-MONTH PERIOD ENDED JUNE 30, 2008 AND 2007

These unaudited interim consolidated financial statements have been prepared by management. The external auditors have not examined these interim consolidated financial statements.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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Rocmec Mining Inc.

(Exploration Stage Company)

CONSOLIDATED BALANCE SHEETS

(unaudited)

	\$ June 30, 2008	\$ September 30, 2007
ASSETS		
CURRENT ASSETS		
Precious metals - Fair value	21,312	16,743
Accounts receivable and other receivable	1,024	125,086
Sales taxes receivable	79,553	247,150
Tax credits receivable	1,403,459	2,640,039
Prepaid expenses	7,964	121,458
	<u>1,513,312</u>	<u>3,150,476</u>
PROPERTY, PLANT AND EQUIPMENT (Note 4)	2,308,991	1,504,600
FUNDS HELD FOR EXPLORATION AND DEVELOPMENT CHARGES	31,415	100,655
MINING PROPERTIES (Note 5)	2,142,835	1,838,368
DEFERRED EXPLORATION AND DEVELOPMENT CHARGES (Note 6)	14,071,568	10,919,604
SECURITY DEPOSITS	6,440	6,440
THERMAL FRAGMENTATION - EXCLUSIVE LICENCE	1,355,558	1,348,346
	<u>21,430,119</u>	<u>18,868,489</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	1,010,569	2,579,890
Loans (Note 7)	163,404	1,640,087
Current portion of long-term debt (Note 8)	87,997	150,911
Current portion of debentures (Note 9)	2,800,065	255,289
	<u>4,062,035</u>	<u>4,626,177</u>
LONG-TERM DEBT (Note 8)	1,266,605	174,649
DEBENTURES (Note 9)	279,654	2,811,805
FUTURE INCOME TAXES	1,688,588	1,319,732
	<u>7,296,882</u>	<u>8,932,363</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 10)	24,544,615	19,216,927
Contributed surplus	1,203,547	972,823
Warrants (Note 10)	3,132,908	1,580,180
Equity component of convertible debentures	774,944	774,944
Deficit	(15,522,777)	(12,608,748)
	<u>14,133,237</u>	<u>9,936,126</u>
	21,430,119	18,868,489

CONTINGENCIES AND COMMITMENTS (Notes 11 and 12)

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 AND DEFICIT

(unaudited)

	\$	\$	\$	\$
	3 month period ended June 30, 2008	9-month period ended June 30, 2008	3 month period ended June 30, 2007	9-month period ended June 30, 2007
GENERAL AND ADMINISTRATIVE EXPENSES				
Salaries and fringe benefits	129,961	379,318	105,693	297,531
Stock-based compensation	-	52,284	21,819	130,842
Insurance	4,642	14,843	(23,510)	11,375
Bank charges	1,476	5,104	2,629	5,846
Trustee fees and registration	11,836	38,214	10,888	22,555
Management fees	1,500	4,500	1,525	4,525
Professional fees	77,493	298,636	79,672	257,066
Financial fees	63,006	84,065	2,553	189,633
Reporting to shareholders	4,842	12,609	4,056	13,135
Directors' fees	-	1,200	-	1,200
Rent	12,700	36,850	9,550	28,300
Bad debts (recovered)	-	-	-	(267,058)
Stationary and office expenses	2,203	9,921	5,185	10,544
Telecommunications	4,653	10,626	(3,349)	15,155
Travelling and promotion	53,229	88,112	14,843	45,951
Interest on debentures and long-term debt	210,977	572,783	338,046	939,929
Other interest	3,298	63,937	4,132	2,519
Amortization of fixed assets	1,957	5,753	1,819	4,456
Gain on disposal of fixed assets	(135,975)	(173,273)	-	-
Loss (gain) on revaluation of precious metals	3,693	20,509	1,450	(1,952)
Part XII.6 income taxes	53,198	95,406	-	-
Write-off of mining properties	-	800	-	1,896
Write-off of deferred exploration and development charges	-	-	-	90
Gain on debt settlement	-	(12,507)	-	-
	504,689	1,609,690	577,001	1,713,538
LOSS BEFORE INCOME TAXES	(504,689)	(1,609,690)	(577,001)	(1,713,538)
INCOME TAXES				
Future income taxes	(79,046)	1,741,726	415,113	445,246
NET EARNINGS (LOSS) AND COMPREHENSIVE INCOME	(583,735)	132,036	(161,888)	(1,268,292)
NET EARNING (LOSS) PER SHARE				
Basic	(0.005)	0.001	(0.003)	(0.021)
Diluted	(0.005)	0.001	(0.003)	(0.021)
Weighted average number of shares outstanding	119,328,570	119,328,570	61,474,358	61,474,358
DEFICIT AT BEGINNING OF YEAR	(14,819,386)	(12,608,748)	(10,363,353)	(8,580,589)
NET EARNINGS (LOSS)	(583,735)	132,036	(161,888)	(1,268,292)
SHARE ISSUANCE EXPENSES	(119,656)	(3,046,065)	(903,568)	(1,579,928)
DEFICIT AT END OF YEAR	(15,522,777)	(15,522,777)	(11,428,809)	(11,428,809)

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

Rocmec Mining Inc.

(Exploration Stage Company)

CONSOLIDATED CONTRIBUTED SURPLUS

(unaudited)

	\$	\$
	June 30, 2008	September 30, 2007
BALANCE, BEGINNING OF YEAR	972,823	265,029
Options granted	52,284	130,842
Warrants expired	178,440	582,407
Options exercised	-	(5,455)
BALANCE, END OF YEAR	1,203,547	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

(unaudited)

	\$	\$	\$	\$
	3 month period ended June 30, 2008	9-month period ended June 30, 2008	3 month period ended June 30, 2007	9-month period ended June 30, 2007
OPERATING ACTIVITIES				
Net earnings (loss)	(583,735)	132,036	(161,888)	(1,268,292)
Operating items not involving cash				
Non-cash interest expense on convertible debentures	74,181	212,625	69,492	112,241
Amortization of fixed assets	1,957	5,753	1,819	4,456
Loss (gain) on disposal of fixed assets	(135,975)	(173,273)	-	-
Stock-based compensation	-	52,284	21,819	130,842
Write-off of mining properties	-	800	-	1,896
Write-off of deferred exploration and development charges	-	-	-	90
Future income taxes	79,046	(1,741,726)	(415,113)	(445,246)
Changes in working capital items	247,753	317,928	(240,044)	(2,372,818)
Cash flows from operating activities	(316,773)	(1,193,573)	(723,915)	(3,836,831)
INVESTING ACTIVITIES				
Changes in precious metals	(1,863)	(4,569)	1,450	52,057
Acquisition of fixed assets	(1,073,026)	(1,194,178)	(15,670)	(101,033)
Disposal of fixed assets	201,050	328,300	-	140,413
Acquisition (disposal) of mining properties	(30,486)	(305,267)	(1,675)	(4,419)
Tax credits received	-	2,191,053	-	-
Deferred exploration and development charges	(1,212,813)	(5,248,416)	(1,713,620)	(3,673,524)
Funds held for exploration and development charges	330,642	69,240	(1,084,233)	(870,930)
Acquisition of thermal fragmentation - exclusive licence	(2,488)	(7,212)	(1,973)	(13,155)
Cash flows from investing activities	(1,788,984)	(4,171,049)	(2,815,721)	(4,470,591)
FINANCING ACTIVITIES				
Issuance of debenture	-	-	-	1,346,000
Debenture reimbursement	(200,000)	(200,000)	-	-
Loans	100,000	100,000	-	-
Loan reimbursement	-	(1,582,239)	-	-
Issuance of long-term debt	1,147,530	1,147,530	-	6,850
Long-term debt reimbursement	(39,117)	(118,488)	(36,245)	(105,793)
Share issuance expenses	(119,656)	(815,006)	(256,729)	(613,019)
Share capital issued and to be issued	1,022,698	5,222,134	2,533,697	5,607,185
Issuance of warrants	194,302	1,610,691	541,703	1,145,896
Equity component of convertible debentures	-	-	-	154,000
Cash flows from financing activities	2,105,757	5,364,622	2,782,426	7,541,119
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-	(757,210)	(766,303)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-	-	7,460	16,553
CASH AND CASH EQUIVALENTS, END OF YEAR	-	-	(749,750)	(749,750)
Interest paid	140,093	524,118	88,965	876,704

Supplemental cash flows information (Note 13)

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

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008 (unaudited)

1- GENERAL

The interim consolidated financial statements have been prepared in accordance with accounting policies generally accepted in Canada. They follow the same accounting policies as the annual consolidated financial statements for September 30th, 2007. These financial statements do not include all required information for generally accepted accounting principles used in annual financial statements and should be read with the accompanying notes on the Company's September 30, 2007 financial statements.

These interim results are not necessarily indicative of the expected results for the year.

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 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.

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008 (unaudited)

3- 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.

The Company did not conclude contracts for financial instruments, including financial derivatives, for speculative purposes. The main financial risks to which the Company is exposed, as well as the policy on financial risk management are as follows:

Liquidity risk

The liquidity risk management aims to maintain a sufficient amount of cash and cash equivalents and ensure that the company has source of financing of sufficient amounts authorized. The Company prepares budget forecast and cash-flow budget to ensure that it has available funds to meet its obligations.

Credit risk

The Company is subject to the risk of concentration of credit through its tax credits receivable from the Government of Quebec.

Interest rate risk

The loans and debentures issued by the Company shall bear interest at a fixed rate and thus the Company is exposed to the risk of change in fair value resulting from fluctuations in interest rates.

Fair value

Financial instruments book values and fair values were as follows:

	<u>June 30, 2008</u>	
	<u>Book value</u>	<u>Fair value</u>
<u>Other financial liabilities</u>		
Long-term debt	1,354,602	1,354,602
Convertible debentures	3,079,719	3,079,719

The fair value of cash and cash equivalents, precious metals, accounts receivable and other receivable, tax credits receivable, funds held for exploration and development charges, accounts payable and accrued liabilities and loans approximates their carrying value because of the short-term maturity of these instruments.

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.

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008 (unaudited)

4- PROPERTY, PLANT AND EQUIPMENT

	June 30, 2008			September 30, 2007		
	Cost	Accumulated amortization	Net value	Cost	Accumulated amortization	Net value
	\$	\$	\$	\$	\$	\$
Equipment	1,609,825	604,341	1,005,484	1,538,114	471,533	1,066,581
Mill plant	1,369,960	177,137	1,192,823	523,758	222,992	300,766
Computer equipment	33,013	16,785	16,228	27,643	11,660	15,983
Automotive equipment	193,609	104,393	89,216	172,699	70,029	102,670
	<u>3,206,407</u>	<u>902,656</u>	<u>2,303,751</u>	<u>2,262,214</u>	<u>776,214</u>	<u>1,486,000</u>
Capital lease						
Equipment	6,850	1,610	5,240	6,850	685	6,165
Automotive equipment	-	-	-	20,900	8,465	12,435
	<u>6,850</u>	<u>1,610</u>	<u>5,240</u>	<u>27,750</u>	<u>9,150</u>	<u>18,600</u>
	<u>3,213,257</u>	<u>904,266</u>	<u>2,308,991</u>	<u>2,289,964</u>	<u>785,364</u>	<u>1,504,600</u>

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008 (unaudited)

5- MINING PROPERTIES

	Balance as at September 30, 2006	Addition	Write-off	Balance as at September 30, 2007	Addition	Write-off	Balance as at June 30, 2008
Montauban	804,694	2,964	-	807,658	(25,000)	-	782,658
Denain	147,584	(5,016)	-	142,568	300	-	142,868
Courville-Maruska	140,831	-	(140,831)	-	750	(750)	-
Vauquelin	-	96	(96)	-	50	(50)	-
Lac Rose	-	1,800	(1,800)	-	-	-	-
Rocmec 1 (Russian Kid)	888,142	-	-	888,142	-	-	888,142
Tiblemont	71,500	-	(71,500)	-	-	-	-
Puma	-	-	-	-	329,167	-	329,167
	2,052,751	(156)	(214,227)	1,838,368	305,267	(800)	2,142,835

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.

e) Tiblemont project - Tiblemont township, Québec

A 100% interest in 6 mining claims.

f) Puma project - Arequipa region, Peru

Option agreement to acquire 6 mining concessions cover 1,700 hectares and are located approximately 80 km from the city of Arequipa in Peru.

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008 (unaudited)

6- DEFERRED EXPLORATION AND DEVELOPMENT CHARGES

	Balance as at September 30, 2006	Deferred exploration and development charges	Write-off	Tax credit	Balance as at September 30, 2007	Deferred exploration and development charges	Write-off	Tax credit	Balance as at June 30, 2008
Montauban	792,569	74,496	-	(30,528)	836,537	-	-	-	836,537
Denain	1,070,604	-	-	43,554	1,114,158	-	-	-	1,114,158
Courville-Maruska	4,124	-	(4,577)	453	-	-	-	-	-
Vauquelin	-	-	(911)	911	-	-	-	-	-
Lac Rose	-	-	(13,933)	13,933	-	-	-	-	-
Rocmec 1 (Russian Kid)	3,412,871	7,975,029	-	(2,418,991)	8,968,909	4,106,436	-	(954,472)	12,120,873
Others	-	-	(5,851)	5,851	-	-	-	-	-
	5,280,168	8,049,525	(25,272)	(2,384,817)	10,919,604	4,106,436	-	(954,472)	14,071,568

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008 (unaudited)

6- DEFERRED EXPLORATION AND DEVELOPMENT CHARGES (continued)

DETAIL OF DEFERRED EXPLORATION AND DEVELOPMENT CHARGES

	<u>June 30, 2008</u>
Diamond drilling	201,339
Thermal fragmentation	290,884
Development drifts and raises	629,808
Supervision	285,650
Maintenance	1,282,499
Surface	359,637
Technical services	87,837
Other exploration expenses	242,192
Transport and milling	28,792
Royalty	53,144
Equipment rental	438,520
Mineral sales	(22,873)
Amortization of fixed assets	229,007
	<u>4,106,436</u>

7- LOANS

Loans, bearing 12% interest, secured by tax credit receivable relating to exploration having a net book value of \$780,527, maturing April 2009. 100,000

Loans reimbursable in gold, bearing 1% monthly interest, repayable in 4 equal quarterly installments, commencing on November 30th, 2006 and maturing August 2007. Repayment of interest and principal will be paid in gold ounces delivered to the lenders. The number of ounces of gold to be delivered will be calculated by dividing the sum of the interests and capital to be paid by the average closing price of the last ten days based on the "spot market New York" in Canadian dollars minus 20%. At June 30, 2008, an amount of \$63,404 had not yet been reimbursed. The Company has reached an agreement with lenders allowing a reimbursement at demand.

63,404

163,404

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008 (unaudited)

8- LONG-TERM DEBT

June 30, 2008

Obligations under capital lease secured by the equipment of a net book value of \$5,240, repayable by monthly installments varying from \$129 to \$199 including interest calculated at rates varying from 13.92% to 14.02%, maturing March 2009. 2,329

Loans secured by automotive equipment of a net book value of \$79,569 repayable by monthly installments of \$3,912 including principal and interest calculated at rates varying from 0.06% to 3.9%, maturing between October 2008 and August 2011. 75,246

Loan secured by thermal fragmentor of a net book value of \$121,016 repayable by monthly installments of \$5,213 including principal and interest calculated at a rate 9.2%, maturing August 2008. 10,309

Loans secured by loader of a net book value of \$92,412 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. 119,188

Loan should reach \$1,500,000, 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 in June 2011 1,147,530

1,354,602

Current portion 87,997

1,266,605

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

	Long-term debt	Capital lease	Total
2009	85,668	2,436	88,104
2010	453,666	-	453,666
2011	803,802	-	803,802
2012	9,137	-	9,137
Total minimum lease payments	1,352,273	2,436	1,354,709

Amounts included in minimum lease payments

Interest expense

107

2,329

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008 (unaudited)

9- DEBENTURES

June 30, 2008

Liability component of convertible debentures

Ten \$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.

616,770

Convertible debenture totalling \$200,000, bearing interest rate of 12% (effective rate of 58%), repayable semi-annually, in common shares, commencing 36 months following the date of issuance 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.

155,154

Convertible debentures totalling \$1,500,000, bearing interest rate of 12% (effective rate of 28.81%), 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 on December 31, 2008, 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.

1,457,795

Balance to carry-forward

2,229,719

Rocmec Mining Inc.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008 (unaudited)

9- DEBENTURES (continued)

June 30, 2008

Carry-forward balance

2,229,719

Others debentures

Debentures, totalling \$850,000, bearing interest rate of 12% and maturing on March 2009. The debentures are redeemable at all times with a penalty equal to three months interest and are convertible into common shares at the Company's option at the market price on the date of conversion subject to a minimum price of \$0.22. The holders, subject to regulatory approval, may request that interest payments be paid half-yearly in common shares.

850,000

3,079,719

Current portion

2,800,065

279,654

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

	<u>\$</u>
2009	2,800,065
2010	213,503
2011	<u>66,151</u>
	<u>3,079,719</u>

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008 (unaudited)

10- 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:

	June 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	1,179,676	123,059	13,813,810	2,336,269
Flow-through financing	40,433,441	5,099,075	20,294,120	4,011,258
Exercise of warrants	-	-	650,000	132,757
Debt settlement	587,921	105,554	374,166	80,000
Exercise of share purchase options	-	-	50,000	15,955
Balance, end of year	132,671,204	24,544,615	90,470,166	19,216,927
Weighted average number of shares outstanding	<u>119,328,570</u>		<u>61,474,358</u>	

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008 (unaudited)

10- 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:

	June 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	480,000	0.160	1,250,000	0.242
Exercised	-	-	(50,000)	0.210
Expired	(945,000)	0.251	(400,000)	0.241
Balance, end of year	1,460,000	0.237	1,925,000	0.263
Options exercisable at the end	<u>1,287,500</u>		<u>1,683,332</u>	

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008 (unaudited)

10- SHARE CAPITAL (continued)

Options granted and exercisable as at June 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
360,000	187,500	0.16 \$	October 2012
<u>1,460,000</u>	<u>1,287,500</u>		

Accounting for compensation plans

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

	<u>June 30, 2008</u>
Weighted average Risk-free interest rate	4.31%
Weighted average Expected volatility	88.19%
Weighted average Expected life	60 months
Expected dividends	0.0%
Fair value	0.109 \$

Compensation cost for stock-based employee recognized in earning amounts to \$52,284.

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008 (unaudited)

10- SHARE CAPITAL (continued)

Warrants

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

	June 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	35,664,924	0.249	1,731,168
Exercised	-	-	-
Expired	(2,987,758)	0.263	(178,440)
Balance, end of year	59,500,850	0.293	3,132,908

	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

June 30, 2008 (unaudited)

10- SHARE CAPITAL (continued)

Warrants outstanding as at June 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	0.30 \$ et 0.35 \$	September 2008 and 2009
1,833,331	0.25 \$ et 0.30 \$	September 2008 and 2009
22,125,579	0.25 \$ et 0.30 \$	October 2008 and 2009
4,958,415	0.30 \$ et 0.35 \$	October 2008 and 2009
2,942,713	0.25 \$ et 0.30 \$	November 2008 and 2009
1,673,382	0.240 \$	February 2010
306,500	0.240 \$	March 2010
3,658,335	0.180 \$	May 2010
<u>59,500,850</u>		

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

	<u>June 30, 2008</u>
Weighted average Risk-free interest rate	3.91%
Weighted average expected volatility	93.56%
Weighted average expected life	24 months
Expected dividends	0.0%

During the period, the Company issued 35,664,924 warrants. Each warrant entitles the holder to purchase one common share with expiry dates from October 2008 to May 2010 at a price between \$0.18 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 \$120,477 respectively in warrants under share holder's equity and share issuance charges.

Rocmec Mining Inc.

(Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008 (unaudited)

11- 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 period, the Company received a lawsuit in debt settlement from a service supplier for the amount of \$313,916. Of that amount, \$88,716 is included in the accounts payable 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.

12- 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 \$292,750. The minimum lease payments for the following years are as follows:

2009	238,123
2010	46,823
2011	7,804
	<hr/>
	292,750

- ii) The Company entered into an agreement with an independent private 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 handover sub-licenses.

In counterpart of the rights acquired by this agreement, the company will pay a royalty calculated on the quarterly production. The Company entered into a new exclusive licensing agreement that sets 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 \$2,404,773 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 \$1,808,763 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

June 30, 2008 (unaudited)

13- CASH FLOWS

Supplemental cash flows information:

June 30, 2008

Non-cash investing and financing activities:

Amortization included in the deferred exploration and development charges	229,007
Share issuance expense paid by the issuance of warrants	120,477
Future income taxes included in share issuance expenses	2,110,582
Tax credit receivable deducted from exploration and development charges	954,473
Deferred exploration and development charges financed by accounts payable	589,486
Debt settlement paid by the issuance of share capital	105,554
Warrants expired transferred to contributed surplus	178,440

14- RELATED PARTY TRANSACTIONS

During the period, 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.

June 30, 2008

Exploration charges

Geology

6,000

15- COMPARATIVE FIGURES

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