

ROME RESOURCES LTD.

Consolidated Financial Statements

March 31, 2010 and 2009

(Unaudited)

ROME RESOURCES LTD.
205 – 16055 Fraser Highway
Surrey, B.C. V4N 0G2
Phone: 604-507-2181 Fax: 604-507-2187

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the consolidated interim financial statements; they must be accompanied by a notice indicating that the consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of consolidated interim financial statements by an entity's auditor.

ROME RESOURCES LTD.

Consolidated Balance Sheets

	March 31, 2010	September 30, 2009
	<i>(Unaudited)</i>	(Audited)
ASSETS		
Current		
Cash and cash equivalents	\$ 489,939	\$ 92,389
Marketable securities (Note 3(m))	236,476	860,071
Accounts and advances receivable	50,407	11,999
Prepaid expenses	6,764	9,747
Total current assets	783,586	974,206
Equipment (Note 5)	5,194	5,860
Mineral interests (Note 6)	4,207,017	3,750,689
Total assets	\$ 4,995,797	\$ 4,730,755
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 596,215	\$ 286,669
Total liabilities	596,215	286,669
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	10,194,128	10,051,923
Liability to issue shares (Note 7)	648,750	—
Contributed surplus (Note 7)	1,612,380	1,520,748
Accumulated other comprehensive income (loss)	(105,112)	518,245
Deficit	(7,950,564)	(7,646,830)
Total shareholders' equity	4,399,582	4,444,086
Total liabilities and shareholders' equity	\$ 4,995,797	\$ 4,730,755

Nature of operations and going concern (Note 1)

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of the Board:

“Colin I. Godwin”

Colin I. Godwin

“Reiner Specht”

Reiner Specht

ROME RESOURCES LTD.

Consolidated Statements of Operations and Deficit
For the six and three months ended March 31,
(Unaudited)

Three Months			Six Months	
2010	2009		2010	2009
Expenses				
\$ 31,416	\$ 25,352	Accounting, audit and legal (Note 11)	\$ 63,984	\$ 50,362
25,675	29,743	Administration and general	42,232	45,789
308	429	Amortization	665	952
49,313	22,681	Consulting	79,161	35,381
1,124	1,676	Interest and bank charges	2,160	3,825
(12,915)	—	Stock based compensation	103,717	—
2,374	6,470	Property development	2,374	6,470
8,457	(1,111)	Foreign exchange (gain) loss	11,147	6,026
105,752	85,240		305,440	148,805
(105,752)	(85,240)	Loss before the following	(305,440)	(148,805)
—	473	Other income – interest	7	2,867
—	—	Gain on sale of securities	1,699	—
(105,752)	(84,767)	Net loss for the period	(303,734)	(145,938)
(7,844,812)	(6,166,268)	Deficit, beginning of period	(7,646,830)	(6,105,097)
\$ (7,950,564)	\$ (6,251,035)	Deficit, end of period	\$ (7,950,564)	\$ (6,251,035)
Basic and fully diluted loss per share for the				
\$ (0.008)	\$ (0.008)	period (Note 8)	\$ (0.025)	\$ (0.014)
Basic weighted average number of shares				
12,537,616	10,341,001	outstanding (Note 8)	12,277,770	10,341,001

The accompanying notes are an integral part of these consolidated financial statements.

ROME RESOURCES LTD.

Consolidated Statements of Comprehensive Income (Loss)
For the six and three months ended March 31,
(Unaudited)

2010		2009		2010		2009	
				Net Loss For The Period Before Other Comprehensive Income			
\$	(105,752)	\$	(84,767)	\$	(303,734)	\$	(145,938)
	(472,971)		(1,270,222)	Unrealized gain (loss) on available for sale investments, net of tax (note 3(1))			
				\$	(621,563)		(42,159)
\$	(578,723)		(1,354,989)	Comprehensive Loss For The Period			
				\$	(925,297)	\$	(188,097)

Consolidated Statements of Accumulated Other Comprehensive Income
For the six and three months ended March 31,
(Unaudited)

2010		2009		2010		2009	
				Accumulated Other Comprehensive Income – Beginning of period			
\$	367,859	\$	3,876,925	\$	518,245	\$	2,648,262
	(472,971)		(1,270,822)	Fair value adjustment for available- for-sale securities			
	—		—	Adjustment on disposition of shares			
				\$	(621,563)		(42,159)
					(1,794)		—
\$	(105,112)		2,606,103	Accumulated Other Comprehensive Income (loss) – End Of The Period			
				\$	(105,112)	\$	2,606,103

ROME RESOURCES LTD.

Consolidated Statements of Cash Flows
For the six and three months ended March 31,
(Unaudited)

Three Months			Six Months	
2010	2009		2010	2009
		Operating activities		
\$ (105,752)	\$ (84,767)	Loss for the period	\$ (303,734)	\$ (145,938)
		Add items not involving cash:		
		Gain from discontinued operations		
308	429	Amortization	665	952
(12,915)	—	Stock based compensation	103,717	—
—	—	Gain on sale of marketable securities	(1,699)	—
		Net change in non-cash working capital balances related to operations:		
(37,729)	(2,052)	Accounts and advances receivable	(38,408)	3,902
1,246	(4)	Prepaid expenses	2,983	1,117
38,047	556	Accounts payable and accrued liabilities	24,077	32,594
(116,795)	(85,838)	Cash used in operating activities	(212,399)	(107,373)
		Investing activities		
		Acquisition of mineral interests and exploration costs		
(110,525)	(61,091)	Proceeds on sale of marketable securities	(170,858)	(83,156)
—	—		1,937	—
(110,525)	(61,091)	Cash used in investing activities	(168,921)	(83,156)
		Financing activities		
30,120	—	Proceeds from the issuance of shares	130,120	—
648,750	—	Liability to issue shares	648,750	—
678,870	—	Cash provided by financing activities	778,870	—
		Increase (decrease) in cash and cash equivalents during the period	397,550	(190,529)
38,389	310,518	Cash and cash equivalents, beginning of period	92,389	354,118
\$ 489,939	\$ 163,589	Cash and cash equivalents, end of period	\$ 489,939	\$ 163,589
		Supplementary Cash Flow Information		
\$ —	\$ —	Interest paid in cash	\$ —	\$ —
		Income taxes paid in cash	—	—
\$ —	\$ —		\$ —	\$ —

Supplemental Disclosure with respect to cash flows (Note 12).

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

ROME RESOURCES LTD.

Notes to the Consolidated Financial Statements

March 31, 2010 and 2009

(Unaudited)

1. Nature of Operations and Going Concern

Rome Resources Ltd. (the "Company") was incorporated in British Columbia on April 11, 1990 and is actively involved in the business of mineral exploration.

The Company is considered to be in the exploration stage. The Company is in the process of exploring its mineral interests and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete development and upon future profitable production.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has incurred significant losses since incorporation and as at March 31, 2010 had an accumulated deficit of \$7,950,564

The ability of the Company to continue as a going concern is dependent on the continued financial support from its directors, public equity financing, or achieving profitable operations in the future which cannot be predicted at this time. These financial statements do not reflect any adjustments to the carrying values and classifications of assets and liabilities that might be necessary should the Company be unable to continue realizing its assets and discharging its liabilities in the normal course of business.

The Company has been trying to raise further funds to meet its cash requirements, and did raise \$300,000 during 2009. This helped in the short term, but the Company will need some sizeable private placements to meet its ongoing mineral property costs, including further exploration programs, and for working capital requirements. This would be achieved by either raising funds through a private placement, or by the sale of all or part of its holdings in marketable securities. The marketable securities of \$236,476 at March 31, 2010 include 1,995,000 shares of Uranio AG, which trades on the Frankfurt Stock Exchange. Due to the size of this block it may be difficult to sell these shares on the market, and a sale would need to be arranged. The value of these shares is included in Rome's total current assets of \$783,596 at March 31, 2010.

Unless a sale of these marketable securities can be arranged, or the Company can arrange a substantial private placement of shares, the Company otherwise does not have sufficient funds to sustain operations and would be unable to make the mandatory regulatory and exploration filings and payments to maintain the Company's assets. The Company needs at least \$700,000 in funding to meet its minimum working capital and mineral property requirements for the next twelve months. The Company has only enough funds on hand to meet minimum administration requirements for the next few months. Unless it can raise further funds and/or sell all or part of its Uranio AG shares within this time period, the Company will be unable to meet its listing requirements and may lose some of its mineral properties.

ROME RESOURCES LTD.

Notes to the Consolidated Financial Statements

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(Unaudited)

2. Basis of presentation

The interim period financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles. All financial summaries included are presented on a comparative and consistent basis showing the figures for the corresponding period in the preceding year except the comparative figures for the balance sheet are for the fiscal year ended September 30, 2009. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the annual financial statements. Certain information and footnote disclosure normally included in the annual financial statements prepared in accordance with Canadian generally accepted accounting principles have been condensed or omitted. These interim period financial statements should be read together with the audited financial statements and the accompanying notes included in the Company's latest annual report. In the opinion of the Company, its unaudited interim financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented.

3. Significant Accounting Policies

These consolidated financial statements have been prepared in accordance with the following significant accounting policies;

(a) Principles of consolidation

These consolidated financial statements include the accounts of Rome Resources Ltd. and its wholly owned subsidiaries, Minera Jackman, S.A. de C.V. and Roma Recursos de Mexico S.A. de C.V., companies incorporated in Mexico; and Rome Nevada Inc., a company incorporated in the State of Nevada, U.S.A.. All significant inter-company accounts and transactions have been eliminated.

(b) 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 reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amount of revenues and expenses reported during the period. Actual results may differ from those estimates.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid investments with maturities of less than 90 days when purchased and are readily convertible into cash. As at March 31, 2010 and September 30, 2009, cash and cash equivalents consist of cash and Canadian treasury bills and/or Canadian banker's acceptances. At March 31, 2010 the Company held \$Nil in Canadian banker's acceptances which have been included in cash equivalents.

(d) Equipment

Equipment is recorded at cost less accumulated amortization and is amortized over their estimated useful life on a declining-balance basis at the following rates:

Computer Equipment	30%
Exploration Equipment	20%

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Notes to the Consolidated Financial Statements

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(Unaudited)

3. Significant Accounting Policies, *continued*

(e) Mineral interests

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

(f) Property option agreements

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

(g) Loss per share

The calculation of basic loss per share is based on net income divided by the weighted-average number of common shares outstanding during the year. Diluted losses per share reflect the assumed conversion of all dilutive securities using the treasury stock method. For the period ended March 31, 2010 the calculation of loss per share on a diluted basis excluded all potential common shares because the effect was anti-dilutive.

(h) Stock-based compensation

The Company has a stock option plan as described in note 7(d). The fair value method is used to determine the expense for stock-based awards granted to employees and non-employees. Under the fair value method, compensation cost is measured at fair value at the date of grant using the Black-Scholes option pricing model with assumptions described in note 7(d). The compensation cost is expensed over the vesting period with a corresponding credit to contributed surplus. Consideration paid on the exercise of stock options plus the amount of previously recognized expense is credited to share capital when the options are exercised.

(i) Impairment of long-lived assets

The Company monitors the recoverability of long-lived assets, based on factors such as current market value, future asset utilization, business climate and future undiscounted cash flows expected to result from the use of the related assets. The Company's policy is to record an impairment loss in the period where it is determined that of the assets may not be recoverable. The impairment loss is calculated as the amount by which the carrying amount of the assets exceeds the carrying amount of the assets exceeds the undiscounted estimate of future cash flows from the assets.

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Notes to the Consolidated Financial Statements

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(Unaudited)

3. Significant Accounting Policies, *continued*

(j) Foreign currency translation

The Company's functional currency is the Canadian dollar. Foreign currency transactions and the accounts of its subsidiaries, all of which are considered to be integrated foreign operations, are translated into Canadian dollars using the temporal method. Under this method, assets and liabilities in foreign currencies related to integrated foreign operations are translated into Canadian dollars using current exchange rates at the balance sheet dates for monetary assets and liabilities, historical exchange rates for non-monetary assets and liabilities, and the average monthly exchange rate for revenues and expenses, except for amortization, which is translated at the historical exchange rate of the corresponding non-monetary assets. Exchange gains and losses arising on translation are included in operations in the year incurred.

(k) Income taxes

Future income taxes are recorded using the asset and liability method. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

(l) Asset retirement obligations

Asset retirement obligations are recognized when a legal or constructive obligation arises. This liability is recognized at the fair value of the asset retirement obligation. When the liability is initially recorded the Company capitalizes the cost by increasing the carrying amount of the related long-lived assets. Over time the liability is accreted to its present value each period, and the capitalized cost is amortized over the useful life of the related asset. Upon settlement of the liability, the Company may incur a gain or loss. As at March 31, 2010 and 2009 the Company did not have any asset retirement obligations.

(m) Financial instruments

The Company follows the recommendations of the Canadian Institute of Chartered Accountants ("CICA") under CICA Handbook Section 1530 "Comprehensive Income" ("Section 1530"), Section 3251 "Equity", Section 3855 "Financial Instruments – Recognition and Measurement" ("Section 3855"), Section 3861 "Financial Instruments – Disclosure and Presentation" and Section 3865 "Hedges". These sections provide requirements for the recognition and measurement of financial instruments and on the use of hedge accounting. Section 1530 establishes standards for reporting and presenting comprehensive income which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income but that are excluded from net income calculated in accordance with Canadian generally accepted accounting principles.

ROME RESOURCES LTD.

Notes to the Consolidated Financial Statements

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(Unaudited)

3. Significant Accounting Policies, *continued*

(m) Financial instruments, continued

Under Section 3855, all financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification as follows: (1) held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income; (2) available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired; and (3) all derivative instruments, including embedded derivatives, are recorded in the balance sheet at fair value unless they qualify for the normal sale normal purchase exemption and changes in their fair value are recorded in income unless cash flow hedge accounting is used, in which case changes in fair value are recorded in other comprehensive income.

The Company has classified its cash and cash equivalents as held-for-trading. Marketable securities are classified as available-for-sale. Accounts and advances receivable are classified as loans and receivables. Accounts payable and accrued liabilities are classified as other financial liabilities, all of which are measured at amortized cost.

Section 3855 also provides guidance on accounting for transaction costs incurred upon the issuance of debt instruments or modification of a financial liability. Transaction costs are now deducted from the financial liability and are amortized using the effective interest method over the expected life of the related liability.

As at March 31, 2010, marketable securities consisted of equity securities listed on the TSX Venture Exchange, the NASDAQ Bulletin Board Exchange ("NASDAQ BB") and the Frankfurt Stock Exchange.

Accumulated other comprehensive loss consists of unrealized losses on available-for-sale financial assets of \$105,112.

Costs and fair values of available for sale marketable securities are as follows:

	<u>Cost</u>	<u>Adjustment to Fair Value</u>	<u>Fair Value at March 31, 2010</u>
Available for sale – marketable securities	\$ <u>163,920</u>	\$ <u>72,556</u>	\$ <u>236,476</u>
	<u>Cost</u>	<u>Adjustment to Fair Value</u>	<u>Fair Value at September 30, 2009</u>
Available for sale – marketable securities	\$ <u>164,158</u>	\$ <u>695,913</u>	\$ <u>860,071</u>

ROME RESOURCES LTD.

Notes to the Consolidated Financial Statements

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(Unaudited)

4. Changes in Accounting Policies and Recent Accounting Pronouncements

New Accounting Standards Not Yet Adopted

International Financial Reporting Standards

In January 2006, the CICA Accounting Standards Board (ACSB) adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies are expected to converge with International Financial Reporting Standards (“IFRS”) by the end of 2011. For the Company, the transition date will be October 1, 2011 and will require the restatement for comparative purposes of amounts reported by the Company for the year ended September 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the impact of the transition to IFRS on the Company’s financial statements has not yet been determined.

Business combinations, consolidated financial statements and non-controlling interest

In January 2009, the CICA issued CICA Handbook Section 1582, “Business Combinations”, Section 1601, “Consolidations”, and Section 1602, “Non-Controlling Interests”. These sections replace the former Section 1581, “Business Combinations”, and Section 1600, “Consolidated Financial Statements”, and establish a new section for accounting for a non-controlling interest in a subsidiary. Section 1582 establishes standards for the accounting for a business combination, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. It provides the Canadian equivalent to IFRS 3, Business Combinations (January 2008). The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

Section 1601 establishes standards for the preparation of consolidated financial statements.

Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS International Accounting Standards (“IAS”) 27, Consolidated and Separate Financial Statements (January 2008).

Sections 1601 and 1602 apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. The Company is currently evaluating the impact of the adoption of these sections.

ROME RESOURCES LTD.

Notes to the Consolidated Financial Statements

March 31, 2010 and 2009

(Unaudited)

5. Equipment

	March 31, 2010		
	Cost	Accumulated Amortization	Net Book Value
Computer Equipment	\$ 7,174	\$ 4,549	\$ 2,625
Exploration Equipment	5,720	3,151	2,569
	<u>\$ 12,894</u>	<u>\$ 7,700</u>	<u>\$ 5,194</u>
	September 30, 2009		
	Cost	Accumulated Amortization	Net Book Value
Computer Equipment	\$ 7,174	\$ 4,169	\$ 3,005
Exploration Equipment	5,720	2,865	2,855
	<u>\$ 12,894</u>	<u>\$ 7,034</u>	<u>\$ 5,860</u>

6. Mineral Interests

	Deferred Costs September 30, 2009	Acquisition and Exploration Costs	Mineral Property Recovery (Write-offs)	Deferred Costs March 31, 2010
Argentina – 100% interest in the following mineral rights:				
Varvarco	\$ 423,532	\$ 4,838	\$ —	\$ 428,370
	<u>423,532</u>	<u>4,838</u>	<u>—</u>	<u>428,370</u>
Mexico - mineral concessions in the states of Michoacan and Sonora.				
San Isidro – 90% to 100% interest	\$ 30,263	\$ 4,127	\$ —	\$ 34,390
Inguaran – 100% interest	2,184,777	(20,338)	—	2,164,439
Sonora – 100% interest	1,038,484	467,701	—	1,506,185
La Verdosa – 100% interest	73,633	—	—	73,633
	<u>3,327,157</u>	<u>451,490</u>	<u>—</u>	<u>3,778,647</u>
Total	\$ 3,750,689	\$ 456,328	\$ —	\$ 4,207,017

The following is a summary of deferred exploration costs incurred during the current six months:

	Acquisition Costs	Assays and Analysis	Drilling	Geological & Geophysical	Travel	Supplies and Misc.	Mining Taxes	Option Payments Received	Total
Varvarco	\$ —	\$ —	\$ —	\$ 4,838	\$ —	\$ —	\$ —	\$ —	\$ 4,838
San Isidro	—	—	—	—	—	—	4,127	—	4,127
Inguaran	49,115	140	—	11,485	4,295	821	19,354	(105,548)	(20,338)
Sonora	—	71,148	173,090	117,988	34,125	28,689	42,662	—	467,701
Total	\$ 49,115	\$ 71,288	\$ 173,090	\$ 134,311	\$ 38,420	\$ 29,510	\$ 66,143	\$(105,548)	\$ 456,328

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Notes to the Consolidated Financial Statements

March 31, 2010 and 2009

*(Unaudited)***6. Mineral Interests, continued**

	Deferred Costs September 30, 2008	Acquisition and Exploration Costs	Mineral Property Recovery (Write-offs)	Deferred Costs March 31, 2009
Argentina – 100% interest in the following mineral rights:				
El Dorado, Neuquen Province	\$ 283,877	\$ 158	\$ —	\$ 284,035
Varvarco, Neuquen Province	421,881	1,421	—	423,302
	705,758	1,579	—	707,337
Mexico - mineral concessions in the states of Michoacan and Sonora.				
San Isidro – 90% to 100% interest	\$ 22,140	\$ 4,073	\$ —	\$ 26,213
Inguaran – 100% interest	2,131,049	29,339	—	2,160,388
Sonora – 100% interest	696,085	69,563	—	765,648
La Verdosa – 100% interest	73,382	—	—	73,382
	2,922,656	102,975	—	3,025,631
Total	\$ 3,628,414	\$ 104,554	\$ —	\$ 3,732,968

The following is a summary of deferred exploration costs incurred during the 2009 six months:

	Assays and Analysis	Geological & Geophysical	Travel	Supplies and Misc.	Mining Taxes	Total
El Dorado	\$ —	\$ 158	\$ —	\$ —	\$ —	\$ 158
Vavarco	—	1,421	—	—	—	1,421
San Isidro	—	—	—	—	4,073	4,073
Inguaran	—	6,260	3,798	1,053	18,228	29,339
Sonora	5,101	24,107	10,032	1,676	28,647	69,563
Total	\$ 5,101	\$ 31,946	\$ 13,830	\$ 2,729	\$ 50,948	\$ 104,554

The Company's mineral interests now consist of a property in the Neuquen, Province of Argentina, properties in the state of Michoacan, Mexico, and in the state of Sonora, Mexico as follows:

Vavarco Property, Argentina

This property is located in the northern part of Neuquen Province in central-western Argentina. The claims were acquired by staking, and the Company holds a 100% interest. They lie within a major north-south trending regional structure that is host to several precious and base metal deposits in the region.

San Isidro Property, Mexico

The San Isidro property is located in Michoacan State, Mexico. Two of the claims groups (San Juan III and La Laguna) were acquired by staking, and the Company holds a 100% interest. The remaining claim groups were optioned from an arm's length company. During 2005 certain issues arose regarding title to certain of the San Juan claims, (part of the San Isidro property), which issues management is investigating currently. At December 31, 2005 the Company wrote down the property to recognize impairment in carrying value. The claims that are in dispute include the San Juan, San Juan I and San Juan II. The Company optioned these properties from an arm's length company in 1995. The Company complied with the terms of the option agreement, except that the Optionee refused to accept 10% of the shares of the Company's Mexican subsidiary that was called for under the agreement.

ROME RESOURCES LTD.

Notes to the Consolidated Financial Statements

March 31, 2010 and 2009

(Unaudited)

6. Mineral Interests, *continued*

San Isidro Property, Mexico, continued

The arm's length company has not transferred title to these claims to the Company, as was called for under the agreement. The Company is pursuing appropriate action against the arm's length company to obtain its rightful title to the three claim groups.

Inguaran Property, Mexico

The Inguaran property is located in Michoacan State, Mexico. Except as noted below, the claims were acquired by staking or outright purchase (Manga concession) and the Company holds a 100% interest in them.

In 2006, the Company optioned additional claims to add to the Inguaran Property. The terms of these option agreements, which allowed the Company to acquire a 100% interest, consisted of payments totalling \$US140,000 over a period to 10 July, 2010, which have been paid in full.

During the period a third party acquired certain claims from the Company. Under the terms of the sale agreement, the Company will receive a total of US\$275,000 over a period to October, 2010.

Sonora Project, Mexico

The Sonora properties consist of the Don Luis Tungsten gold property, the La Colorada gold property and the Los Muertos gold-silver property. These concessions are owned by the Company through its wholly owned subsidiary in Mexico as follows:

Don Luis Tungsten Gold Property, was optioned by the Company. Option payments, staged over five years total US\$500,000, and if completed, these payments will allow the Company to own the property outright.

The La Colorada gold and Los Muertos gold-silver properties were acquired by staking.

La Verdosa Property, Mexico

The La Verdosa copper property is located in Michoacan State, Mexico. This property was purchased at auction, for approximately \$51,000 (485,000 Mexican pesos) from the mining arm of the Mexican government. Title has recently been transferred to the Company's Mexican subsidiary with the provisions that:

1. The Mexican government retains a 1.0% net smelter return on production;
2. Taxes and work commitments start from established date of ownership.

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(Unaudited)

7. Share Capital

The following is a description of the authorized and issued share capital:

(a) Authorized: Unlimited common shares without par value.

(b) Issued:

	Number of shares	Amount
Balance September 30, 2007 and 2008	10,341,001	\$9,751,923
Issued for cash pursuant to a private placement at \$0.25 per share	600,000	150,000
Issued for cash pursuant to a private placement at \$0.15 per share	1,000,000	150,000
Balance September 30, 2009	11,941,001	\$ 10,051,923
Issued for cash pursuant to private placement at \$0.20 per share	500,000	100,000
Issued for cash pursuant to the exercise of stock options at prices ranging from \$0.25 - \$0.32 including \$12,085 contributed surplus attributed to stock-based compensation recognized in previous periods	116,000	42,205
Balance March 31, 2010	12,557,001	\$ 10,194,128

During the six months ended March 31, 2010, the company raised \$100,000 through a private placement consisting of 500,000 units, each unit consisted on one common share and one share purchase warrant to purchase an additional common share at \$0.26 until December 11, 2011; and issued 116,000 shares pursuant to the exercise of stock options, 100,000 were exercised at \$0.25 and 16,000 at \$0.32. The proceeds to the Company from the exercise of stock options were \$30,120. Subsequent to the period, the Company closed a 4,000,000 private placement; any funds received to March 31, 2010 totaling \$648,750 and are classified on the Balance sheet as "Liability to issue shares".

During the September 30, 2009 fiscal year the Company issued a total of 1,600,000 units in two private placements of 600,000 at \$0.25 and 1,000,000 at \$0.15. Each unit consists of one share and one share purchase warrant to purchase 600,000 shares at \$0.32 until September 2, 2014 and 1,000,000 at \$0.20 until September 30, 2014.

(c) Escrow Shares

As at March 31, 2010 209,452 common shares are held in escrow; the release of the balance of these shares is subject to the approval of the regulatory authorities having jurisdiction.

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Notes to the Consolidated Financial Statements

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*(Unaudited)***7. Share Capital, continued**

(d) Stock Options

The Company has established a stock option plan the purpose of which is to attract, retain and motivate directors, officers, employees and persons engaged to provide ongoing management and consulting services (“service providers”) by providing them with the opportunity, through stock options, to acquire a proprietary interest in the Company and benefit from its growth. The maximum number of shares which may be issued under the plan is fixed at 2,068,200. This number is subject to adjustment resulting from changes in the share capital of the Company. Such adjustments are subject to approval by the TSX Venture Exchange and by the shareholders of the Company. The number of shares reserved for issuance to any one person may not exceed 5% of the issued and outstanding shares at the date of such grant.

The option price of the shares which are the subject of any option shall in no circumstances be less than the market price of the shares at the date of the grant of the option.

A summary of the status of the Company’s stock option plan as of March 31, 2010, and September 30, 2009 and changes during the periods are presented below:

	March 31, 2010		September 30, 2009	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Options outstanding at beginning of period	1,187,000	\$0.32	1,071,000	\$0.60
Granted	100,000	\$0.25	520,000	\$0.32
Cancelled/Expired	—	—	(404,000)	\$0.60
Exercised	(116,000)	\$0.26	—	—
Options outstanding at end of period	1,171,000	\$0.32	1,187,000	\$0.32
Options exercisable at end of period	1,171,000	\$0.32	797,000	\$0.32

Exercise Price	Number Outstanding	Number Exercisable	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price
\$0.32	1,171,000	1,171,000	2.74	\$0.32

During the quarter, the Company granted 100,000 stock options exercisable at \$0.25 with an expiry date of November 20, 2014; and 116,000 stock options were exercised, 100,000 at \$0.25 and 16,000 was exercised at \$0.32.

During the fiscal year ended September 30, 2009, the Company amended the exercise price of all options from \$0.60 to \$0.32. 520,000 stock options were granted and 404,000 stock options originally exercisable at \$0.60 expired unexercised.

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Notes to the Consolidated Financial Statements

March 31, 2010 and 2009

*(Unaudited)***7. Share Capital, continued**

(d) Stock Options, continued

The fair values of the stock options granted during 2010 were estimated using the Black-Scholes option pricing model with the following assumptions and results:

Risk-free interest rate	3.57%
Dividend yield	0%
Expected volatility	130%
Expected term	5 Years

(e) Contributed surplus

The following table sets forth the continuity of contributed surplus for the periods ended March 31, 2010 and September 30, 2009:

Balance, September 30, 2008	\$ 1,443,789
Stock-based compensation expense during the twelve month period	75,959
Balance, September 30, 2009	1,520,748
Stock-based compensation expense during the six month period	103,717
Reallocation to share capital the estimated fair value of stock options that were exercised during the period	(12,085)
Balance, March 31, 2010	\$ 1,612,380

(f) Share Purchase Warrants

A summary of share purchase warrants outstanding at March 31, 2010 and September 30, 2009:

	March 31, 2010		September 30, 2009	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of period	1,600,000	\$0.25	1,150,000	\$1.46
Granted	500,000	0.26	1,600,000	0.25
Expired	—	—	(1,150,000)	\$1.46
Exercised	—	—	—	—
Outstanding at end of period	2,100,000	\$0.25	1,600,000	\$0.25

As at March 31, 2010, the Company had share purchase warrants outstanding to purchase 600,000 shares at \$0.32 expiring September 2, 2014; 1,000,000 at \$0.25 expiring September 30, 2014; and 500,000 at \$ 0.26 expiring December 11, 2011. Each share purchase warrant entitles the holder to acquire one common share of the Company.

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Notes to the Consolidated Financial Statements

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(Unaudited)

8. Basic and Diluted Loss per share

The basic and diluted loss per share is calculated based on the following at March 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Weighted average number of common shares outstanding	<u>12,277,770</u>	<u>12,018,779</u>

The calculation of loss per share is based on net loss divided by the weighted-average number of common shares outstanding during the period.

9. Financial Instruments

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to accounts receivable. The Company believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2010 the Company had a cash and cash equivalents balance of \$489,939 (September 30, 2009 - \$92,389) to settle current liabilities of \$596,215 (September 30, 2009 - \$286,699). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of March 31, 2010, the Company had \$Nil invested in investment-grade short-term deposit certificates.

(b) Foreign currency risk

As at March 31, 2010, the Company's expenditures are in Canadian dollars, Mexican pesos, and Argentinean pesos, and any future equity raised is expected to be predominantly in Canadian dollars. As at March 31, 2010, the Company has accounts payable denominated in Mexican Pesos of 3,276,411, accounts receivable of 489,855 Mexican Pesos and cash of 399,929 Mexican Pesos. The Company also has accounts receivable of \$10,549 Argentinean Pesos and accounts payable of \$17,950 Argentinean Pesos. For each 10% change in the Canadian dollar vs. the Mexican Peso and Argentinean Peso a \$19,580 gain/loss would arise.

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Notes to the Consolidated Financial Statements

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(Unaudited)

9. Financial Instruments, continued

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of resources, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

The Company currently maintains marketable securities. There can be no assurance that the Company can exit these positions if required, resulting in proceeds approximating carrying value of these securities.

10. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its resource properties and to maintain flexible capital structure for its projects for the benefit of its stakeholders.

In the management of capital, the Company includes the components of shareholders' equity as well as cash, receivables and current liabilities.

The Company manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash.

Management reviews the capital structure on a regular basis to ensure that the above-noted objectives are met.

11. Related Party Transactions

- a) The Company incurred the following expenses to March 31, to a director and a director of its subsidiary, and a corporation of which an officer is an employee:

	2010	2009
Mineral property exploration costs and geological consulting	\$ 98,128	\$ 44,250
Professional/consulting fees	33,877	3,739
	<u>\$ 132,005</u>	<u>\$ 47,989</u>

- b) Included in accounts payable and accrued liabilities is \$59,032 (2009 - \$36,193) due to a director or a corporation controlled by a director of the Company, or to a corporation of which a former officer of the Company is an employee.

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Notes to the Consolidated Financial Statements

March 31, 2010 and 2009

(Unaudited)

11. Related Party Transactions, continued

- c) Included in accounts and advances receivable is \$6,940 (2009 - \$7,564) advanced to a director of the Company and to a director of the Company's Mexican subsidiary for future travel and property expenditures.

These transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by related parties.

12. Supplemental Disclosure with Respect to Cash Items

Significant non-cash transactions for the six months ended March 31, 2010 and 2009 include:

- a) Incurring mineral property expenditures of \$285,469 (2009 - \$21,398) through accounts payable.
- b) Fair market value adjustment of marketable securities of \$621,593 (2009 - \$42,159) included in other comprehensive loss.

13. Segmented Information

The Company has one reportable segment, being the acquisition and exploration of mineral properties.

The Company's mineral interests are located in Mexico and Argentina, and all other assets are held in Canada. (Note 6)

14. Subsequent Event

Subsequent to March 31, 2010 the Company closed a previously announced private placement, and issued 4,000,000 units at \$0.25 per unit, each unit consisted of one share and one-half of one warrant, each full warrant entitling the holder to buy one share for \$0.30 for a period of two years. Finders' fees were paid in accordance with regulatory policies.