ROMIOS GOLD RESOURCES INC.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2011 and 2010

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared by and are the responsibility of the management of Romios Gold Resources Inc. (the "Company"). The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect management's best estimates and judgments based on currently available information. The Company has developed and maintains a system of internal controls in order to ensure, on a reasonable and cost effective basis, the reliability of the financial information.

The Board of Directors is responsible for ensuring that management fulfills its responsibility and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee. The consolidated financial statements have been audited by Wasserman Ramsay, an independent firm of chartered accountants. Their report outlines the scope of their examination and opinion on the consolidated financial statements.

(*signed*) "*Tom Drivas*"
Chief Executive Officer

(signed) "Michael D'Amico"
Chief Financial Officer

October 20, 2011

Wasserman
Ramsay
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Romios Gold Resources Inc.**:**

We have audited the accompanying consolidated financial statements of Romios Gold Resources Inc., which comprises the balance sheets as at June 30, 2011 and 2010 and the statements of profit and loss and comprehensive profit and loss, deficit and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of internal misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion
In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Romios Gold Resources Inc. as at June 30, 2011 and 2010 and the results of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Wasserman Ramsay

Markham, Ontario
October 20, 2011

Chartered Accountants
Licensed Public Accountants

Romios Gold Resources Inc.

Consolidated Balance Sheets

As at	**June 30 2011 $**	June 30 2010 $
Assets		
Current		
Cash and cash equivalents (note 3)	**4,844,114**	885,067
Cash and cash equivalents for future exploration activities (note 3)	**-**	847,857
Accounts receivable	**236,469**	49,874
Prepaid expenses	**172,339**	64,994
	5,252,922	1,847,792
Mineral properties		
Acquisition costs (note 4)	**2,150,407**	2,044,017
Deferred exploration expenditures (note 4)	**15,849,677**	11,626,774
	23,253,006	15,518,583
Liabilities		
Current		
Accounts payable & accruals	**1,435,315**	445,834
Common shares subscribed, not issued	**-**	60,000
	1,435,315	505,834
Future income tax (note 6)	**1,544,825**	2,480,046
	2,980,140	2,985,880
Contingencies and commitments (note 10)		
Shareholders' equity		
Share capital (note 5(a))	**23,912,719**	16,129,071
Warrants (note 5(c))	**3,659**	42,442
Contributed surplus (note 5(d))	**3,095,103**	3,277,190
Deficit	**(6,738,615)**	(6,916,000)
	20,272,866	12,532,703
	23,253,006	15,518,583

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

APPROVED ON BEHALF OF THE BOARD

"Signed"
Anastasios (Tom) Drivas

"Signed"
William R. Johnstone

Romios Gold Resources Inc.

Consolidated Statements of Profit and Loss, Comprehensive Profit and Loss and Deficit

	For the year ended June 30	
	2011	2010
	$	$
Expenses		
Professional fees	**290,682**	239,840
Management fees and salaries	**150,315**	153,631
Office and general	**117,172**	120,824
Shareholder communication	**333,915**	100,269
Abandonments and write-offs	**-**	6,342
Stock based compensation	**239,275**	199,585
Loss for the period before the following	**(1,131,359)**	(820,492)
Interest income	**24,523**	12,748
Net profit/(loss) for the period	**(1,106,836)**	(807,744)
Future income tax recovery (note 6)	**1,284,221**	457,500
Net profit/(loss) and comprehensive profit/(loss)	**177,385**	(350,244)
Deficit, beginning of period	**(6,916,000)**	(6,565,756)
Deficit, end of the period	**(6,738,615)**	(6,916,000)
Weighted average number of shares outstanding	**120,220,555**	101,868,805
Basic and diluted loss per share	**(0.00)**	0.00

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

Romios Gold Resources Inc.
Consolidated Statements of Cash Flows

	For the year ended June 30	
	2011	2010
	$	$
Operating activities		
Net profit/(loss) for the period	**177,385**	(350,244)
Items not affecting cash:		
Stock based compensation	**239,275**	199,585
Future income tax recovery	**(1,284,221)**	(457,500)
	(867,561)	(608,159)
Net change in non-cash working capital		
Accounts receivable	**(186,595)**	54,017
Prepaid expenses	**(107,344)**	27,787
Accounts payable and accrued liabilities	**929,481**	321,240
	(232,019)	(205,115)
Investing activities		
Mineral property acquisition costs	**(67,091)**	(1,973)
Deferred exploration expenditures	**(4,222,903)**	(1,715,276)
	(4,289,994)	(1,717,249)
Financing activities		
Private placement of common shares	**3,411,555**	2,297,087
Exercise of options and warrants	**4,103,553**	-
Share issue expense	**(175,850)**	-
Value of warrants issued	**293,945**	-
	7,633,203	2,297,087
Change in cash and cash equivalents	**3,111,190**	374,724
Cash and cash equivalents, beginning of period	**1,732,924**	1,358,200
Cash and cash equivalents, end of period	**4,844,114**	1,732,924
Cash comprises:		
Cash and cash equivalents	**4,844,114**	885,067
Cash and cash equivalents for future exploration activities	**-**	847,857
	4,844,114	1,732,924
Non-cash financing and investing activities		
Common shares issued for mining properties	39,300	56,475

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

1. Nature of operations

Romios Gold Resources Inc. (“Romios” or "the Company") has interests in resource properties and is in the process of determining whether its properties contain resources that are economically recoverable.

The accompanying consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company’s management.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at June 30, 2011 the Company had no sources of operating cash flows. The Company will therefore require additional funding which, if not raised, would result in the curtailment of activities and project delays. The Company had working capital of $3,817,606 as at June 30, 2011, and has incurred losses since inception, resulting in an accumulated deficit of $6,738,615 as at June 30, 2011. The Company’s ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurances that the Company will be successful in this regard, and therefore, there is doubt regarding the Company’s ability to continue as a going concern, and accordingly, the use of accounting principles applicable to a going concern. These consolidated financial statements do not reflect adjustments that would be necessary if the “going concern” assumption were not appropriate. If the “going concern” assumption were not appropriate for these consolidated financial statements, then adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

The recoverability of expenditures on its resource properties and related deferred exploration expenditures is dependent upon the existence of resources that are economically recoverable, confirmation of the Company's ownership interests in the claims, the ability of the Company to obtain necessary financing to complete the exploration and the development of the properties, and upon future profitable production or proceeds from disposition thereof.

2. Summary of significant accounting policies

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”). The Company is a development stage enterprise that has yet to generate revenue from mining operations.

Principles of consolidation

The consolidated financial statements include the accounts of McLymont Mines Inc., of which the Company holds a 100% ownership interest. All inter-company accounts and transactions have been eliminated on consolidation.

2. Summary of significant accounting policies (continued)

Interest in mineral properties

Exploration and development expenditures related to mineral properties are recorded as an expense in the period in which they are incurred, or deferred if it is anticipated that these costs will be recovered from future operations as a result of established proven and probable reserves. Determination as to reserve potential is based on the results of feasibility studies, which indicate whether production from a property is economically feasible. Significant acquisition costs for mineral properties are deferred unless it is determined that these costs will not be recovered from future operations, at which point these costs are written down to fair market value or a nominal value. Acquisition costs and deferred exploration and development expenditures will be depleted on a unit-of-production basis commencing at the onset of commercial production for the related property.

Mining exploration costs

In March 2009, the Canadian Institute of Chartered Accountants ("CICA") issued EIC-174, "Mining Exploration Costs." The EIC provides guidance on accounting for capitalization and impairment of exploration costs. This standard became effective for our fiscal year beginning July 1, 2008. Management has considered the guidance under EIC 174 and has determined that no impairment exists in its capitalized exploration costs at June 30, 2011.

Asset retirement obligations

The Company is required to record a liability for the estimated future costs associated with legal obligations relating to the reclamation and closure of its exploration properties. This amount is initially recorded at its discounted present value with subsequent annual recognition of an accretion amount on the discounted liability. An equivalent amount is recorded as an increase to exploration properties and deferred exploration expenditures and is amortized over the useful life of the property. Management is not aware of any significant asset retirement obligations.

Stock based compensation

The Company has a stock-based compensation plan, which is described in Note 5(b). The Company accounts for stock options using the fair value method. Under this method, compensation expense for stock options granted is measured at fair value at the grant date using the Black-Scholes valuation model and recognized over the vesting period of the options granted.

Flow through shares

The Company has financed a portion of its exploration activities through the issuance of flow-through shares, which transfer the tax deductibility of exploration expenditures to the investor. The proceeds received on the issuance of such shares have been credited to share capital and the related exploration costs are capitalized when incurred. Resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. When these expenditures are renounced, temporary taxable differences created by the renunciation will reduce share capital.

Income taxes

The Company follows the liability method of accounting for income taxes. Under the liability method future tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse.

2. Summary of significant accounting policies (continued)

Transaction costs

Transaction costs related to the acquisition or issue of held-for-trading financial instruments are charged to the statement of loss as incurred. Transaction costs related to financial instruments not designated as held-for-trading are included in the financial instrument's initial recognition amount.

Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the year. Since the Company is in a loss position, the effects of exercising share purchase options and warrants are anti-dilutive.

Cash and cash equivalents

Cash and cash equivalents represent cash and short-term deposits with maturity dates at the date of purchase of less than three months.

Financial instruments

Cash, short-term investments and committed cash are classified as held for trading and are carried at fair values on the consolidated balance sheets. Accounts receivable are designated as loans receivable, and accounts payable and bank overdraft are designated as other financial liabilities. The carrying amount of these items approximates fair value due to the short term nature of these financial instruments.

During 2009 the Company adopted the amendments made by CICA to Handbook Section 3855 – "Financial Instruments – Recognition and Measurement" ("Section 3855"). Section 3855 was amended to provide additional guidance concerning the assessment of embedded derivatives upon reclassification of a financial asset out of the held-for-trading category, amend the definition of loans and receivables, amend the categories of financial assets into which debt instruments are required or permitted to be classified, amend the impairment guidance for held-to-maturity debt instruments and require reversal of impairment losses on available-for-sale debt instruments when condition have changed.

Use of estimates and assumptions

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. The significant areas requiring the use of management estimates are the carrying value of mineral resource properties, the valuation of common shares issued for mineral properties, the determination of income tax assets and liabilities and the valuation of warrants and stock based compensation. Actual results could differ from those estimates.

Hedging

The CICA Handbook Section 3865 specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. The Company does not engage in hedging transactions and, therefore, does not have any financial instruments which are subject to hedge accounting.

Comprehensive income

Comprehensive income is the change in shareholders' equity of a company, during a period, other than those resulting from investments by owners and distributions to owners. These items may include holding gains and losses on certain investments, gains and losses on certain derivative instruments, and foreign currency gains and losses related to self-sustaining foreign operations.

Credit risk and the fair value of financial assets and financial liabilities

In January 2009, the Emerging Issues Committee of the CICA issued EIC-173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities, which applies to interim and annual financial statements for periods ending on or after January 20, 2009. The Company has evaluated the new section and determined that adoption of these new requirements will have no impact on the Company's financial statements beyond additional disclosures.

Impairment

Mineral properties are reviewed on a quarterly basis and when changes in circumstances suggest their carrying value may become impaired. Management considers mineral properties to be impaired if the carrying value exceeds the estimated undiscounted future projected cash flows from the use of the property and its related assets and their eventual disposition. If impairment is deemed to exist, the property and its related assets will be written down to fair value. Fair value is generally determined using a discounted cash flow analysis. Management determined that there was no impairment of carrying value on its properties in the current year.

Changes in accounting standards

At the date of authorization of the financial statements for the period ended June 30, 2011 the following standards and interpretations, which are applicable to the Company, were in issue but not yet effective. These standards and interpretations are effective from January 1, 2013 and early adoption is permitted.

Adoption of new and revised International Financial Reporting Standards

The Canadian Accounting Standards Board has mandated the adoption of IFRS effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011 for Canadian publicly accountable profit-oriented enterprises. The date of transition is January 1, 2011 and as a result the 2011 comparative information will be adjusted to conform with IFRS. Accordingly, the conversion to IFRS will be applicable to the Company's report on the first quarter of the 2012 fiscal year, with restatement of comparative information presented.

Under IFRS 1: First time adoption of financial reporting standards, IFRS are applied retrospectively at the transition balance sheet with all adjustments to assets and liabilities as stated under Canadian generally accepted accounting principles recorded to retained earnings unless certain exemptions are applied.

Business combinations

CICA Section 1582 – "*Business Combinations*", which replaces CICA Section 1581 – "*Business Combinations",* establishes standards for the accounting for a business combination. It is the Canadian GAAP equivalent to International Financial Reporting Standard IFRS 3 – "*Business Combinations*". This standard is effective for the Company's business combinations with acquisition dates on or after January 1, 2011. The adoption of these standards did not result in a material impact on the Company's consolidated financial statements.

Consolidated financial statements and non-controlling Interests

CICA section 1601 – "*Consolidated Financial Statements*" ("Section 1601") and Section 1602 – "*Non-controlling Interests*" ("Section 1602") replaces CICA Handbook Section 1600 – "Consolidated Financial Statements". Sections 1601 and 1602 establish standards for preparation of consolidated financial statements and the accounting for non-controlling interests in financial statements that are equivalent to the standards under IFRS. These standards are effective for the Company for financial statements beginning on January 1, 2011. The adoption of these standards did not result in a material impact on the Company's consolidated financial statements.

3. Cash and cash equivalents

Cash and cash equivalents and cash and cash equivalents held for future exploration activities consists of cash and investments in Canadian Chartered Bank demand money market funds.

On July 5, 2010, the Company completed a private placement of 5,066,667 flow-through shares for gross proceeds of $760,000, on July 15 the Company completed a private placement of 2,250,000 flow-through shares for gross proceeds of $337,500 and on August 31, 2010 the Company completed a private placement of 2,000,000 flow-through shares for gross proceeds of $300,000. These funds were committed to be expended on Canadian Exploration Expenditures ("CEE") and are therefore not available for current working capital purposes.

During the twelve months to June 30, 2011, the Company spent a total of $4,242,924 on exploration activities, including all committed funds raised in the prior fiscal year.

4. Mineral properties

Acquisition costs

	British Columbia	**Quebec**	**Nevada, USA**	**Total**
	$	$	$	$
Balance, June 30, 2009	1,962,469	23,100	-	1,985,569
Total additions for the period	37,973	20,475	-	58,448
Balance, June 30, 2010	2,000,442	43,575	-	2,044,017
Total additions for the period	36,502	31,422	38,466	106,390
Balance June 30, 2011	2,036,944	74,997	38,466	2,150,407

On August 7, 2010, the Company exercised an option and acquired sixty-four acres adjacent to their existing claims in Nevada for total consideration and costs of $38,466.

Additional costs for British Columbia and Quebec relate primarily to the value of shares for property payment obligations and maintenance fees for claims.

Deferred exploration expenditures

	British Columbia	Quebec	Total
Balance, June 30, 2009	8,980,220	931,278	9,911,498
Additions:			
Assessment filings	33,859	-	33,859
Assaying	52,072	-	52,072
Contract flying	662,679	-	662,679
Drilling	513,912	-	513,912
Field communications	5,724	-	5,724
Contract labour	374,048	-	374,048
Subcontract labour	166,706	-	166,706
Camp costs	119,164	-	119,164
Other	65,581	66,859	132,440
Total additions for the period	1,993,745	66,859	2,060,604
Balance, before refund	10,973,965	998,137	11,972,102
Quebec refund	-	(345,328)	(345,328)
Balance, June 30, 2010	10,973,965	652,809	11,626,774
Additions:			
Assessment filings	16,715	-	16,715
Assaying	111,060	33,863	144,923
Contract flying	1,103,099	-	1,103,099
Drilling	989,332	-	989,332
Field communications	11,566	-	11,566
Contract labour	725,289	73,830	799,119
Subcontract labour	135,241	-	135,241
Camp costs	441,163	-	441,163
Other	446,728	155,038	601,766
Total additions for the period	3,980,193	262,731	4,242,924
Balance, before refund	14,954,158	915,540	15,869,698
Quebec refund	-	(20,021)	(20,021)
Balance, June 30, 2011	14,954,158	895,519	15,849,677

British Columbia

On March 1, 2005, the Company acquired, through an exchange of shares, a 100% interest in McLymont Mines Inc. ("MMI"), a company whose only significant asset is an interest in the Newmont Lake Property in British Columbia.

In 2006, the Company acquired an option agreement with Galore Creek Staking Syndicate, 2003 (Galore Creek Syndicate) to acquire a 100% interest in 5 land tenures (2,693 hectares) located in the Liard Mining Division of British Columbia, known as the Trek Property.

By June 30, 2011, the Company had earned, from Gulf International Minerals Inc. (“Gulf”), a 75% interest in the Newmont Lake property in British Columbia, which consists of 18 mineral claims (6,175 hectares) in the Liard Mining Division of British Columbia. The Company has an option until December 31, 2011 to acquire the remaining 25% interest, subject to a 1.5% net smelter return royalty, for payment of $2,000,000 in cash and/or shares. Subsequent to the year end, the Company exercised this option.

In addition, the Company had completed its obligations under an option agreement with Roca Mines Inc. (“Roca”) to earn a 50% interest in 8 mineral properties (4,000 hectares) in the Liard Mining Division of British Columbia and had entered into a joint venture with Roca for the further exploration and development on the properties.

During the year ended June 30, 2006, the Company entered into an option agreement with Galore Creek Syndicate to acquire a 100% interest, subject to a 2% net smelter returns royalty, in 2 land tenures (1,321 hectares) located in the Liard Mining Division of British Columbia, known as the RP Property. The agreement was amended February 24, 2010 and November 25, 2010 and now requires a payment of $115,000 cash ($15,000 paid to date with the remaining $100,000 due December 1, 2014). In addition, the Company must issue a total of 800,000 common shares of which 400,000 have been issued and the remaining 400,000 are to be issued as follows: 50,000 shares on each December 1, 2011 and 2012 with the remaining 300,000 common shares to be issued December 1, 2013. The revised expenditure commitments now include optional expenditure commitments on the property totaling $900,000, with $100,000 to be spent before December 1, 2012; an additional $300,000 before December 1, 2013; and an additional $500,000 before December 1, 2014. The amendment agreement also requires the expansion of the size of the property to a minimum of 248 contiguous cells (claim units) from the current 75 cells (claim units) prior to December 1, 2011. The Company retains the option to fulfill these obligations.

In 2006, the Company entered into an option agreement with Galore Creek Syndicate to acquire a 100% interest, subject to a 2% net smelter returns royalty, in 1 land tenure (614 hectares) located in the Liard Mining Division of British Columbia, known as the JW Property. The agreement was amended on February 24, 2010 and November 25, 2010 and now requires the payment of $115,000 cash, of which $15,000 has been paid with the remaining $100,000 due December 1, 2014, the issue of 700,000 common shares of which 300,000 common shares have been issued and certain expenditure requirements. The remaining 400,000 common shares are to be issued with the revised share issuance schedule as follows: 50,000 shares on each of December 1, 2011 and 2012; with the remaining 300,000 common shares to be issued December 1, 2013. The expenditure commitments have been replaced with optional expenditure commitments on the property totaling $1,400,000; with $100,000 to be spent before December 1, 2012; an additional $250,000 to be spent before December 1, 2013; an additional $450,000 before December 1, 2014; and an additional $600,000 before December 1, 2015. The amendment agreement also requires the expansion of the size of the property to a minimum of 220 contiguous cells (claim units) from the current 35 cells (claim units) prior to December 1, 2011. The Company retains the option to fulfill these obligations.

The Company also holds a 100% interest in 175 mineral claims in the Liard Mining Division of British Columbia.

Quebec

During the year ended June 30, 2009 the Company concluded an option agreement to acquire a molybdenum property that was the site of the former producing La Corne molybdenum mine approximately 30 kilometres from the town of Val d'Or, Quebec. The agreement provides for an initial payment schedule of $20,000 cash, completion of a minimum of $50,000 in exploration expenditures and the issuance of 650,000 shares of the Company over the three year period, all of which have been issued. The agreement is subject to a 3% Net Smelter Return (NSR) retained by the vendors, of which half (1.5%) can be repurchased for $500,000. The amount expended to June 30, 2011 is $1,260,868.

Ontario and Nevada

At June 30, 2009, the Company wrote down the carrying value of its Ontario and Nevada properties to a nominal amount as the Company's focus is currently on its BC and Quebec properties.

5. Share capital

(a) Common shares

The Company is authorized to issue an unlimited number of no par value common shares. The following table provides the details of changes in the number of issued common shares

	Number #	***Amount*** $
Balance, June 30, 2009	83,108,217	14,263,078
Common shares issued	7,780,933	856,427
Flow through common shares issued	10,633,329	1,577,500
Common shares issued for property acquisition	495,000	56,475
Share issue costs	-	(166,909)
Flow through share future income tax liability	-	(457,500)
Balance, June 30, 2010	102,017,479	16,129,071
Flow through common shares issued July 5, 2010	5,066,667	760,000
Common shares issued July 5, 2010	2,000,000	240,000
Flow through common shares issued July 15, 2010	2,250,000	337,500
Common shares issued July 15, 2010	1,100,000	132,000
Flow through common shares issued August 31, 2010	2,000,000	300,000
Common shares issued for property acquisition	360,000	39,300
Common shares issued December 15, 2010	3,000,000	600,000
Common shares issued March 28, 2011	4,453,333	1,336,000
Common shares issued on exercise of options	2,332,000	469,590
Common shares issued on exercise of broker warrants	2,498,333	377,300
Common shares issued on exercise of warrants	14,872,384	3,256,661
Contribution on exercise of warrants	-	332,380
Contribution on exercise of options	-	421,712
Share issue costs	-	(818,795)
Balance, June 30, 2011	141,950,196	23,912,719

On July 5, 2010, the Company completed a private placement of 2,000,000 units priced at $0.12 per unit for gross proceeds of $240,000. Each unit consists of one common share and one common share purchase warrant with each warrant entitling the holder to acquire a further share at a price of $0.25 per share until the earlier of: (i) the date which is twelve (12) months following the closing; and (ii) in the event that the closing price of the common shares on the TSX Venture Exchange is at least $0.50 for ten (10) consecutive trading days, and the 10th trading day (the “Final Trading Day”) is at least four (4) months from the Closing Date, the date which is thirty (30) days from the Final Trading Day (the “Trigger Date”). A cash fee of $12,600 and 150,000 broker warrants to acquire non flow-through common shares at a price of $0.12 per share for 12 months from closing was paid in respect of the closing.

On July 5, 2010, the Company completed a private placement of 5,066,667 flow-through units priced at $0.15 per unit for gross proceeds of $760,000. Each flow-through unit consists of one common share and one-half of a common share purchase warrant with each full warrant entitling the holder to acquire a further share at a price of $0.25 per share until the earlier of 12 months from closing and the Trigger Date. A cash fee of $49,000 and 466,667 broker warrants to acquire non flow-through common shares at a price of $0.15 per share for 12 months from closing was paid in respect of the closing.

On July 15, 2010, the Company completed an additional private placement of 1,100,000 units priced at $0.12 per unit for gross proceeds of $132,000. Each unit consists of one common share and one-common share purchase warrant with each warrant entitling the holder to acquire a further share at a price of $0.25 per share until the earlier of 12 months from closing and the Trigger Date. A cash fee of

$8,400 and 100,000 broker warrants to acquire non flow-through common shares at a price of $0.12 per share for 12 months from closing was paid in respect of the closing.

On July 15, 2010, the Company completed an additional private placement of 2,250,000 flow-through units priced at $0.15 per unit for gross proceeds of $337,500. Each flow-through unit consists of one common share and one-half of a common share purchase warrant with each full warrant entitling the holder to acquire a further share at a price of $0.25 per share until the earlier of 12 months from closing and the Trigger Date. A cash fee of $21,780 and 200,000 compensation options to acquire units at a price of $0.15 per unit were issued. Each compensation unit is comprised of one common share and one-half of one non-transferable share purchase warrant. Each full warrant entitles the holder to purchase one common share of the Company at a price of $0.25 per warrant share until the earlier of July 8, 2011 and the Trigger Date.

On August 31, 2010, the Company completed a private placement of 2,000,000 flow-through units priced at $0.15 per unit for gross proceeds of $300,000. Each flow-through unit consists of one flow-through common share and one-half of a common share purchase warrant with each full warrant entitling the holder to acquire a further share at a price of $0.25 per share until the earlier of 12 months from closing and the Trigger Date.

On December 15, 2010, the Company completed an additional private placement of 3,000,000 units priced at $0.20 per unit for gross proceeds of $600,000. Each unit consists of one common share and one-half of a common share purchase warrant with each warrant entitling the holder to acquire a further share at a price of $0.30 per share until the earlier of (i) December 15, 2011; and (ii) in the event that the closing price of the common shares on the TSX Venture Exchange is at least $0.50 for twenty (20) consecutive trading days, and the 20th trading day (the "Final Trading Day") is at least four (4) months from December 15, 2010, the date which is thirty (30) days from the Final Trading Day (the "twenty day Trigger Date")..

On March 28, 2011, the Company completed an additional private placement of 4,453,333 units priced at $0.30 per unit for gross proceeds of $1,336,000. Each unit consists of one common share and one-half common share purchase warrant. Each warrant entitles the holder to acquire a further common share at a price of $0.40 per share until the earlier of March 28, 2012 and the twenty day Trigger Date.

(b) Common share purchase options

The Company has created a stock option plan for the benefit of directors, officers, key employees, and consultants. The total number of shares which may be reserved and set aside for issuance to eligible persons may not exceed 10% of the issued and outstanding common shares. As at June 30, 2011, 7,543,000 common shares were reserved for the exercise of stock options granted under the Company’s stock option plan (the “Plan”).

The following table provides the details of changes in the number of issued common share purchase options during the period:

	Options \#	**Weighted-average exercise price** $
Outstanding at June 30, 2009	6,260,500	0.37
Granted	2,700,000	0.14
Cancelled	(50,000)	0.32
Expired	(235,000)	0.33
Outstanding at June 30, 2010	8,675,000	0.36
Granted	1,475,000	0.26
Exercised	(2,332,000)	0.20
Expired	(275,000)	0.27
Outstanding at June 30, 2011	7,543,000	0.32
Options exercisable at June 30, 2011	6,580,500	0.32

On November 1, 2010, 150,000 options and 75,000 options for consultants at exercise prices of $0.32 and $ 0.15 respectively, expired.

On November 5, 2010, the Company issued 1,000,000 stock options exercisable at $0.15 per share until November 5, 2015 to a director of the Company.

On December 9, 2010, 457,000 options held by insiders were exercised at a price of $0.12 per share.

On March 3, 2011, 750,000 options held by insiders were exercised at a price of $0.25 per share. In addition, on March 30, 2011, 250,000 options at a price of $0.15 per share were exercised.

On April 14, 2011, 100,000 options and 125,000 options were exercised at prices of $0.14 and $ 0.15 respectively

On April 19, 2011, 300,000 options held by consultants were exercised at a price of $0.15 per share.

On May 6, 2011, 225,000 options at an exercise price of $0.475 per share were granted to geological consultants of the Company and on May 10, 2011, 250,000 options at an exercise price of $0.53 per share were granted to a financial consultant of the Company.

On June 27, 2011 350,000 options were exercised at a price of $0.32 per share and 50,000 options for consultants at exercise prices of $0.32 expired.

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
100,000	100,000	6.7 months	$0.15	January 22, 2012
1,518,000	1,518,000	11.9 months	$0.65	June 26, 2012
150,000	150,000	12.3 months	$0.65	July 09, 2012
1,000,000	1,000,000	23.4 months	$0.32	June 12, 2013
700,000	700,000	23.9 months	$0.32	June 27, 2013
500,000	500,000	30.7 months	$0.15	January 22, 2014
150,000	150,000	36.8 months	$0.15	July 24, 2014
1,950,000	1,887,500	48.3 months	$0.14	April 9, 2015
1,000,000	500,000	52.3 months	$0.15	November 8, 2015
225,000	75,000	22.2 months	$0.475	May 6, 2013
250,000	-	34.3 months	$0.53	May 10, 2014
7,543,000	6,580,500			

The weighted average fair value of all the options granted and outstanding is $0.32 per option, each contract fair value having been estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: risk-free weighted-average interest rate ranging from 1.30% to 1.98%, expected dividend yield of nil, average expected volatility ranging from 130.10% to 155.26% and expected life term ranging from 24 to 60 months. Under this method of calculation, the Company has recorded $239,275 as stock based compensation during the twelve months ended June 30, 2011, being the fair value of the options vested during the twelve months ended June 30, 2011. Options that have been issued and remain outstanding vest either: immediately on date of grant; or a period of up to eighteen months from the date of grant over the period of vesting in equal installments.

(c) Warrants

On certain issuances of common shares, the Company grants warrants entitling the holder to acquire additional common shares of the Company, and the Company grants warrants as consideration for services associated with the placement of such common share issues.

The following table provides the details of changes in the number of outstanding common share purchase warrants:

		June 30, 2011		June 30, 2010
	Warrants #	Exercise Price Range $	Warrants #	Exercise Price Range $
Outstanding, beginning of the year	14,652,598	0.14 to 0.90	3,947,648	0.15 to 0.90
Private placement warrants issued	12,501,668	0.12 to 0.40	13,879,265	0.14 to 0.30
Exercised	(17,370,718)	0.14 to 0.25	-	-
Expired	(5,996,882)	0.15 to 0.90	(3,174,315)	0.25 to 0.90
Outstanding, end of the year	3,786,666	0.12 to 0.40	14,652,598	0.14 to 0.90

On December 30, 2010, 83,333 warrants at a price of $0.25 and 4,788,332 warrants at a price of $0.90 expired unexercised.

On December 21, 2010, 693,333 broker compensation warrants were exercised at a price of $0.15 per share, on December 21, 2010 11,023 warrants at a price of $0.25 per share were exercised by an individual, on December 22, 2010, 773,333 broker compensation warrants were exercised at a price of $0.15 and on December 30, 2010, 2,500,000 warrants were exercised at a price of $0.25.

During the three months ended March 31, 2011 broker compensation warrants were exercised as follows: on January 17, 2011, 175,000 at a price of $0.14 per share, on March 8, 2011 150,000 at a price of $0.12 per share and 100,000 at a price $0.15, on March 31, 2011 50,000 at a price $0.15 per share.

In addition, during the three months ended March 31, 2011 2,586,378 warrants were exercised at a price of $0.15 per share and 774,207 warrants were exercised at a price of $0.25 per share.

On January 6, 2011, 200,000 warrants at an exercise price of $0.25 expired unexercised and on January 26, 2011, 50,000 warrants with an exercise price of $0.25 expired unexercised.

During the three months ended June 30, 2011 2,444,523 warrants were exercised at a price of $0.15 per share and 7,072,920 warrants were exercised at a price of $0.25 per share.

In addition, during the three months ended June 30, 2011 40,000 broker compensation warrants were exercised at a price of $0.12 per share.

Certain issuances of common shares include warrants entitling the holder to acquire additional common shares of the Company. A summary of the outstanding warrants is as follows:

	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
Warrants	1,500,000	5.5 months	$0.30	December 15, 2011
Warrants	2,226,666	8.9 months	$0.40	March 28, 2012
Balance, June 30,2011	3,726,666			

On July 15, 2010, 4,514,267 warrants due to expire on July 10, 2010 were renewed with an expiry date extended to July 15, 2011.

Certain issuances of common shares include warrants as partial consideration to the agent for services associated with the share issues. A summary of the outstanding broker warrants is as follows:

	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
Compensation warrants	60,000	0.3 months	$0.12	July 9, 2011
Balance, June 30, 2011	60,000			

(d) Contributed surplus

A summary of changes in contributed surplus is as follows:

	Amount $
Balance, June 30, 2009	2,855,306
Stock based compensation	199,585
Common shares purchase warrants expired	222,299
Balance, June 30, 2010	3,277,190
Stock based compensation	239,275
Exercise of options	(421,712)
Common shares purchase warrants expired	350
Balance, June 30, 2011	3,095,103

The number of common shares outstanding on June 30, 2011 was 141,950,196. Taking into account outstanding share purchase options, warrants and 1,000,000 shares reserved for property transactions, the fully diluted common shares that could be outstanding on June 30, 2011 was 154,279,862.

6. Income taxes

The Company's effective income tax rate differs from the amount that would be computed by applying the combined Federal and Provincial statutory tax rate of 31.00% (2010 - 30.00%) to the net loss for the year for reasons noted below:

	June 30 2011 $	June 30 2010 $
Income tax recovery based on statutory rate	**327,920**	241,400
Actual provision per financial statements	**1,284,023**	457,500
Non-deductible items for tax purposes	**(60,588)**	(61,778)
Tax effect of tax rate change	**(370,578)**	(154,322)
Tax effect of prior years losses recognized	**(524,937)**	-
	327,920	241,400

The Company has incurred tax losses of $2,741,000 (2010 - $1,939,700) which may be used to reduce future taxable income. The potential benefit of these losses will expire in the fiscal years ended June 30, if unused, as follows:

	Amount
	$
2027	642,000
2029	642,000
2030	595,000
2031	862,000
	2,741,000

The components of future income tax asset (liability) are as noted below:

	June 30 2011	June 30 2010
	$	$
Non-capital losses	**685,397**	470,142
Capital assets	**4,708**	4,708
Mineral properties	**(2,234,932)**	(2,175,513)
Valuation allowance	**-**	(779,383)
Tax effect of renunciation of exploration expenditures	**(1,544,825)**	(2,480,046)

As required by CICA Handbook EIC 146, the Company has, for renunciations of flow-through amounts subsequent to March 2004, treated the future income tax liability related to this temporary difference as a reduction in share capital at the time that the expenditure is renounced. During the year this amounted to $349,000 (2010 - $457,500) and is included in share issue costs.

7. Related party transactions

During the year ended June 30, 2011, the Company incurred related party expenses of $265,115 (2010 – 218,643). These expenses related to management and consulting fees and salaries paid to the Company's senior officers, Tom Drivas, President and Chief Executive Officer, Tom Skimming, V.P. Exploration, Errol Farr, then Michael D'Amico Chief Financial Officer, Garth Kirkham, Director and Antonio de Quadros, Director. At June 30, 2011 $22,315 was due and payable to these related parties.

During the year ended June 30, 2011, the Company incurred expenses of $94,249 (2010 - $98,272) for legal fees to a law firm related to a senior officer and director of the Company, William R. Johnstone. At June 30, 2011, $19,937 was due and payable.

During the year ended June 30, 2011, the Company incurred expenses of $15,000 (2010 - $12,000) related to directors' fees to Antonio de Quadros, Frank van de Water, Brian Robertson and Jack McOuat. At June 30, 2011, $3,000 was due and payable.

These amounts were expensed in the period incurred as administrative and general expenses. Expenses and amounts paid and owing are measured at the exchange amount.

These transactions are recorded at exchange amount which is the amount of consideration established and agreed to by the related parties.

8. Financial instruments and risk management

Categories of financial assets and liabilities

Under Canadian GAAP, financial instruments are classified into one of the following five categories: held-for-trading, held to maturity investments, loans and receivables, available-for-sale financial assets and other financial liabilities. The carrying values of the Company's financial instruments, including those held for sale are classified into the following categories:

	June 30 2011 $	June 30 2010 $
Held for trading [1]	**4,844,114**	1,732,924
Available for sale [2]	**-**	-
Loans and receivables [3]	**236,469**	49,874
Other financial liabilities [4]	**1,435,315**	307,488

(1) Includes cash, committed cash and short-term investments.
(2) Includes marketable securities.
(3) Includes accounts receivable related to HST tax refunds.
(4) Includes accounts payable and bank overdraft.

Financial Instruments

The carrying amounts for the Company's financial instruments approximate their fair values because of the short-term nature of these items.

(i) Cash and cash equivalents and cash and cash equivalents held for future exploration are designated as financial assets held for trading and are recorded at market value. The interest on deposits is insignificant.
(ii) H.S.T. receivable is designated as loans and receivables and is recorded at cost.
(iii) Accounts payable is designated as other financial liabilities and is recorded at cost.

Risks arising from financial instruments and risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company.

The Company uses various methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks.

(a) Market risk

(i) Price risk

Commodity price risk
Commodity price risk is the risk of financial loss resulting from movements in the price of the Company's commodity inputs and outputs. The Company is exposed to commodity price risk arising from the fluctuation of the value of the metals it is exploring for. The Company does not manage commodity price risk through the use of derivative instruments.

Sensitivity
Anticipated changes in the value of gold and base metals would not, in management's opinion, change the recognized value of any of the Company's financial instruments.

(ii) Cash flow fair value interest rate risk

The Company does not have interest-bearing borrowings for which general rate fluctuations apply. The Company is exposed to interest rate risk to the extent of the balance of the bank accounts.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk arises from cash and deposits with banks and financial institutions as well as credit exposures to outstanding receivables.

The Company has no concentration of credit risk. The carrying amount of financial assets recorded in the consolidated financial statements are adjusted for any impairment and represent the Company's maximum exposure to credit risk.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows. The Company is currently assessing all options to address its liquidity issues. It is not possible to determine with any certainty the success and adequacy of these initiatives.

9. Capital disclosures

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The capital of the Company consists of capital stock, warrants and contributed surplus.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and will raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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 changes in the Company's approach to capital management during the year ended June 30, 2010 and the period ended June 30, 2011. The Company is not subject to externally imposed capital requirements.

10. Contingencies and commitments

As at June 30, 2011:

a) the Company has no contingent obligations,

b) the Company has $40,894 on deposit as property reclamation bonds with various governmental agencies. These amounts are included with prepaid expenses,

c) the Company has a minimum lease cost commitment for its head office space of $1,924 for 2011.

11. Subsequent Events

On July 9, 2011, 60,000 compensation warrants were exercised at a price of $0.12 per share.

On July 28, 2011 the Company placed 4,999,997 flow-through units at a price of $0.60 per flow-through unit, for gross proceeds of $3,000,000. Each flow-through unit consisted of one flow-through common share of the Company and one-half non flow-through share purchase warrant. Each full warrant entitles the holder to acquire an additional common share at $1.00 per share on the earlier of: (i) the date which is twelve months following the Closing Date; and (ii) in the event that the closing price of the common shares on the TSX Venture Exchange is at least $1.25 for ten consecutive trading days, and the 10th trading day (the "Final Trading Day") is at least four months from the Closing Date, the date which is thirty days from the Final Trading Day (the Trigger Date"). The Company also placed 480,769 working capital units of the Company at a price of $0.52 per working capital unit, for gross proceeds of $250,000. Each working capital unit consisted of one common share of the Company and one share purchase warrant.

Each full warrant entitles the holder to acquire an additional common share at $1.00 per share until the earlier of twelve months following the Closing Date and the Trigger Date. A finder's fee of $162,500, a due diligence fee of $65,000 plus HST and 548,075 compensation options to acquire broker units at $0.52 until July 28, 2012 were issued. Each broker unit is comprised of one common share and one-half of one non-transferable share purchase warrant (the "Broker Warrants"). Each full Broker Warrant entitles the holder to purchase one common share at a price of $1.00 on the earlier of twelve months following the Closing Date and the Trigger Date.

On August 3, 2011, 200,000 options at exercise price of $0.14 were exercised by consultant of the Company.

At August 10, 2011 the Company has placed a further 1,355,384 working capital units priced at $0.52 per WC Unit for gross proceeds of $704,800. Each working capital unit consisted of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire an additional common share at $1.00 per share until the earlier of twelve months following the Closing Date and the Trigger Date. Cash finders' fees of $45,696 were paid in respect of the final closing of the offering.

On October 14, 2011, the Company issued 4,282,655 common shares to Gulf International Minerals Ltd. ("**Gulf**") priced at $0.467 per share to acquire the remaining 25% interest in the Gulf Claims forming part of the Company's Newmont Lake Property. As a result, Romios now holds a 100% interest in the Gulf Claims subject to a 1.5% Net Smelter Returns Royalty (the "**Gulf NSR**") in favour of Gulf. The Company has the option to purchase 1/3 of the Gulf NSR for $1,000,000.

12. Other items

Certain amounts have been reclassified to conform to the presentation adopted in the current period.