

Price (March 15, 2010) **\$0.065**
52-Week Range **\$0.11 - \$0.055**
Shares O/S **247.78 million**
Market Cap **\$16.1 million**
Average Daily Volume
50-day: **217,100**
200-day: **340,600**
Year-End **September 30**

Financial Data

Selected Balance Sheet	At Dec /09	At Sep 30/09
Cash (& Equivalents)	\$0	\$0
Mineral Properties	\$20,670,586	\$19,059,805
Total Debt	\$5,048,560	\$4,204,749
Shareholders' Equity	\$15,975,606	\$13,977,066
Total Assets	\$26,791,447	\$24,467,456
Working Capital	(\$3,888,151)	(\$5,026,109)
Working Capital Ratio	0.33x	0.20x
Selected Income/Cash Flow	TIM (Dec/09)	Year (Sep/09)
Revenues	1,467,774	1,002,512
Operating Income	(2,861,182)	(2,889,821)
Net Loss	(2,339,058)	(2,491,580)
Cash Flow (CF) From Operations	(\$2,620,911)	(\$2,245,735)
Key Ratios		
Monthly Operating Costs ("Burn")	(\$120,551)	(\$89,618)
Monthly Expl. and Dev. Expenses	(\$274,938)	(\$388,086)
Monthly Capex	(\$79,758)	(\$142,766)
Cash/Burn (months)	0	0
Cash/Burn + Exploration (months)	0	0
Cash/Burn+Expl+Capex (months)	0	0
Per Share Statistics		
Earnings (Loss) Per Share	(\$0.01)	(\$0.01)
Cash Per Share	\$0.00	\$0.00
Mineral Property Book Value PS	\$0.08	\$0.09
Shareholders' Equity Per Share	\$0.06	\$0.06
Multiples		
Price/Cash	N/A	N/A
Price/Shareholders' Equity	1.40x	1.42x

Analysts

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ROCMEC MINING INC.

(TSX-V: RMI; Frankfurt: D50)



Data Source: www.BigCharts.com

THE COMPANY

Rocmec Mining Inc., ("Rocmec" or the "Company") is a Canadian junior gold producer actively involved in the acquisition, advanced exploration, development and mining of narrow-vein ore bodies, primarily using its exclusive thermal fragmentation mining method. The Company also contracts out the fragmentation process to third parties for licensing and servicing.

INVESTMENT CONSIDERATIONS

Strengths

- Recent NI 43-101 resource calculation for Rocmec 1 reports 85,900 ounces Measured and Indicated and 556,400 Inferred (3 g/t cut-off).
- Innovative use of an ecologically friendly underground treatment plant at Rocmec 1;
- Steady stream of revenue and cash flow from thermal fragmentation, from service contracts with large mining companies;
- Thermal fragmentation technology generates less environmental impact and lower capital costs; is easy to learn and use, making labour easier to find and retain; and could make many previously uneconomic ore bodies viable.

Challenges

- The Company continues to require external financings in a difficult financing environment for junior mining exploration companies;
- Thermal fragmentation technology still has limited acceptance within the mining industry;
- Commodity prices are volatile.

PROPRIETARY TECHNOLOGY

Rocmec's proprietary thermal fragmentation technology selectively extracts ore, and the high-grade sections can be extracted in priority - resulting in less environmental impact and lower capital costs, since mine development is performed directly into ore. This results in less waste-rock being extracted and displaced into large piles at the surface. Four times less rock needs to be mined for the equivalent mineral content and, therefore, fewer tonnes need to be processed at the mill. There is enhanced operational safety, a reduced quantity of chemical agents, less energy used, smaller tailing areas, and minimal alterations to the landscape, all of which result in a cleaner, more responsible approach to mining.

CORPORATE STRATEGY

To become a mid-tier gold producer through exploitation of narrow, high-grade precious-metal quartz veins with the Company's patented thermal fragmentation mining method at both its own sites and through partnership agreements or sites belonging to other mining companies. To achieve this, Rocmec is continuing exploration work at its Rocmec 1 property, pursuing property acquisitions in Peru, and negotiating partnership agreements to exploit narrow-vein deposits with other mining companies.

PROPERTY HIGHLIGHTS

Rocmec currently owns 100% interests in three properties located in the Abitibi-Témiscamingue region of the Province of Quebec, Canada. The Company also has a 40% interest in the Puma concessions near Arequipa, Peru.

Quebec Properties (100% interest)

1. Rocmec 1: 110 claims; 3,454 hectares (ha); gold-bearing quartz vein system.
2. Montauban: 83 claims; 2,500 ha; Zn-Pb-Au-Ag sulphide deposit, and Au-Ag deposit.
3. Courville-Maruska: 20 claims; 800 ha; gold-bearing quartz vein system.

Peru Concessions

1. Puma concessions: 1,700 ha (40% interest).
2. Ofir concessions: 1,100 ha (100% financed through gold sales).

Rocmec 1 is the organization's flagship property. Rocmec has invested approximately \$23 million in the property to date, rehabilitating the property, surface and underground structure; diamond drilling; equipment; drifting; and the acquisition and installation of a 75-tonne-per-day underground treatment plant. The treatment plant is installed underground, the first of its kind in Canada, and uses gravity flotation not cyanide to extract the gold, copper and pyrite present in the mineralized ore. This makes it ecologically sound. In addition, the reduced waste rock is used as backfill, so no tailings pond is required.

The property includes a 100-metre deep two-compartment shaft and an 844-metre decline allowing access to five levels (50, 70, 90, 110, and 130 metres).

The Rocmec 1 gold zones are Front West, McDowell, Talus, Shaft, Boucher, and Boucher 2. The average true widths of the zones vary from 0.61 metres to 2.32 metres.

COMMENT: *The mineralization structure of the Rocmec 1 property makes it a perfect candidate for the efficient and effective thermal fragmentation method of mining. In the case of Rocmec 1, given the widths described in the recent NI 43-101, we would expect dilution to be cut 50% relative to conventional mining methods.*

RECENT ANNOUNCEMENTS

March 3, 2010: The Company announced closed a non-brokered private placement of 6,250,000 flow-through (“FT”) units at a price of \$0.08 per FT unit to the MineralFields Group (gross proceeds of \$500,000). Each FT unit is comprised of one flow-through common share of the Company and one-half of one transferable non-flow-through common share purchase warrant.

March 2, 2010: The most recent diamond drill campaign, completed at the end of 2009, resulted in an updated NI 43-101 resource calculation reporting 85,900 oz Measured and Indicated, and Inferred gold ounces totalling 556,400 (prepared with a 3 g/t cut-off). The results for the Boucher structures were particularly noteworthy, as the resource of inferred ounces increased from 208,000 oz. to over 376,000 oz. and returned grades of 13.77 g/t at Boucher and 15.86 g/t at Boucher 2 (high grades were capped at 45 g/t).

February 5, 2010: Rocmec closed a private placement of 6,901,077 flow-through units for net consideration of \$649,989. Each unit is comprised of one flow-through common share and one half non-flow-through common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at a price of \$0.15 per common share for a period of 24 months from the date of the issue of the flow-through units.

MANAGEMENT AND DIRECTORS

Donald Brisebois, President & CEO: Donald Brisebois has over 30 years’ experience in the mining industry, 17 of which have been in senior management in public and private companies. Until recently, Mr. Brisebois was General Manager (2001-2004) of Rocmec International Inc. and is credited with having invented and developed the “Thermal Fragmentation Process” for narrow-vein precious-metal extraction. Mr. Brisebois graduated as a mining technologist from the Abitibi-Temiscamingue Rouyn-Noranda college.

Daniel Gilbert, Vice-President & CFO: Daniel Gilbert has more than 20 years of senior management experience. Since 1995, he has been actively involved in the financial management, investment planning and financing of the thermal fragmentation technology.

Jacques Proulx, Vice President of Operations for Canada: Donald Proulx has spent over 15 years managing mining projects, both surface and underground, in various Quebec mining camps.

Émile P. Molgat: Director

Jean-Philippe Harvey: Director

FINANCIAL REVIEW

Rocmec records operating income from the licensing and contract service fees for the use of its patented thermal fragmentation technology. The Company recorded \$615,000 in revenues for Q1/2010 (\$150,000 in Q1/2009). Free cash flow from contracts was \$71,000 or 11.6% (\$16,000 or 10.5% in Q1/2009).

Contracts Cash Flow Quarterly Forecast

	<u>Q1/09A</u>	<u>Q2/09A</u>	<u>Q3/09A</u>	<u>Q4/09A</u>	<u>Q1/10A</u>	<u>Q2/10E</u>	<u>Q3/10E</u>	<u>Q4/10E</u>	<u>FY2009A</u>	<u>FY2010E</u>
Revenue from Contracts	149,573	16,926	127,665	708,348	614,835	625,000	700,000	750,000	1,002,512	2,689,835
Contract Expenses	133,889	115,162	207,489	461,792	556,045	475,000	465,000	450,000	918,332	1,946,045
Gross Margin	15,684	(98,236)	(79,824)	246,556	58,790	150,000	235,000	300,000	84,180	743,790
Gross Margin%	10.5%	-580.4%	-62.5%	34.8%	9.6%	24.0%	33.6%	40.0%	8.4%	27.7%

Assumptions:

1. Revenues are \$200,000/m in Q1, increasing gradually over the course of the year as new contracts are signed.
2. Gross Margin can be widened to 40% over the course of the year.

COMMENT: While revenues for Q1/2010 met our expectations, direct costs were 21% higher than in Q4/2009. Start-up and one-time costs continue to work their way through the system; however, we do expect gross margins to widen significantly by Q3/2010.

General & Administrative Expense, which primarily comprise non-discretionary operating expenses, such as rent, salaries, professional fees, etc., are often referred to as “burn”. In the case of Rocmec, in Q1/2010 its income sources were insufficient to cover its G&A Expense such that the Company’s debt and equity financings were partially used to support it.

In Q1/2010, the Company’s capex was \$1.243 million and its investing activities were a further \$13,000. These sums were covered by net equity issuance of \$1.5 million (net cash inflows after debt reimbursement: \$1.238 million). As a result, Mineral Properties increased from \$19.1 million (Q4/2009) to \$20.6 million.

For fiscal 2010, capex is likely to be around \$5.0 million.

As shown in the table on page 1, the current book value per share is \$0.06.

CORPORATE INFORMATION

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ANALYST CERTIFICATION

The Research Analyst who was involved in the preparation of this Research Report hereby certifies that:

- (1) the views and opinions expressed herein accurately reflect the Research Analyst's personal views concerning any and all securities and issuers that are either discussed or are the subject matter of this Research Report; and
- (2) the compensation received for the preparation of this report was not related, in any way, to the Research Analyst's views and opinions expressed herein.

eResearch Analysts on this Report:

Kirsten Marion, B.Comm, CMA: Kirsten Marion has spent 16 years working in various capacities for both public and private enterprise, including being chief financial officer and director of financial services for a multi-site acute care facility, and a contract consultant in assorted accounting roles for various entities. She received her CMA designation in 1986.

Bob Weir, B.Sc., B. Comm, CFA: Bob Weir has 43 years of investment research and analytical experience in both the equity and fixed-income sectors, and in the commercial real estate industry. He joined eResearch in 2004, and has been its President, CEO, and Managing Director, Research Services since May 2005. Prior to joining eResearch, Mr. Weir was at Dominion Bond Rating Service (DBRS), latterly as Executive Vice-President responsible for supervising the firm's 34 analysts and conducting the day-to-day management affairs of the company.

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