



## **Red Mile Minerals announces Dorset gold property option agreement, Newfoundland**

**October 25, 2010**

Red Mile Minerals Corp. (RDM – TSX-V) "Red Mile" (the "Company") has acquired an option (the "Agreement") to earn a 100% interest in the Dorset gold property located in northern Newfoundland, Canada from Tenacity Holdings Ltd. ("Tenacity") of St. John's, Newfoundland.

The Dorset property lies approximately 7km west southwest of Rambler Metals & Mining PLC Ming Mine Project and 10 km southwest of Anaconda Mining Incorporated's Pine Cove Gold Mine. The Dorset Property is comprised of eight mineral licences encompassing 69 claims totalling 1725 hectares in area.

### **History**

The Dorset property covers 12 kilometers of strike length along the 'Baie Verte Line' crustal suture prospective for gold mineralization in Newfoundland. The property includes the original Dorset showing discovered in 1988 which assayed up to 408 g/t gold in a grab sample followed by representative channel samples from surface trenching of 177 g/t gold over 0.35 meters; 56 g/t gold over 2.5 meters, and 42 g/t gold over 1.5 meters over a strike length of 150 meters. Gold discoveries in the mid-1990's along strike over the 12 km property length include grab samples from outcrop of 10.9 g/t gold, 18.7 g/t gold, and panned concentrates up to 6.2 g/t gold in locally-derived till. None of these have been followed up by diamond drilling or trenching.

John Hickey, President & CEO of Red Mile commented: "We are excited about acquiring a quality property in a structurally favourable setting, that has been under-explored and has had several multi ounce gold showings."

### **Transaction Terms**

To acquire a 100% interest in Tenacity's Dorset Property, Red Mile will, subject to Regulatory Approval, issue 100,000 shares in tranches of 25,000

upon signing, and 25,000 shares every 6 months for 18 months and in addition issue 1,000,000 non-transferable share purchase warrants in tranches of 250,000 upon Regulatory Approval, 250,000 after 6 months, 250,000 after twelve months, and 250,000 after eighteen months respectively, after signing of the Agreement. The share purchase warrants entitle Tenacity to purchase one common share per warrant for a period of eighteen months from the date of issue at a price equal to the closing market price on the day prior to the respective dates of issuance of the warrants.

Red Mile must also incur exploration expenses of not less than \$750,000 before the fifth anniversary of the signing date of the Agreement. A 2.5% net smelter return royalty ("NSR" or "Royalty") has been reserved in favour of Tenacity; Red Mile may purchase and terminate 40% of the Royalty at any time upon paying to Tenacity Gold an aggregate cash payment of \$1,000,000 whereupon the Royalty will be reduced to a 1.5% NSR.

### **Work Plan**

A detailed compilation of Dorset property geological, geophysical, and drilling information is underway. A program of field mapping and prospecting is planned in 2010 to define drill targets.

### **Qualified Person**

Kerry Sparkes M.Sc., P.Geo and Director of Red Mile is the Qualified Person responsible for the technical information contained within this release.

### **About Red Mile Minerals**

Red Mile Minerals is a tightly held mineral exploration company with a gold property along the prolific Destor-Porcupine gold-producing region in Ontario and the Dorset Property in Baie Verte, Newfoundland. Red Mile continues to seek additional mineral exploration opportunities where the company's exploration expertise and corporate share structure could substantially enhance shareholder value. Currently there are 9,915,000 shares issued and outstanding.

On behalf of the Board of Red Mile Minerals Corporation "John Hickey" President and CEO

### **Red Mile Minerals**

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