RED MILE MINERALS CORP.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited 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 financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

"John Hickey"

President and Chief Executive Officer

RED MILE MINERALS CORP.
(formerly Red Mile Capital Corp.)
BALANCE SHEETS
Unaudited
Prepared by Management

		September 30 2010		December 31 2009
ASSETS				
Current				
Cash	$	90,765	$	93,382
Term deposits		-		500,000
Receivables		20,036		4,120
		110,801		597,502
Computer software (Note 7)		855		3,420
Advance on mineral property agreement (Note 8)		-		20,000
Mineral property and deferred exploration expenditures (Note 8)		428,731		-
	$	540,387	$	620,922
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	9,579	$	56,458
Shareholders' Equity				
Share Capital (Note 9)		1,030,352		837,102
Contributed surplus (Note 9)		155,815		137,815
Deficit		(655,359)		(410,453)
		530,808		564,464
	$	540,387	$	620,922

Nature of business and going concern (Note 1)
Subsequent event (Note 14)

On behalf of the Board:

"John Hickey" Director *"Bob Matheson"* Director

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

RED MILE MINERALS CORP.
(formerly Red Mile Capital Corp.)
STATEMENTS OF OPERATIONS AND DEFICIT
Unaudited
Prepared by management

	Three months ended September 30		Nine months ended September 30	
	2010	**2009**	**2010**	**2009**
EXPENSES				
Amortization	$ 855	$ -	$ 2,565	$ -
Consulting fees	-	5,000	-	9,575
Corporate administration fees	(2,557)	1,445	11,328	3,268
Management and financial consulting	13,094	3,120	42,718	5,255
Office and miscellaneous	499	1,914	3,145	3,537
Promotion and advertising	2,820	-	32,211	545
Professional fees	5,851	82,444	86,913	95,427
Property evaluation costs	2,453	-	2,453	-
Regulatory fees and transfer agent fees	4,573	11,603	30,588	23,050
Rent	12,000	-	12,000	-
Stock-based compensation	-	-	18,000	-
Telephone	1,200	871	2,368	2,436
Travel and related costs	-	442	1,710	1,961
Loss before other item	(40,788)	(106,839)	(245,999)	(145,054)
OTHER ITEM				
Interest income	256	209	1,093	2,369
Loss and comprehensive loss for the period	(40,532)	(106,630)	(244,906)	(142,685)
Deficit, beginning of period	(614,827)	(236,280)	(410,453)	(200,225)
Deficit, end of period	$(655,359)	$(342,910)	$(655,359)	$(342,910)
Basic and diluted loss per common share	$ (0.00)	$ (0.02)	$ (0.03)	$ (0.02)
Weighted average number of common shares outstanding during the period	9,763,307	6,200,000	9,397,070	6,200,000

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

RED MILE MINERALS CORP.
(formerly Red Mile Capital Corp.)
STATEMENTS OF CASH FLOWS
Unaudited
Prepared by management

	Three months ended September 30		Six months ended September 30	
	2010	**2009**	**2010**	**2009**
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss and comprehensive loss for the period	$(40,532)	$(106,630)	$(244,906)	$(142,685)
Items not affecting cash:				
Amortization	855	-	2,565	-
Stock-based compensation	-	-	18,000	-
Changes in non-cash working capital items:				
Decrease (increase) in receivables	(5,541)	(4,265)	(15,916)	(7,214)
Decrease (increase) in accounts payable and accrued liabilities	(12,903)	15,345	(34,594)	(2,612)
Net cash used in operating activities	(58,121)	(95,550)	(274,851)	(152,511)
CASH FLOWS FROM INVESTING ACTIVITIES				
Term deposits	150,000	-	500,000	250,000
Mineral property expenditures	(30,408)	(20,000)	(227,766)	(20,000)
Net cash provided by (used in) investing activities	119,592	(20,000)	272,234	230,000
Change in cash during the period	61,471	(115,550)	(2,617)	77,489
Cash, beginning of period	29,294	238,714	93,382	45,675
Cash, end of period	$ 90,765	$ 123,164	$ 90,765	$ 123,164

Supplemental disclosure with respect to cash flows (Note 12)

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

Note 1 NATURE OF OPERATIONS

Red Mile Minerals Corp (the "Company") was incorporated under the Business Corporations Act of Alberta on May 31, 2007 as a Capital Pool Company ("CPC") as defined by Policy 2.4 of the TSX Venture Exchange (the 'TSXV'). Effective February 17, 2010, the Company changed its name to Red Mile Minerals Corp. During the period, the Company completed its Qualifying Transaction by acquiring from Russet Lake Resources Inc. all of Russet Lake's interest in the option to acquire a 100% interest in the Blue Quartz gold property located in Beatty Township, Ontario. See Mineral property, Note 9. Effective January 19, 2010, the Company is no longer considered a capital pool company.

The Company incurred a net loss of $244,906 (2009: $40,788) for the period ended September 30, 2010 and had an accumulated deficit of $655,359 (2009: $342,910) at September 30, 2010 which has been funded primarily by the issuance of equity. The ability of the Company to continue as a going concern is uncertain and is dependent upon the ability of the Company to obtain additional financing. In the event the additional financial support is not received, the carrying value of the Company's assets may be adversely affected.

These financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements of the Company are prepared in accordance with Canadian generally accepted accounting principles.

Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

Term deposits

Term deposits consist of highly liquid short-term interest bearing securities with a term to maturity of greater than three months on the date of purchase.

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

The Company classifies financial assets and liabilities as held-for-trading, available-for-sale, held-to- maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition, except for those arising from certain related party transactions which are accounted for at the transferor's carrying amount or exchange amount in accordance with the Canadian Institute of Chartered Accountant ("CICA") Handbook Section 3840 - Related Party Transactions.

Financial assets and liabilities classified as held-for-trading are measured at fair value, with gains and losses recognized in net income. Financial assets classified as held-to-maturity, loans and receivables, and financial liabilities other than those classified as held-for-trading are measured at amortized cost, using the effective interest method of amortization. Financial assets classified as available-for-sale are measured at fair value, with unrealized gains and losses being recognized as other comprehensive income until realized, or if an unrealized loss is considered other than temporary, the unrealized loss is recorded in income. The Company has elected to account for transaction costs related to the issuance of financial instruments as a reduction of the carrying value of the related financial instruments.

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:
Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Stock based compensation

The Company applies the fair value method to stock-based payments to all awards that are direct awards of stock, that call for settlement in cash or other assets or are stock appreciation rights that call for settlement by the issuance of equity instruments. Compensation expense is recognized over the applicable vesting period with a corresponding increase in contributed surplus. When the options are exercised, the exercise price proceeds together with the amount initially recorded in contributed surplus are credited to share capital.

Future income taxes

The liability method of tax allocation is used in accounting for income taxes. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities, and measured using the substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse. The effect on future tax assets and liabilities of changes in tax rates is recognized in income in the period that substantive enactment occurs.

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loss per share

Loss per share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding using the treasury stock method, to reflect the potential dilution of securities that could result from the exercise of "in the money" stock options and warrants.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. A significant area requiring the use of management estimates relates to the valuation of stock-based compensation and future income taxes. Management believes that the estimates used are reasonable and prudent; however, actual results could differ from those estimates.

Computer software

Computer software is recorded at cost, including betterment and renewals subsequent to acquisition, less accumulated amortization. When computer software is sold or abandoned, the recorded costs and related accumulated amortization are removed from the accounts and any gains or losses are included in the determination of net earnings. Amortization is calculated using the straight line method over a period of two years.

Note 3 RECENT ACCOUNTING PRONOUNCEMENTS

International Financial Reporting Standards ("IFRS")

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 will converge with International Financial Reporting Standards ("IFRS"). On February 13, 2008, the CICA Accounting Standards Board ("AcSB") announced that the standards will become effective for all publicly accountable enterprises in interim and annual financial statements for fiscal years beginning on or after January 1, 2011. The Company continues to monitor and assess the impact of convergence of Canadian generally accepted accounting principles and IFRS.

Business Combinations

In January 2009, the CICA issued Section 1582, Business Combinations, which replaces former guidance on business combinations. Section 1582 establishes principles and requirements of the acquisition method for business combination and related disclosures. 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 2011 with early adoption permitted.

Note 3 RECENT ACCOUNTING PRONOUNCEMENTS (cont'd)

Business Combinations (cont'd)

In January 2009, the CICA issued Section 1601, Consolidated Financial Statements, and 1602, Non-controlling interests, which replaces existing guidance. Section 1602 provides guidance on accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. These standards are effective on or after the beginning of the first annual reporting period on or after January 2011 with earlier adoption permitted.

Note 4 ADOPTION OF NEW ACCOUNTING STANDARDS

On January 1, 2009, the Company adopted the following provisions of the Canadian Institute of Chartered Accountant's ("CICA") Handbook Sections. There was no material impact on the Company's financial condition or operating results as a result of the adoption of the following standard:

Section 3862 - In June 2009, the CICA amended Section 3862, Financial Instruments – Disclosures. These amendments are applicable to financial statements relating to the Company's annual financial statements ending December 31, 2009. The amendments provide for additional disclosure requirements about fair value measurements of financial instruments and enhanced liquidity risk disclosure requirements for publicly accountable enterprises. The additional required disclosures are included in Note 5 of these financial statements.

Note 5 FINANCIAL INSTRUMENTS AND RISK

Financial Instruments

Under Canadian generally accepted accounting principles, financial instruments are classified into one of the following categories: held for trading, held-to-maturity investments, available-for-sale, loans and receivables and other financial liabilities. The following table summarizes information regarding the carrying values of the Company's financial instruments:

	September 30 2010 $	**December 31 2009 $**
Cash - Held for trading	90,765	93,382
Term Deposits – Held for trading	-	500,000
Receivables – Loans and receivables	20,036	4,120
Accounts payable and accrued liabilities - Other financial liabilities	9,579	56,458

The estimated fair values of cash, term deposits, receivables and accounts payable and accrued liabilities approximate their respective carrying values due to their nature and short terms to maturity.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

Liquidity Risk

The Company ensures its holding of cash is sufficient to meet its short-term general and administrative expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

Foreign Exchange Risk

The Company does not have significant foreign exchange risk as its administrative operations are all in Canadian dollars.

Note 5 FINANCIAL INSTRUMENTS AND RISK (Continued)

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates. The Company's exposure relates to its ability to earn short term interest on cash and term deposit balances at variable rates. The Company has no long–term debt and therefore is not affected by changes in long-term interest rates. With respect to interest rate risk management, the Company is at risk to open market fluctuation in interest rates.

Note 6 CAPITAL DISCLOSURE

The Company's objectives when managing capital are to pursue and complete the identification and evaluation of assets, properties or businesses with a view to acquisition or participation in a qualifying transaction, to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long-term. The Company does not have any externally imposed capital requirements to which it is subject. Capital is comprised of the Company's shareholders' equity.

As at September 30, 2010, the Company had capital resources consisting of cash and term deposits. The Company manages the capital structure and makes adjustments to it in light of changes in 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 or adjust the amount of cash and term deposits.

The Company's investment policy is to invest in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

At the current rate of expenditure, the Company has sufficient working capital to meet its 2010 administrative overhead and complete its 2010 work expenditures on the Blue Quartz gold property.

Note 7 COMPUTER SOFTWARE

	Cost	Accumulated Amortization	Net Book Value
Computer software	$ 4,560	$ 3,705	$ 855

Note 8 MINERAL PROPERTY AND DEFERRED EXPLORATION COSTS

Blue Quartz Property		
Acquisition and maintenance costs		
Balance, beginning of period	$	20,000
Additions during the period		
Cash paid		20,000
Fair value of shares issued		184,250
Mining and property taxes		2,267
Balance, end of period		226,517
Deferred exploration costs		
Balance, beginning of period	$	-
Additions during the period		
Assays, testing and analysis		9,170
Camp construction and supplies		7,088
Diamond drilling		136,961
Geology, geophysics and prospecting		42,934
Transportation and travel		6,061
Balance, end of period		202,214
Total, end of period	$	428,731

During the year ended December 31, 2009, the Company entered into an agreement with Russet Lake Resources Inc. (Russet Lake) to acquire a 100% interest in the Blue Quartz gold property located in northern Ontario. Russet Lake holds an option to acquire the 100% interest subject to net smelter return (NSR) royalties of 2.5%.

During the period ended September 30, 2010, the agreement received regulatory approval and the acquisition was completed. In order to acquire this interest, the Company must:

1) issue 3,505,000 of its common shares (issued, valued at $175,250) to Russet Lake at a deemed price per share equal to the discounted market price as defined in the policies of the TSX (see note 12).

2) assume Russet Lake's remaining obligations under the option agreement which include:
   a) make a cash payment of $20,000 by September 30, 2009 (paid as advance on mineral property agreement at December 31, 2009) and issue 50,000 (issued, valued at $3,000) of the Company's common shares;
   b) make a cash payment of $20,000 (paid), issue 100,000 (issued, valued at 6,000) of the Company's common shares, and complete $150,000 (completed) in work expenditures on or before September 1, 2010;
   c) make a cash payment of $20,000, issue 100,000 of the Company's common shares, and complete $250,000 in work expenditures on or before September 1, 2011.

Up to an aggregate 0.5% of the NSR can be bought back for $500,000.

Note 9 SHARE CAPITAL

Authorized
Unlimited common voting shares, without par value
Unlimited preferred shares, without par value

	Number of Common Shares		Amount		Contributed Surplus
Issued					
Balance at December 31, 2009 and December 31, 2008	6,200,000	$	837,102	$	137,815
Issued for property	3,655,000		184,250		-
Issued for services	60,000		9,000		-
Stock-based compensation	-		-		18,000
Balance at September 30, 2010	9,915,000	$	1,030,352		155,815

During the period ended September 30, 2010, the Company issued a total of 3,655,000 shares with a fair value of $184,250 as part of the acquisition of the Blue Quartz property (Note 8). The Company also issued 60,000 shares with a fair value of $9,000 as part of an agreement for internet presentation and branding which has been expensed as promotion and advertising.

The Company did not issue any shares in the year ended December 31, 2009.

Escrow Shares - There are 4,963,500 shares held in escrow. Under the terms of the escrow agreements, these shares will be released on a schedule over the 3 years from February 3, 2010.

Warrants - During the period ended September 30, 2010 and the year ended December 31, 2009, the Company did not issue any warrants. 400,000 agents' warrants at an exercise price of $0.20 expired during the year ended December 31, 2009.

Note 10 STOCK OPTION PLAN AND STOCK-BASED COMPENSATION

The Company has a stock option plan applicable to directors, officers and consultants, under which the total outstanding stock options are limited to 10% of the outstanding common shares of the Company at any one time. Under the plan, an option's maximum term is five years from the grant date. Options under this plan vest upon issuance.

During the period ended September 30, 2010, the Company issued 225,000 common stock options with a fair value of $0.08 per option to directors, officers and consultants and stock-based compensation of $18,000 has been recognized. The Company did not issue any options during the year ended December 31, 2009.

The fair value of these stock options was calculated using the Black-Sholes option pricing model based on the following weighted average assumptions:

Risk-free interest rate	2.90%
Expected life	5 years
Dividend rate	0%
Volatility	100%

The following stock options were outstanding at September 30, 2010:

Number of Shares	Weighted Average Exercise Price $	Expiry Date
460,000	0.20	November 6, 2012
160,000	0.20	February 3, 2011
225,000	0.10	February 4, 2015
845,000	0.17	

During the period ended September 30, 2010, the expiry date on 160,000 common stock options was changed from November 6, 2012 to February 3, 2011.

Note 11 RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the period ended September 30, 2010:

a) paid management fees of $33,333 (2009 - $Nil) to a director and officer of the Company;
b) paid geological consulting fees of $25,300 (2009 - $Nil) to a director of the Company; and
c) paid accounting fees of $Nil (2009 - $2,000) to an entity in which a principal is a director of the Company.

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

Note 12 SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the period ended September 30, 2010, the Company had the following significant non-cash transactions:

a) transferred a $20,000 advance on mineral property agreement to mineral property and deferred exploration expenditures;

b) reduced accounts payable for deferred exploration costs credits of $151 (2009 – $Nil),

c) issued 3,655,000 common shares valued at $184,250 as part of the Blue Quartz property agreement (Note 8); and

d) issued 60,000 common shares valued at $9,000 for internet and presentation branding which has been expensed as promotion and advertising.

Note 13 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

Note 14 SUBSEQUENT EVENT

Subsequent to the period ended September 30, 2010, the Company acquired an option to earn a 100% interest in the Dorset gold property located in northern Newfoundland. As part of this agreement, the Company will issue 100,000 common shares and 1,000,000 share purchase warrants over an 18 month period. Each warrant will entitle the holder to purchase one common share 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 issue dates of the warrants.

The Company must also incur exploration expenses of not less than $750,000 before the fifth anniversary of the signing date. A 2.5% NSR has been reserved in favour of the optionee. The Company may purchase and terminate 40% of the NSR at any time upon paying the optionee an aggregate cash payment of $1,000,000.