

RED MILE CAPITAL 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.

"Larry Whitehead"

President and Chief Executive Officer

RED MILE CAPITAL CORP
INTERIM FINANCIAL STATEMENTS

September 30, 2009

Unaudited

RED MILE CAPITAL CORP.
BALANCE SHEETS
 Unaudited
 Prepared by Management

	September 30 2009	December 31 2008
ASSETS		
Current		
Cash	\$ 123,164	\$ 45,675
Term deposits	500,000	750,000
Receivables	10,986	3,772
	634,150	799,447
Advance on mineral property agreement (Note 7)	20,000	-
	\$ 654,150	\$ 799,447
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 22,143	\$ 24,755
Shareholders' Equity		
Capital stock (Note 8)	837,102	837,102
Contributed surplus (Note 8)	137,815	137,815
Deficit	(342,910)	(200,225)
	632,007	774,692
	\$ 654,150	\$ 799,447

Subsequent event (Note 11)

On behalf of the Board:

"Robert Matheson"

Director

"Larry Whitehead"

Director

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

RED MILE CAPITAL CORP.
STATEMENTS OF OPERATIONS AND DEFICIT

Unaudited

Prepared by Management

	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
EXPENSES				
Accounting fees	\$ 3,120	-	\$ 5,255	\$ -
Consulting fees	5,000	2,420	9,575	20,367
Corporate administration fees	1,445	-	3,268	-
Office and miscellaneous	1,914	513	3,537	1,469
Promotion and advertising	-	-	545	55
Professional fees	82,444	14,356	95,427	35,345
Regulatory fees and transfer agent fees	11,603	7,775	23,050	12,118
Telephone	871	955	2,436	2,421
Travel and related costs	442	6,153	1,961	10,184
Loss before other item	(106,839)	(32,172)	(145,054)	(81,959)
OTHER ITEM				
Interest income	209	963	2,369	4,044
Loss and comprehensive loss for the period	(106,630)	(31,209)	(142,685)	(77,915)
Deficit, beginning of period	(236,280)	(153,069)	(200,225)	(106,363)
Deficit, end of period	\$ (342,910)	\$ (184,278)	\$ (342,910)	\$ (184,278)
Basic and diluted earnings per common share	\$ (0.02)	\$ (0.01)	\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding during the period	6,200,000	6,200,000	6,200,000	6,200,000

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

RED MILE CAPITAL CORP.
STATEMENTS OF CASH FLOWS

Unaudited

Prepared by Management

	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES				
Income for the period from continuing operations	\$(106,630)	\$ (31,209)	\$(142,685)	\$ (77,915)
Changes in non-cash working capital items:				
Decrease (increase) in receivables	(4,265)	913	(7,214)	1,528
Increase (decrease) in accounts payable and accrued liabilities	15,345	1	(2,612)	-
Net cash used in operating activities	(95,550)	(30,295)	(152,511)	(76,387)
CASH FLOWS FROM INVESTING ACTIVITIES				
Term deposits	-	-	250,000	-
Advance on mineral property agreement	(20,000)	-	(20,000)	-
Net cash provided by (used in) investing activities	(20,000)	-	230,000	-
Change in cash during the period	(115,550)	(30,295)	77,489	(76,387)
Cash, beginning of period	238,714	321,182	45,675	367,274
Cash, end of period	\$ 123,164	\$ 290,887	\$ 123,164	\$ 290,887

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

RED MLE CAPITAL CORP.
NOTES TO FINANCIAL STATEMENTS
September 30, 2009
(Unaudited)
Prepared by Management

Note 1 NATURE OF OPERATIONS

The Company was incorporated under the Business Corporations Act of Alberta on May 31, 2007 and is a Capital Pool Company ("CPC") as defined by Policy 2.4 of the TSX Venture Exchange (the 'TSXV').

As at September 30, 2009, the Company had no business operations and its only significant assets are cash and short term deposits. As a CPC, the Company's principal business is the identification and evaluation of assets, properties or businesses with a view to acquisition or participation therein subject, in certain cases, to shareholder approval and acceptance by the TSX. Where an acquisition or participation is warranted (the "Qualifying Transaction"), additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing.

There is no assurance that the Company will complete a Qualifying Transaction within twenty-four months from the date the Company's shares were listed on the TSX, at which time the TSX may suspend or de-list the Company's shares from trading. The TSX Venture Exchange has granted the Company an extension for completion of its Qualifying Transaction to March 31, 2010.

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.

RED MLE CAPITAL CORP.
NOTES TO FINANCIAL STATEMENTS
September 30, 2009
(Unaudited)
Prepared by Management

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.

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.

RED MILE CAPITAL CORP.
NOTES TO FINANCIAL STATEMENTS
September 30, 2009
Unaudited
Prepared by Management

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loss per share

The Company utilizes the treasury stock method in computing loss per share. Under this method, basic loss per share is computed by dividing loss available to common shareholders by the weighted average number of common shares outstanding during the year.

For the periods ended September 30, 2009, and September 30, 2008, the existence of agent warrants and options affect the calculation of loss per share on a fully diluted basis. As the effect of this dilution is to reduce the reported loss per share, fully diluted loss per share information has not been shown.

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.

Comprehensive income

In accordance with the CICA Handbook Section 1530 - Comprehensive Income and CICA Handbook section 3251 "Equity", these sections provide standards for the reporting and presentation of comprehensive income, which represents the change in equity, from transactions and other events and circumstances from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net income calculated in accordance with Canadian GAAP. This standard requires the Company to disclose in its financial statements the net loss for the period as well as each component of other comprehensive income, classified by nature. For the periods ended September 30, 2009, and September 30, 2008, there was no other comprehensive income.

RED MILE CAPITAL CORP.
NOTES TO FINANCIAL STATEMENTS
September 30, 2009
Unaudited
Prepared by Management

Note 3 RECENT ACCOUNTING PRONOUNCEMENTS

In 2008, the CICA issued Handbook Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Intangible Assets", and Section 3450, "Research and Development Costs". Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. This new standard is effective for the Company's interim and annual consolidated financial statements commencing January 1, 2009. The Company does not expect that the adoption of this standard will have a material impact on its financial statements.

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 AcSB confirmed 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.

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. The Corporation is currently evaluating the impact of this standard on the financial statements.

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. The Corporation is currently evaluating the impact of this standard on the financial statements.

In June 2007, the Accounting Standards Board issued CICA Handbook Section 1400, "General Standards of Financial Statement Presentation", which provides revised guidance on management's responsibility to assess and disclose the Company's ability to continue as a going concern. This standard is effective for the Company's interim and annual financial statements for fiscal years beginning on or after November 1, 2008. The adoption of this standard has not had a material impact on the Company's financial statements.

RED MLE CAPITAL CORP.
NOTES TO FINANCIAL STATEMENTS
September 30, 2009
(Unaudited)
Prepared by Management

Note 4 CHANGES IN ACCOUNTING POLICIES

On January 1, 2008, 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 these new standards:

Section 3862 - Financial Instruments - Disclosures, which replaces Section 3861 and provides expanded disclosure requirements that provide additional detail by financial asset and liability categories.

Section 3863 - Financial Instruments - Presentation, to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows.

Section 1535 - Capital Disclosures - The Company is required to disclose its objectives, policies and processes for managing capital, and compliance with externally imposed capital requirements, if any.

Section 1400 - General Standards of Financial Statement Presentation - The Section provides revised guidance on management's responsibility to assess and disclose the Company's ability to continue as a going concern.

Note 5 FINANCIAL INSTRUMENTS AND RISK

Financial Instruments

As at September 30, 2009, the Company's financial instruments consist of cash, term deposits, receivables and accounts payable. The fair values of these financial instruments approximate their carrying values because of their current nature.

The Company classifies its cash, term deposits as held-for-trading; receivables as loans and receivables; and its accounts payable as other financial liabilities.

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.

RED MILE CAPITAL CORP.
NOTES TO FINANCIAL STATEMENTS
September 30, 2009
Unaudited
Prepared by Management

Note 5 FINANCIAL INSTRUMENTS AND RISK (Continued)

Foreign Exchange Risk

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

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, 2009, 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.

The Company expects its current capital resources will be sufficient to carry its process of identifying and completion of a qualifying transaction. Additional funds may be required to finance the Company's qualifying transaction.

RED MILE CAPITAL CORP.
NOTES TO FINANCIAL STATEMENTS
September 30, 2009
Unaudited
Prepared by Management

Note 7 ADVANCE ON MINERAL PROPERTY AGREEMENT

During the period ended September 30, 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%.

The agreement is subject to regulatory approval. In order to acquire this interest, the Company must complete the following:

- 1) issuing 3,505,000 of its common shares to Russet Lake at a deemed price per share equal to the Discounted Market Price as defined in the policies of the TSX.

- 2) assuming Russet Lake's remaining obligations under the option agreement which include:
 - a) making a cash payment of \$20,000 (paid) and issuing 50,000 common shares on or before December 31, 2009;
 - b) making a cash payment of \$20,000, issuing 100,000 common shares, and completing \$150,000 in work expenditures on or before September 1, 2010;
 - c) making a cash payment of \$20,000, issuing 100,000 common shares, and completing \$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.

RED MILE CAPITAL CORP.
NOTES TO FINANCIAL STATEMENTS
September 30, 2009
Unaudited
Prepared by Management

Note 8 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 September 30, 2009 and December 31, 2008	6,200,000	\$ 837,102	\$ 137,815

The Company did not issue any shares in the period ended September 30, 2009.

Escrow Shares - There are 2,200,000 shares held in escrow. Under the escrow agreement, 10% of the shares will be released on the issuance of the Final Exchange Bulletin (the TSX's acceptance of the Qualifying Transaction) and an additional 15% will be released on each of the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release.

Warrants - During the period ended September 30, 2009, the Company did not issue any warrants. As at September 30, 2009, the Company has 400,000 agents' warrants at an exercise price of \$0.20 with an expiry date of November 12, 2009 (expired).

Note 9 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.

The Company did not issue any options during the period ended September 30, 2009. As at September 30, 2009, the Company has 620,000 options outstanding and exercisable at an exercise price of \$0.20 with an expiry date of November 5, 2012.

As at September 30, 2009, the weighted average contract life remaining is 3.1 years.

RED MILE CAPITAL CORP.
NOTES TO FINANCIAL STATEMENTS
September 30, 2009
Unaudited
Prepared by Management

Note 10 RELATED PARTY TRANSACTIONS

The following is a summary of the Company's related party transactions for the nine month periods ending September 30:

	2009	2008
Accounting fees	\$ 4,000	\$ -
Consulting fees	-	3,900
	\$ 4,000	\$ 3,900

These fees are paid to entities in which principals are Directors 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 11 COMPARATIVE FIGURES

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

Note 12 SUBSEQUENT EVENT

Subsequent to the period ended September 30, 2009, 400,000 agents' warrants at an exercise price of \$0.20 expired.