RX Exploration Inc.

Consolidated Interim Financial Statements

September 30, 2009
(unaudited)

Notice to Reader

The accompanying unaudited interim financial statements have been prepared by the Company's management and the Company's independent auditors have not performed a review of these financial statements.

RX Exploration Inc.

Consolidated Balance Sheets
As at September 30, 2009

	Note	September 30, 2009	June 30, 2009 (audited)
Assets			
Current			
Cash		**$ 1,220,226**	$ 12,797
Due from agent		**-**	1,201,610
Prepaid expenses and sundry assets		**41,582**	36,567
		1,261,808	1,250,974
Mining claims and deferred exploration expenditures	3	**10,612,941**	10,080,534
Reclamation bond	4	**37,806**	34,263
		$11,912,555	$11,365,771
Liabilities			
Current			
Accounts payable and accrued liabilities		**$ 601,893**	$ 700,241
		601,893	700,241
Restoration liability		**34,263**	34,263
		636,156	734,504
Shareholders' Equity			
Capital stock	5	**7,130,898**	6,572,952
Contributed surplus		**1,441,171**	993,163
Share purchase warrants		**6,906,141**	6,574,042
Deficit		**(4,201,811)**	(3,508,890)
		11,276,399	10,631,267
		$11,912,555	$11,365,771

Nature of Operations and Going Concern *(Note 1)*

Approved by the Board **"Murray R. Nye"** Director **"John A. Ryan"** Director
(Signed) (Signed)

See accompanying notes.

RX Exploration Inc.

Consolidated Statements of Operations and Deficit
September 30, 2009 and 2008

	Three Months Ended September 30, 2009	Three Months Ended September 30, 2008
Expenses		
Office and general	**$ 102,490**	$ 40,166
Professional fees	**88,429**	59,090
Stock-based compensation	**502,000**	-
Loss before undernoted item	**(692,919)**	(99,256)
Interest income	**-**	6,917
Loss before income taxes	**(692,919)**	(92,339)
Future tax recovery	**-**	(28,000)
Net loss	**(692,919)**	(64,339)
Deficit at beginning of period	**(3,508,892)**	(2,787,179)
Deficit at end of period	**$(4,201,811)**	$(2,851,518)
Loss per share		
Basic and diluted	**$ (0.010)**	$ (0.001)
Weighted average number of common shares outstanding		
Basic and diluted	**72,050,785**	45,532,704

See accompanying notes.

RX Exploration Inc.

Consolidated Statements of Cash Flows

September 30, 2009 and 2008

	Three Months Ended September 30, 2009	Three Months Ended September 30, 2008
Cash flows from operating activities		
Loss from operations	**$ (692,919)**	$ (64,339)
Add (deduct) items not affecting cash:		
Future tax recovery	**-**	(28,000)
Stock-based compensation	**502,000**	-
Changes in non-cash working capital item		
Prepaid expenses and sundry assets	**(5,015)**	(89,922)
Accounts payable and accrued liabilities	**(98,348)**	(371,533)
Reclamation bond	**$ (3,543)**	$ -
	(297,825)	(553,794)
Cash flows from investing activity		
Acquisition of mining claims and deferred exploration expenditures	**(532,407)**	(2,843,058)
Cash flows from financing activity		
Issuance of capital stock	**736,051**	-
Shares issued on exercise of stock options	**100,000**	-
Subscriptions received from agent	**1,201,610**	2,730,000
	2,037,661	2,730,000
Increase (decrease) in cash during the period	**1,207,429**	(666,852)
Cash at beginning of period	**12,797**	2,249,713
Cash at end of period	**$ 1,220,226**	$ 1,582,861

See accompanying notes.

1. NATURE OF OPERATIONS AND GOING CONCERN

The continuing operations of the Company and the recoverability of the carrying value of the mining claims and the related deferred exploration expenditures are dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain necessary financing to continue exploration and development, the ability of the Company to secure and maintain title and beneficial interest in the properties, entering agreements with others to explore and develop the properties and upon future profitable production or proceeds from disposition of such properties. Realized amounts for the Company's mining properties may vary materially from book amounts.

As is common with exploration companies, the Company is dependent upon obtaining necessary equity financing from time to time to finance its on-going and planned exploration activities.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles using accounting policies consistent with the Company's audited annual financial statements and notes thereto for the year ended June 30, 2009.

Recent Accounting Pronouncements Issued and Not Yet Applied

(i) In 2008, the CICA issued Handbook Section 3064, Goodwill and Intangible Assets ("CICA 3064"). CICA 3064, which replaces Section 3062, Goodwill and Intangible Assets, and Section 3450, Research and Development Costs, 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 financial statements for periods commencing July 1, 2009. The Company is assessing the impact of the new standard on its financial statements.

(ii) The CICA plans to converge Canadian Generally Accepted Accounting Principles with International Financial Reporting Standards (“IFRS”) over a transition period expected to end in 2011, when IFRS will be fully adopted. The impact of the transition to IFRS on the Company’s financial statements is not yet determinable.

3. MINING CLAIMS AND DEFERRED EXPLORATION EXPENDITURES

	July 1 2009	Additions	Write-off	Sept. 30 2009
Thunder Bay Claims, ON (i)	$ -	$ -	$ -	$ -
Hard Rock Claims, MT (ii)	7,582,079	532,407	-	8,114,486
Van Koughnet Township Claims, ON (iii)	2,089,719	-	-	2,089,719
Placer Claims, MT (iv)	408,736	-	-	408,736
	$10,080,534	$ 532,407	$ -	$10,612,941

(i) Thunder Bay Claims - Thunder Bay Mining Division, Ontario

(1) On October 21, 2005, the Company acquired from Wabassi River Resources Inc. (the "Optionor") an option to earn a 50% interest in the Zulapa Interest ("Zulapa"). This claim is on land owned by a First Nations band, in the Province of Ontario. The option on Zulapa is contingent on the optionor obtaining a signed agreement from the First Nations tribe approving any exploration activity on their land.

(2) Concurrently, the Company acquired an option to earn a 50% interest in eight (8) unpatented mining claims which are adjacent to the Zulapa claim, (totaling 108 claim units) from the Optionor in the Thunder Bay Mining Division in the Province of Ontario.

In order to maintain these options the Company is required to do the following:

(a) pay $5,500 to the Optionor upon signing of the option agreement (the "Agreement"), which was paid in the year ended June 30, 2006;

(b) incur expenditures of not less than $150,000 in mining operations with respect to any of the claims or the Zulapa Interest (if and when available), on or before the first anniversary of the signing of the Agreement, of which sufficient expenditures must be recorded against the claims in each year to meet assessment requirements required to keep them in good standing;

(c) incur further expenditures of not less than $200,000 in mining operations with respect to any of the claims or the Zulapa Interest (if and when available), on or before the earlier of:

(i) the first anniversary of the Formal First Nation Agreement, if and when entered into; and

(ii) the second anniversary of the signing of the Agreement;

3. MINING CLAIMS AND DEFERRED EXPLORATION EXPENDITURES (Cont'd)

(d) on or before the 60th day (the "Election Date") after receiving a comprehensive report on the results of the mining operations and after a minimum of $350,000 in expenditures have been incurred, the Company shall be required to elect in writing whether or not it will proceed to earn its 50% interest in the claims and/or the Zulapa Interest. In the event that the Company exercises its right to proceed to earn its 50% interest in the claims and/or the Zulapa Interest, the Company shall:

(i) pay to the Optionor the sum of $150,000 on or before the 30th day following the Election Date; and

(ii) incur further expenditures of not less than $1,150,000 in mining operations with respect to any of the claims or the Zulapa Interest (if and when available), on or before the second anniversary of the Election Date;

(e) in the event that the Company has incurred expenditures of at least $350,000, but does not elect to earn its 50% interest to the claims and/or the Zulapa Interest (see Note 4(d)), the Company's interest or right to earn an interest in the claims and the Zulapa Interest shall be converted into a 10% interest in the claims and/or the Zulapa Interest.

The claims are subject to a 2% net smelter royalty ("NSR") which the Company can, at any time, repurchase one percent of the NSR for $1,500,000.

As at June 30, 2009, the Company has paid the $5,500 due on signing and incurred $99,500 of exploration expenditures. The expenditures incurred in the prior years related to the mining claims surrounding the First Nations land. The Company has not been able to meet its requirements under this arrangement as access to the land claims and Zulapa interest have not yet been granted by the First Nations band; however, the Company will continue to proceed with this exploration once permission has been granted. The optionor is aware that the Company has not been granted access to the claims resulting in their inability to meet the terms of the agreement. Management is working with the optionor to obtain the required permissions.

Although Management still intends on pursuing these claims, all deferred exploration expenditures were written off in the previous fiscal year due to the length of time which has passed since these costs were incurred as the optionor has been unable to obtain the required permission to proceed from the First Nations band.

3. MINING CLAIMS AND DEFERRED EXPLORATION EXPENDITURES (Cont'd)

(ii) Hard Rock Claims - Lewis and Clark county, Montana

On October 30, 2006, the Company entered into an agreement with subsequent amendments with an arm's length party, (the "optionors"), to option from them 100% of their interest in patented mining claims ("Hard Rock Claims") situated in Lewis and Clark County in the State of Montana consisting of 23 claims (3 of the claims consist of less than 100% interest). To earn 100% of the optionor's interest the Company must make further annual payments of $240,000 on April 13, 2010 and 2011.

The claims are subject to a 2% net smelter royalty.

(iii) Van Koughnet Township Sault Ste. Marie Mining Division, Ontario

Agreement A

On March 7, 2008, the Company entered into an agreement to acquire an undivided 50% working interest in 6 claims located in the Van Koughnet township in the Province of Ontario. To earn its 50% interest in the claims the Company must incur or fund expenditures of $1,500,000 by the second anniversary of closing and issue 60,000 shares on the exercise date.

After the Company has exercised its option, the parties agree that each party will pay 50% of the cost of further exploration expenditures. There will be a standard dilution clause if either party fails to pay its proportionate share of expenditures. If either party is diluted to less than 10%, its interest will be converted to a 1% net smelter return ("NSR").

The Optionor shall be entitled to a royalty interest equal to a 2% NSR. One half of the NSR may be repurchased for $600,000 at any time.

Agreement B

The Company has entered into two option agreements (the "option") to acquire an undivided 50% working interest in 5 claims located in the Township of Van Koughnet. In order to maintain the option the Company shall incur or fund expenditures totaling $1,000,000 with respect to any of the claims on or before March 11, 2010 and a further $500,000 within one year of the completion of the first $1,000,000. Once the Company has incurred the expenditures with respect to the claim it shall automatically earn a 50% interest. After the Company earns its interest, both parties will contribute equally to fund the exploration. There will be a standard dilution clause if either party fails to pay its proportionate share of expenditures. If either party is diluted to less than 10%, its interest will be converted to a 1% NSR.

As at September 30, 2009 the Company has incurred and/or funded approximately $2,001,300 in exploration expenditures towards the above agreements.

3. MINING CLAIMS AND DEFERRED EXPLORATION EXPENDITURES (Cont'd)

(iv) Placer Claims - Lewis and Clark county, Montana

On April 17, 2008 the Company entered into an agreement to purchase a 100% interest in 12 mining claims in the Lewis and Clark County in the State of Montana for $625,000 USD and 350,000 common shares.

In exchange for a cash investment of $3,000,000 made in the prior year, the Company issued 7,500,000 units (Note 6(i)) in the year ended June 30, 2008 and agreed to transfer this property into a newly formed entity ("Marysville Mining and Milling, LLC", "MMM") in which the Company would have a 50% interest and the investor, Spruce Ridge Resources Ltd. ("SRR"), would have the remaining 50% interest. Of the $3,000,000 financing provided by SRR, $397,063 represented the amount related to their 50% interest in MMM which was reflected as a liability on the balance sheet for the year ended June 30, 2008. During the year ended June 30, 2009, this liability was applied against that year's additions relating to the property. The property was transferred into MMM and is 50% owned by each party.

The Company does not have a minimum future expenditure commitment on the property. However, their 50% interest is subject to dilution if the Company doesn't participate pro rata with the other co owner on any future expenditures.

The vendors retain a 2% Net Smelter royalty on certain claims and a 3% gross royalty on certain claims.

4. RECLAMATION BONDS

As at September 30, 2009, management estimated site restoration costs relating to their exploration program on their mining claims in Montana which has been accrued. These costs are estimated by management and approved by the Montana Department of Environmental Quality ("MDEQ"). The Company is required to issue reclamation bonds to cover these estimated restoration costs. The reclamation bonds will be refunded to the Company upon the MDEQ being satisfied with the site restoration.

5. CAPITAL STOCK

Authorized
unlimited common shares

Issued

	Number of Shares	Amount
Balance at June 30, 2009	**68,207,578**	**$6,572,952**
Units issued (i)	3,915,000	783,000
Options exercised (ii)	400,000	153,992
Allocated to warrants (i)	-	(292,700)
Share issue costs (i)	-	(86,346)
Balance at September 30, 2009	**72,522,578**	**$7,130,898**

(i) On July 8, 2009 the Company raised gross proceeds of $783,000 by issuing 3,915,000 units. Each Unit consisted of one common share and one share purchase warrant. Each warrant entitled the holder to purchase a common share at $0.40 for a period of 2 years (the expiry date shall be accelerated to 30 days from the tenth consecutive trading day on which the common shares of the Company close at or above $0.60)

The fair value of each warrant granted in the period has been estimated at the date of grant or the date when it became measurable using the Black Scholes option pricing model.

Share issue costs of $86,352 have been netted against the proceeds. Included in share issue costs is $39,399 representing the fair value of 210,000 broker warrants issued in connection with the above financing.

(ii) On September 23, 2009, 400,000 stock options were exercised at $0.25.

(iii) 100,000 stock options to C. Connor lapsed in July, 2009.

6. CONTRIBUTED SURPLUS

The following summarizes the change in contributed surplus:

	September 30 **2009**	**June 30** 2009
Balance, beginning of year	**$ 993,163**	$ 682,802
Stock-based compensation expense (Note 8)	**502,000**	312,278
Options exercised	**(53,992)**	-
Premium on repurchase of shares	**-**	(1,917)
Balance, as at September 30, 2009	**1,441,171**	$ 993,163

7. STOCK OPTIONS AND WARRANTS

(i) Stock Options

The Company had the following stock options outstanding as of September 30, 2009:

Number of Options	Exercisable	Exercise Price	Expiry Date
400,000	400,000	$0.15	November 10, 2011
50,000	50,000	$0.32	January 29, 2010
400,000	400,000	$0.70	May 22, 2010
200,000	200,000	$0.70	August 22, 2010
1,350,000	1,350,000	$0.25	January 28, 2012
200,000	200,000	$0.25	February 4, 2012
3,050,000	3,050,000	$0.32	January 29, 2013
5,650,000	**5,650,000**		

7. STOCK OPTIONS AND WARRANTS (Cont'd)

(ii) Warrants

The Company had the following warrants outstanding at September 30, 2009:

Number of Warrants	Exercise Price	Expiry Date
333,333 (i)	$0.15	December 19, 2009
372,200 (i)	$0.50	December 19, 2009
1,861,000	$0.75	December 19, 2009
2,850,000	$0.60	April 3, 2010
285,000 (i)	$0.40	April 3, 2010
1,325,000	$0.60	April 10, 2010
132,500 (i)	$0.40	April 10, 2010
617,000	$0.60	April 11, 2010
44,200 (i)	$0.40	April 11, 2010
75,000	$0.60	April 30, 2010
7,500 (i)	$0.40	April 30, 2010
133,000	$0.60	May 5, 2010
13,300 (i)	$0.40	May 5, 2010
7,500,000	$0.60	June 30, 2010
750,000 (i)	$0.40	June 30, 2010
300,000	$0.25	December 31, 2010
30,000 (i)	$0.20	December 31, 2010
25,000	$0.40	December 31, 2010
5,000 (i)	$0.30	December 31, 2010
2,250,000	$0.25	January 19, 2011
225,000 (i)	$0.20	January 19, 2011
350,000	$0.25	January 19, 2011
50,000	$0.25	January 29, 2011
5,000 (i)	$0.20	January 29, 2011
140,000	$0.25	February 6, 2011
9,865,000 (ii)	$0.40	March 2, 2011
986,500 (i)	$0.20	March 2, 2011
1,225,000 (ii)	$0.40	April 24, 2011
122,500 (i)	$0.20	April 24, 2011
5,118,500 (ii)	$0.40	June 25, 2011
25,000	$0.40	June 30, 2011
3,255,000 (ii)	$0.40	June 30, 2011
325,500 (i)	$0.20	June 30, 2011
2,100,000 (ii)	$0.40	July 8, 2011
1,815,000 (ii)	$0.40	July 8, 2011
210,000 (i)	$0.20	July 8, 2011
44,727,033		

(i) These are broker warrants issued in connection with the Company's financings.

(ii) The expiry date shall be accelerated to 30 days from the 10th consecutive trading day on which the common shares close at or above $0.60.

8. STOCK-BASED COMPENSATION

The total stock based compensation relating to options issued pursuant to the stock option plan recognized during the period ended September 30, 2009 year was $502,000.

The fair value of each option granted in the year has been estimated at the date of grant or the date when it became measurable using the Black Scholes option pricing model.

The weighted average fair value of the options granted during the year was estimated at $0.17 using the Black-Scholes option pricing model with the following weighted average assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 126%; (iii) risk free interest rate of 2.3% and; (iv) expected life of 3 years.

The Company has assumed no forfeiture rate as adjustments for actual forfeitures are made in the year they occur. Option pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates.

9. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued capital stock, share purchase warrants, contributed surplus and deficit, in the definition of capital.

The Company’s primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its exploration and to maintain its ongoing operations. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity and warrants or by securing strategic partners.

The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the three months ended September 30, 2009.

10. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks by virtue of its activities: market risk (including currency risk and interest rate risk), fair value risk, credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

Risk management is carried out by management under policies approved by the Board of Directors. Management is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies.

(a) Market risk:

(i) Currency risk:

The Company is exposed to foreign exchange risk from various currencies, primarily US dollars. Foreign exchange risk arises from purchase transactions as well as recognized financial assets and liabilities denominated in foreign currencies.

The Company's main objective in managing its foreign exchange is to maintain US cash on hand to support US forecasted cash flows over a 12 month horizon. To achieve this objective the Company monitors forecasted cash flows in foreign currencies and attempts to mitigate the risk by modifying the currency of cash held.

As at September 30, 2009 the Company held $26,334 of cash in US dollars.

(ii) Interest rate risk:

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Financial assets and financial liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company's cash earns interest at market rates.

The Company manages its interest rate risk by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day to day basis. Fluctuations in market rates of interest do not have a significant impact on the Company’s results of operations as interest income is a nominal amount for the three months ended September 30, 2009.

10. FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due.

The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at September 30, 2009, the Company has current liabilities of $601,893 due within 12 months and has cash and cash equivalents of $1,261,808 to meet its current obligations. As at September 30, 2009 the Company has a working capital surplus of $659,915. Management will continue to raise capital to fund the Company's exploration, development and feasibility expenditures and for general and administrative costs.

11. RELATED PARTY TRANSACTIONS

Transactions with related parties are incurred in the normal course of business and are measured at the exchange amount, which is the consideration established and agreed to by the respective parties. Related party transactions not disclosed elsewhere are summarized below:

Included in mining claims and deferred exploration expenditures are $NIL (2008 - $19,950) of fees paid to the Company’s legal counsel who is a director of the Company

Included in accounts payable and accrued liabilities is $85,896 (2008 - $48,729) due to the Company's legal counsel who is a director of the Company, $20,000 (2008 - $NIL) due to a company controlled by significant shareholders.

Included in capital stock is $9,153 (2008 - $NIL) of share issuance costs for fees paid to the Company's legal counsel who is a director of the Company.

Included in professional and consulting fees are $4,522 (2008 - $26,157) of fees paid to the Company's legal counsel who is a director of the Company and $60,000 (2008 - $NIL) in management fees to a company controlled by significant shareholders.

Included in office and general are $15,466 (2008 - $7,419) in payments to a company controlled by a significant shareholder, related to rent and reimbursements and $1,500 (2008 - $NIL) to a company controlled by a director of the Company.

12 CONTINGENCY

Pursuant to the flow through share issuance in a prior year the Company renounced to its investors certain expenditures in accordance with the look back rules under the Income Tax Act ("the Act"). As a result, the Company was committed to incurring approximately $1,861,000 of Canadian Exploration Expenditures prior to December 31, 2008. The Company did not incur the required amount of Canadian Exploration Expenditures by December 31, 2008 and, as a result, has incurred a Part XII.6 tax in the approximate amount of $75,000. In addition the qualification of the eligibility of the Canadian Exploration Expenditures, including amounts funded to and then expended by the optionors of the Van Koughnet Townships claims (Note 3(iii)), which were renounced in relation to the flow through share issuance are in the normal course of business subject to review by the Canada Revenue Agency ("CRA"). If these expenditures were denied by the CRA under review the Company would incur penalties and would be required to amend certain of its tax filings with its flow through share investors.

13. SUBSEQUENT EVENTS

(i) On October 6, 2009, a total of 750,000 non-brokered Units were issued at a price of $0.20 per Unit. Each Unit consisted of one common share and one share purchase warrant, each warrant entitling the holder to acquire one further common share for 2 years at a price of $0.40 per common share (the expiry date shall be accelerated to thirty days from the tenth consecutive trading day on which the common shares of RX close at or above $0.60). The proceeds were received on August 4, 2009; therefore, the four-month hold period runs from the date when funds were received.

(ii) On October 29, 2009, a total of 5,027,000 Units were issued at a price of $0.20 per Unit. Each Unit consisted of one common share and one share purchase warrant, each warrant entitling the holder to acquire one further common share for 2 years at a price of $0.40 per common share (the expiry date shall be accelerated to thirty days from the tenth consecutive trading day on which the common shares of RX close at or above $0.60).

(iii) On November 4, 2009, a total of 750,000 non brokered Units were issued at a price of $0.20 per Unit. Each Unit consisted of one common share and one share purchase warrant, each warrant entitling the holder to acquire one further common share for 2 years at a price of $0.40 per common share (the expiry date shall be accelerated to thirty days from the tenth consecutive trading day on which the common shares of RX close at or above $0.60).

(iv) On November 5, 2009, a total of 2,477,000 Units were issued at a price of $0.20 per Unit. Each Unit consisted of one common share and one share purchase warrant, each warrant entitling the holder to acquire one further common share for 2 years at a price of $0.40 per common share (the expiry date shall be accelerated to thirty days from the tenth consecutive trading day on which the common shares of RX close at or above $0.60).

(v) On November 6, 2009, a total of 1,255,000 Units were issued at a price of $0.20 per Unit. Each Unit consisted of one common share and one share purchase warrant, each warrant entitling the holder to acquire one further common share for 2 years at a price of $0.40 per common share (the expiry date shall be accelerated to thirty days from the tenth consecutive trading day on which the common shares of RX close at or above $0.60).