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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the Fiscal Year Ended January 31, 2015

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 000-52055

**RED METAL RESOURCES LTD.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of  
incorporation or organization)

**20-2138504**

(I.R.S. Employer  
Identification No.)

**1158 Russell Street, Unit D, Thunder Bay, ON P7B 5N2**

(Address of principal executive offices)

Registrant's telephone number, including area code: (807) 345-7384

Securities registered pursuant to Section 12(b) of the Act:

**Title of each class**

N/A

**Name of each exchange on  
which each is registered**

N/A

Securities registered pursuant to Section 12(g) of the Act: Common Stock, \$0.001 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No  
☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No  
☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities  
Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such  
reports); and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☒

(Do not check if a smaller reporting company)

Indicate by check mark whether the issuer is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter. As of July 31, 2014, the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the average bid and ask price of the common equity was \$901,919.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. The number of shares of the registrant's common stock, \$0.001 par value per share, outstanding as of April 30, 2015 was 33,456,969.

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## GLOSSARY OF SELECTED MINING AND TECHNICAL TERMS

The following is a glossary of selected mining terms used in the United States and Canada and referenced in this Annual Report on Form 10-K:

Table 1. Glossary

Term	Definition
Ag	Silver
Assay	A chemical test performed on a sample of ores or minerals to determine the amount of valuable metals contained.
Au	Gold
Bulk sample	A large sample of mineralized rock, frequently hundreds of tonnes, selected in such a manner as to be representative of the potential mineral deposit (orebody) being sampled and used to determine metallurgical characteristics.
Core	The long cylindrical piece of rock, about an inch in diameter, brought to surface by diamond drilling
Core sample	One or several pieces of whole or split parts of core selected as a sample for analysis or assay.
Cross-cut	A horizontal opening driven from a shaft and (or near) right angles to the strike of a vein or other orebody. The term is also used to signify that a drill hole is crossing the mineralization at or near right angles to it.
Cu	Copper
Cut-off grade	The lowest grade of mineralized rock that qualifies as ore grade in a given deposit, and is also used as the lowest grade below which the mineralized rock currently cannot be profitably exploited. Cut-off grades vary between deposits depending upon the amenability of ore to gold extraction and upon costs of production.
Diorite	An intrusive igneous rock composed chiefly of sodic plagioclase, hornblende, biotite or pyroxene.
Drift	A horizontal or nearly horizontal underground opening driven along a vein to gain access to the deposit.
Exploration	Prospecting, sampling, mapping, diamond drilling and other work involved in searching for or defining a mineral deposit.
Fault	A break in the earth's crust caused by tectonic forces which have moved the rock on one side with respect to the other.
Grade	Term used to indicate the concentration of an economically desirable mineral or element in its host rock as a function of its relative mass. With gold or silver, this term may be expressed as grams per tonne (g/t) or ounces per tonne (opt or oz/t).
Gram	0.0321507 troy ounces
g/t	Grams per metric tonne
Hydrothermal	Processes associated with heated or superheated water, especially mineralization or alteration.
Km	Kilometre(s). Equal to 0.62 miles.
M	Metre(s). Equal to 3.28 feet.
Metamorphic	Affected by physical, chemical, and structural processes imposed by depth in the earth's crust.
Mine	An excavation on or beneath the surface of the ground from which mineral matter of value is extracted.
Net Smelter Return ("NSR")	A payment made by a producer of metals based on the value of the gross metal production from the property, less deduction of certain limited costs including smelting, refining, transportation and insurance costs.
Orebody	A term used to denote the mineralization contained within an economic mineral deposit.

<b>Term</b>	<b>Definition</b>
Ag	Silver
Outcrop	An exposure of rock or mineral deposit that can be seen on the surface, that is, not covered by soil or water.
Oxidation	A chemical reaction caused by exposure to oxygen that results in a change in the chemical composition of a mineral.
Oz	Ounce. A measure of weight in gold and other precious metals, correctly troy ounces, which weigh 31.1 grams as distinct from an imperial ounce which weigh 28.4 grams.
RC drilling	Reverse Circulation drilling, is one of the drilling methods, where drill cuttings are returned to surface inside the rods.
Shaft	A vertical passageway to an underground mine for moving personnel, equipment, supplies and material including ore and waste rock.
Strike	The direction, or bearing from true north, of a vein or rock formation measure on a horizontal surface.
Stringer	A narrow vein or irregular filament of a mineral or minerals traversing a rock mass.
Sulphides	A group of minerals which contains sulfur and other metallic elements such as copper and zinc. Gold is usually associated with sulphide enrichment in mineral deposits.
Tailings	Material rejected from a mill after most of the recoverable valuable minerals have been extracted.
Vein	A fissure, fault or crack in a rock filled by minerals that have travelled upwards from some deep source.
Zone	An area of distinct mineralization.

## **NOTE ABOUT FORWARD-LOOKING STATEMENTS**

This Annual Report on Form 10-K contains “forward-looking statements”. These forward-looking statements are based on our current expectations, assumptions, estimates and projections about our business and our industry. Words such as “believe,” “anticipate,” “expect,” “intend,” “plan,” “may,” and other similar expressions identify forward-looking statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in the sections of this Annual Report titled “Risk Factors”, “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, as well as the following:

- general economic conditions, because they may affect our ability to raise money
- our ability to raise enough money to continue our operations
- changes in regulatory requirements that adversely affect our business
- changes in the prices for minerals that adversely affect our business
- political changes in Chile, which could affect our interests there
- other uncertainties, all of which are difficult to predict and many of which are beyond our control

You are cautioned not to place undue reliance on these forward-looking statements, which relate only to events as of the date on which the statements are made. We undertake no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date of this Annual Report. You should refer to and carefully review the information in future documents we file with the Securities and Exchange Commission.

## ITEM 1: BUSINESS

### General

Red Metal Resources Ltd. was incorporated in Nevada on January 10, 2005, as Red Lake Exploration, Inc. We changed our name to Red Metal Resources Ltd. on August 27, 2008.

On August 21, 2007, we formed Minera Polymet Limitada (“Polymet”), a limited liability company, under the laws of the Republic of Chile. We own 99% of Polymet, which holds our Chilean mineral property interests. Under Chilean law, a resident of Chile must be a shareholder in a limited liability company (“Limitada”). To meet this requirement, 1% of Polymet is owned by a Chilean resident, an experienced manager who has organized an office and other resources for us to use and is Polymet’s legal representative in Chile. Polymet’s office is located in Vallenar, III Region of Atacama, Chile. When we refer to “Red Metal”, the “Company”, “we”, “us” or “our” in this report, we mean Red Metal Resources Ltd. together with Minera Polymet Limitada.

Our resident agent’s office is at 711 S. Carson Street, Suite 4, Carson City, Nevada, 89701. Our business office is at 1158 Russell Street, Unit D, Thunder Bay, ON P7B 5N2. Our telephone number is (807) 345-7384; our email address is [admin@redmetalresources.com](mailto:admin@redmetalresources.com); and our web address is [www.redmetalresources.com](http://www.redmetalresources.com). Information on our web site is not a part of this Annual Report.

We are a start-up exploration stage company with no material revenue generating operations. We are in the business of acquiring and exploring mineral claims. All of our claims are located in the III Region of Atacama, Chile. We have not determined whether our claims contain mineral reserves that are economically recoverable. We have not produced revenues from our principal business and are considered an exploration stage company.

Our ability to realize a return on our investment in mineral claims depends upon whether we maintain the legal ownership of the claims. Title to mineral claims involves risks inherent in the process of determining the validity of claims and the ambiguous transfer history characteristic of many mineral claims. To the best of our knowledge, and after consultation with an attorney knowledgeable in the practice of mining, we believe that we have taken the steps necessary to ensure that we have good title to our mineral claims. We have had our contracts and deeds notarized, recorded in the registry of mines and published in the mining bulletin and we review the mining bulletin regularly to determine whether other parties have staked claims over our ground. We have discovered no such claims.

### Recent corporate developments

#### Option to acquire Quina Claim

On May 27, 2014, Polymet entered into a Memorandum of Understanding (the “MOU”) with David Mitchell to acquire an option to earn 100% interest in two mining claims contiguous to the Farellon Property. On December 15, 2014, the MOU was superseded by an option agreement to earn 100% interest in one of the mining claims included in the MOU, Quina 1-56 (the “Quina claim”). For further information about this transaction, see the discussion titled “Option to acquire Quina Claim” included in the “*Unproved Mineral Properties*” section of this Annual Report. We have a verbal extension of the MOU on the remaining claim and expect to finalize the option agreement in May 2015.

#### Option with Geoactiva SpA

On April 30, 2013, Polymet granted Geoactiva SpA, a Chilean mining company (“Geoactiva”), an option to purchase 100% of our Perth property. To maintain the option and acquire the property, Geoactiva agreed to pay Minera Polymet \$1,000,000 and incur \$3,500,000 in exploration expenses over 48 months. In August 2014 Geoactiva notified us of the cancellation of the Option Agreement. For further information about this transaction, see the discussion titled “Option with Geoactiva SpA” included in the “*Unproved Mineral Properties*” section of this Annual Report.

### Grant of options

On February 28, 2014, we granted 1,200,000 options to purchase our common stock under the Red Metal Resources Ltd. 2011 Equity Incentive Plan. The options were granted to certain officers, directors, and consultants; our Chief Executive Officer, Chief Financial Officer, and Vice President of Exploration were each granted options to purchase up to 300,000 shares of our common stock. The options are exercisable at \$0.15 for a term of two years and vested upon grant.

### **Chile's mining and land tenure policies**

Chile's mining and land tenure policies were established to secure the property rights of both domestic and foreign investors to stimulate development of mining in Chile. The government of Chile owns all mineral resources, but exploration and exploitation of these resources are permitted through exploration and mining concessions. A mineral concession must pass through three stages to become a permanent mining concession, namely, pedimento, manifestacion and mensura.

A pedimento is an initial exploration claim. It can be placed on any area, whereas the survey to establish a permanent mensura claim can only be completed on free areas where no other mensuras exist. A pedimento is valid for a maximum of two years. At the end of this period it may either be reduced in size by at least 50% and renewed for an additional two years or entered into the manifestacion process to establish a permanent mensura claim. New pedimentos can overlap existing pedimentos, but the pedimento with the earliest filing date takes precedence providing the claim holder maintains the pedimento in accordance with the mining code and the applicable regulations.

Manifestacion, or mensura in process, is the process by which a pedimento is converted to a permanent mining claim. At any stage during its two-year life, the holder of a pedimento can submit a manifestacion application, which is valid for 220 days. To begin the manifestacion process, the owner must request a survey (mensura) within 220 days. After the survey request is accepted, the owner has approximately 12 months to have the claim surveyed by a government-licensed surveyor, inspected and approved by the national mining service, and affirmed as a mensura (equivalent to a patented claim) by a judge. Thereafter, an abstract describing the claim is published in Chile's official mining bulletin (published weekly) and 30 days later the claim is inscribed in the appropriate mining registry.

A mensura is a permanent property right that does not expire so long as the annual fees (patentes) are paid in a timely manner. Failure to pay the patentes for an extended period can result in the claim being listed for sale at auction, where a third party can acquire a claim for the payment of the back taxes owed and a penalty.

As of the date of this report, our Chilean mineral properties are represented mainly by mensura and mensura in process claims.

### **Strategic relationships**

We have a close working relationship with Minera Farellon Limitada ("Minera Farellon"), a Chilean company owned equally by Kevin Mitchell, Polymet's 1% shareholder and our legal representative in Chile, and Richard Jeffs, who holds more than 5% of our shares of common stock (see Table 23). Minera Farellon investigates potential claims and often ties them up, by staking new claims, optioning or buying others' claims, all at its own cost. This gives us an opportunity to review the claims prior to making a decision whether they are of interest to us. If we are interested, then we either proceed to acquire an interest in the property directly from the owner, or, if Minera Farellon has already obtained an interest, we take an option to acquire its interest. Minera Farellon, which is located in the city of Vallenar, also provides some of our logistical support in Vallenar, which enables us to limit our operating expenses to those needed from time to time.

## Unproved mineral properties

Due to a lack of operating capital, during the fiscal year ended January 31, 2015, we conducted no material exploratory operations on any of our properties. Until we are able to raise operating capital, which we cannot assure that we can do, we will not be able to initiate new exploration efforts or continue the exploration efforts we have begun. In the past we entered into several various agreements, being the joint ventures or the option agreements to acquire an interest in our claims. These agreements give us confidence there are opportunities to raise funds by selling some of our properties or by entering into joint venture agreements to continue developing some of our properties.

As of the date of this Annual Report on Form 10-K we have three active properties which we have assembled since the beginning of 2007 - the Farellon, Perth, and Mateo. These properties are grouped into two geographical areas - Carrizal Alto area properties and Vallenar area properties.

### Active properties

Table 2: Active properties

		Hectares	
Property	Percentage, type of claim	Gross area	Net area <sup>a</sup>
Farellon			
Farellon Alto 1 - 8 claim	100%, mensura	66	
Cecil 1 - 49 claim	100%, mensura	230	
Quina 1 - 56 claim	100%, mensura	252	
Teresita claim	100%, mensura	1	
Azucar 6 - 25 claim	100%, mensura	88	
Stamford 61 - 101 claim	100%, mensura	165	
Kahuna 1 - 40 claim	100%, mensura	200	
		1,002	1,002
Perth			
Perth 1 al 36 claim	100%, mensura	109	
Lancelot I 1 al 30 claim	100%, mensura in process	300	
Lancelot II 1 al 20 claim	100%, mensura in process	200	
Rey Arturo 1 al 30 claim	100%, mensura in process	300	
Merlin I 1 al 10 claim	100%, mensura in process	60	
Merlin I 1 al 24 claim	100%, mensura in process	240	
Galahad I 1 al 10 claim	100%, mensura in process	50	
Galahad IA 1 al 45 claim	100%, mensura in process	230	
Percival III 1 al 30 claim	100%, mensura in process	300	
Tristan II 1 al 30 claim	100%, mensura in process	300	
Tristan IIA 1 al 5 claim	100%, mensura in process	15	
Camelot 1 al 58 claim	100%, mensura in process	262	
		2,366	
Overlapped claims <sup>a</sup>		(121)	2,245
Mateo			
Margarita claim	100%, mensura	56	
Che 1 & 2 claims	100%, mensura	76	
Irene & Irene II claims	100%, mensura	60	
Mateo 4 and 5 claims	100%, mensura	600	
Mateo 1, 2, 3, 10, 12, 13 claims	100%, mensura in process	861	
		1,653	
Overlapped claims <sup>a</sup>		(469)	1,184
			4,431

Our active properties as of the date of this filing are set out in Figure 1. These properties are accessible by road from Vallenar as illustrated in Figure 1 below.



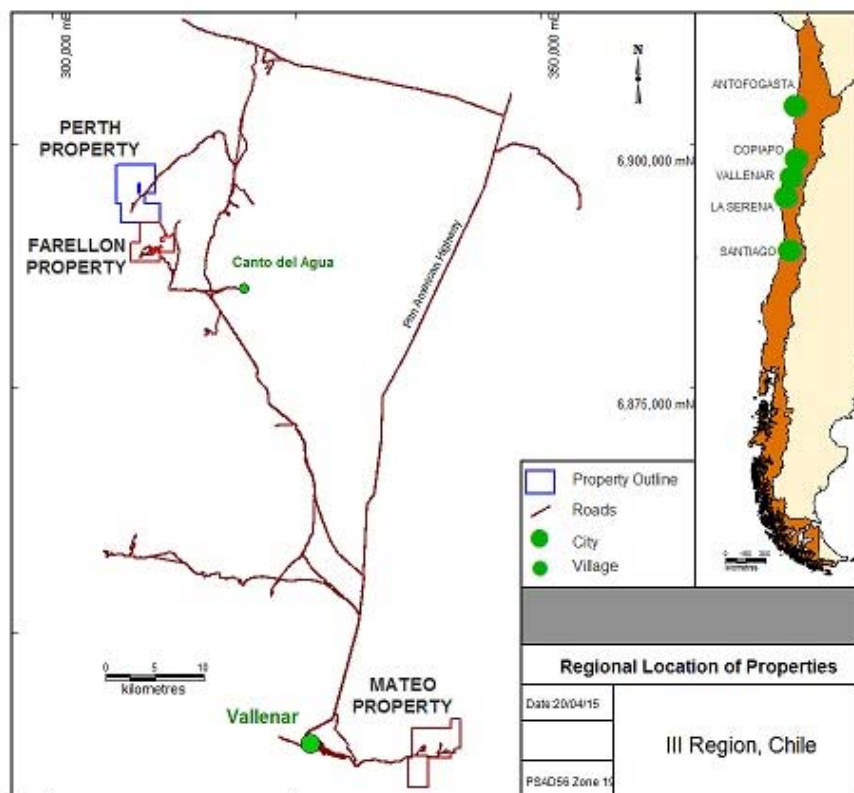


Figure 1: Location and access to active properties.

#### FARELLON PROPERTY

The Farellon property consists of two groups of claims which are not contiguous but lie within the historical Carrizal Alto mining district southwest of the Carrizal Alto mine. Table 3 describes the claims and Figure 2 illustrates them.

Table 3: Farellon property

Claim	Type Mensura (ha)
Farellon Alto 1 - 8	66
Cecil 1 - 49	230
Quina 1 - 56	252
Teresita	1
Azucar 6 - 25	88
Stamford 61 - 101	165
Kahuna 1 - 40	200
	1,002

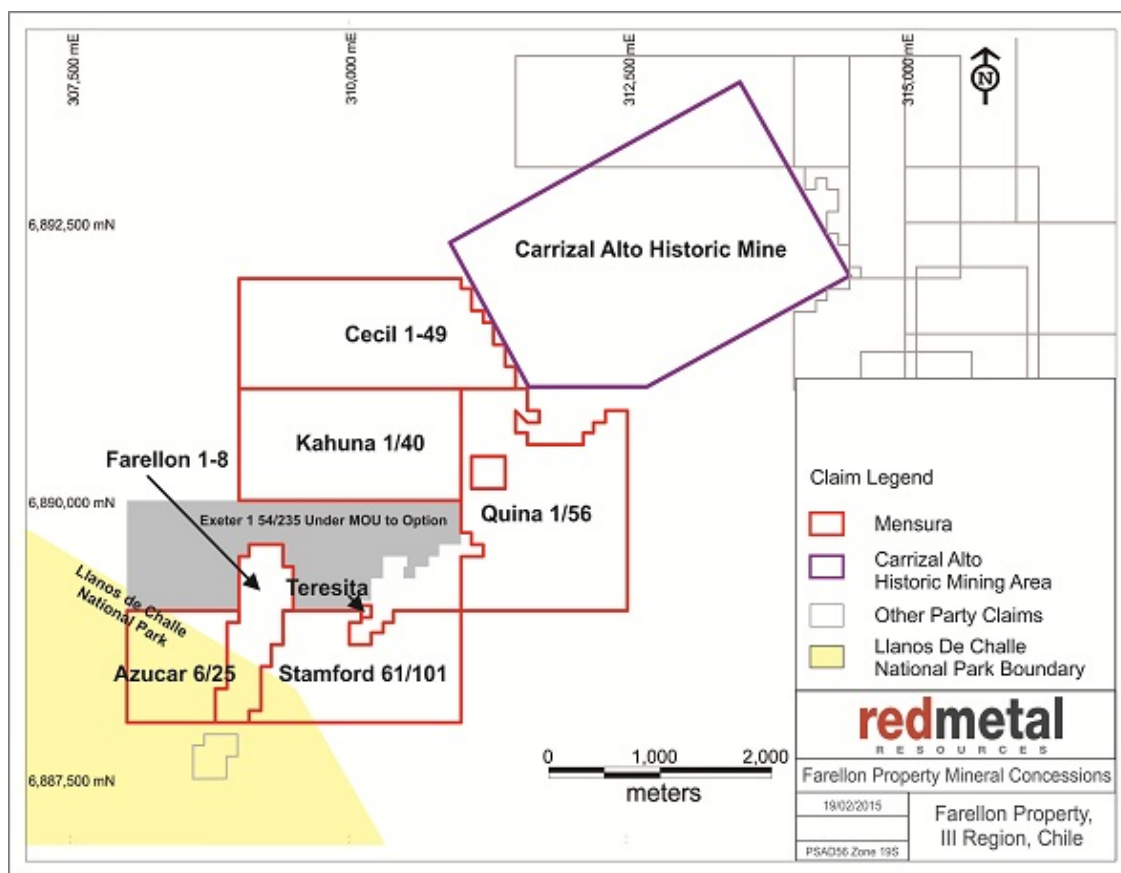


Figure 2: Farellon Property

#### FARELLON ALTO 1 - 8 CLAIM

The Farellon Alto 1 - 8 (the “Farellon Claim”) is the first mineral claim that we acquired in Chile. It covers 66 hectares and is centered about 309,150 east and 6,888,800 south UTM PSAD56 Zone 19 in Province of Huasco, Commune of Huasco, III Region of Atacama, Chile.

We acquired the claim on April 25, 2008, for \$550,000 and owe a royalty equal to 1.5% of the net proceeds that we receive from the processor to a maximum of \$600,000 with a monthly minimum of \$1,000 when we start exploiting the minerals extracted from the claim. We can pay any unpaid balance of the royalty at any time.

On May 23, 2013, we entered into a rental agreement with Minera Farellon Limitada (“Minera Farellon”), to allow Minera Farellon to conduct certain exploration and mining activities on the Farellon Claim in exchange for a 10% royalty on gross smelter returns. This agreement was amended on June 5, 2014, when Polymet gave the permission to conduct certain exploration and mining activities on Farellon Alto 1 - 6 claims directly to Kevin Mitchell, leaving Minera Farellon the right to work on Farellon Alto 7 - 8 claims.

Minera Farellon started small scale mining activities on the Farellon Claim in January 2014. The work done on the Farellon Claim by Minera Farellon resulted in \$9,865 royalty payments from gross smelter returns during the year ended January 31, 2015. During the same period we received \$4,389 in royalty payments from Kevin Mitchell. At the same time, the mining activities triggered our obligation to pay the minimum royalty to the original vendors; during the year ended January 31, 2015, we have paid \$14,255 in minimum royalties payable under our option agreement.

## CECIL 1 - 49 CLAIM

On September 17, 2008, we bought the Cecil 1 - 49, Cecil 1 - 40 and Burghley 1 - 60 claims for \$27,676. On December 1, 2009, we initiated the manifestacion process when we applied to convert the Cecil 1 - 40 and Burghley 1 - 60 exploration (pedimento) claims to mining (mensura) claims. In January 2013 we abandoned the manifestacion process for the Cecil 1-40 and Burghley 1-60 claims due to the fact that several mensuras underlying the claims covered the most prospective ground as outlined in our prospecting and mapping program completed in April 2012.

The Cecil 1 - 49 (the "Cecil Claim") covers 230 hectares and is centered at 310,250 east and 6,891,500 south UTM PSAD56 Zone 19 and lies approximately 1.7 kilometers north of the Farellon Claim border. The Cecil Claim covers a 700 metre strike length of a mineralized vein interpreted to be part of the same mineralizing system as the Farellon Alto 1 - 8 vein (the "Farellon Vein"). An investigation completed during the Farellon Claim acquisition uncovered a broad regional reconnaissance sampling program completed in 1996 showing results from the areas covered by the Cecil Claim. Results from the 1996 sampling show copper and gold grades similar to grades returned from the Farellon Vein, indicating that the Cecil Claim could have similar mineralized bodies.

## QUINA 1 - 56 CLAIM

On December 15, 2014, we entered into an option agreement with David Marcus Mitchell to earn 100% interest in a Quina 1-56 claim (the "Quina Claim"). The Quina Claim covers 252 hectares and is centered at 310,063 east and 6,890,435 south UTM PSAD56 Zone 19 and is contiguous to the Farellon Property. Acquisition of the Quina Claim added approximately 2 kilometers of strike length of the Farellon Veins.

## OTHER CLAIMS

On August 21, 2012, we acquired four mineral claims - Azucar 6-25, Kahuna 1-40, Stamford 61-101, and Teresita - through the government auction for a total price of \$19,784. The Azucar claim is the most prospective of these claims as it covers a 1,200 metre strike length of a mineralized vein interpreted to be part of the same mineralizing system as the Farellon Vein. Three parallel veins have also been identified on the Azucar claim during the 2012 mapping and prospecting program and can be seen on Figure 3.

*Location and means of access.* The Farellon property is approximately 40 kilometers west of the Pan-American Highway, about 1 hour and 15 minutes by vehicle from the town of Vallenar which has a population of 40,000 and modern facilities. High-tension power lines and a fiber-optic communications line run along the highway and both power and rail are connected to the Cerro Colorado iron ore mine only 20 kilometers from the Farellon property. The area is serviced from Copiapó, a city of 70,000 with daily air and bus services to Santiago and other centers.

The Farellon property can be accessed by driving approximately 20 kilometers north on the Pan-American Highway from Vallenar then turning northwest towards Canto del Agua. From Canto del Agua, the Farellon property is approximately 10 kilometers along a well-maintained gravel road. There are numerous gravel roads in the area, so a guide is necessary to access the property the first time. All of the roads are well maintained and can support large machinery necessary to transport drills, backhoes and bulldozers. Water is readily available in Canto del Agua and could probably be found on the Farellon property where all of the historic drill holes intersected water.

*Exploration history.* The Farellon property is in the Carrizal Alto mining district and lies 5 kilometers along strike south of the center of the historic Carrizal Alto copper-gold mine. Veins of the Farellon property were exploited as part of the Carrizal Alto mines. We have located no hard data summarizing all of the past mining activity, but tailings, slag dumps and the size of the shafts and some of the shallow surface workings are evidence of extensive historical mining.

Mine workings of various sizes are all along the Farellon property, but only one modern exploration program has been completed. In 1996, the Farellon and two other veins, the Fortuna and the Theresa, were explored by an Australian junior mining company Minera Stamford S.A. Their exploration included a large mapping and surface sampling program followed by a 34-hole RC drilling program. Of these 34 drill holes, 23 were drilled on the Farellon Alto 1 - 8 claim. The RC drilling program on the Farellon claim consistently intersected oxide and sulphide facies mineralization along a 2 kilometer-long zone covering the Farellon claim and strike extents to the south. Mineralization is 2 to 35 meters wide with an average width of 5 meters. The mineralized zone consists of one or more discrete veins and, in places, stockwork veining and mineralization. While drilling covered the length of the property, gaps up to 350 meters are untested and infill drilling is required to confirm an economic ore body. Table 4 presents the significant intersections from the 23 holes drilled on the Farellon claim in the 1996 drilling.

Table 4: Farellon historic significant intersections (1996)

Drill hole FAR-96	Significant intervals (m)			Assay results		
	From	To	Length	Gold (g/t)	Copper (%)	Cobalt (%)
06	49	54	5	0.15	0.73	0.01
07	25	34	9	0.38	1.05	0.02
09	57	84	27	0.51	0.91	0.03
010	31	36	5	1.00	0.68	0.04
011	20	26	6	0.67	0.46	0.02
013	86	93	7	0.87	1.68	0.04
014	77	83	6	0.66	0.85	0.06
015	59	79	20	0.99	0.98	0.06
	99	109	10	0.18	1.02	0.03
016	24	26	2	0.95	1.57	0.02
	64	70	6	0.73	0.81	0.07
020	14	16	2	0.46	1.85	0.05
	39	43	4	0.75	0.90	0.03
021	22	25	3	4.17	5.29	0.11
022	29	39	10	1.53	1.31	0.04
	100	108	8	3.72	2.49	0.06
023	50	53	3	0.48	1.10	0.06
	59	64	5	0.28	0.78	0.03
	132	147	15	0.60	1.42	0.03
024	33	36	3	0.94	2.89	0.06
025	65	85	20	0.97	1.22	0.02
028	55	58	3	0.12	0.52	0.06
029	30	34	4	0.18	1.15	0.07
	82	87	5	0.09	0.96	0.01

**Geology.** The Farellon area has two major lithological units: Paleozoic metamorphic sediments consisting of schists, phyllites and quartzites; and the Franja Central diorites. The metamorphosed sediments outcrop in the western part of the property and have been metamorphosed to lower greenschist facies and then extensively overprinted by hydrothermal alteration. Hydrothermal alteration is directly associated with the shear zone. The diorite underlies the eastern part of the project area and has been extensively intruded by northeasterly trending intermediate mafic dykes. At the Farellon property, a small stock-like felsic body named Pan de Azucar intrudes the diorite. The intrusive relationship between the diorite and metamorphic sediments always appear to be tectonic. Within the property and at the main Carrizal Alto workings to the north, the major mineralization is intimately related to the south-southwest trending mylonitic sheared contact between the metamorphic sediments and the diorite. The shear is considered a splay of the main Atacama Fault Zone and dips 30° to 65° west. This contact parallels the regional geological trend and coincides with a major lineament which extends for hundreds of kilometers. The sheared contact is 50 meters to 200 meters wide over the 1.7-kilometre strike length of the Farellon property. Veins are typically 3 to 15 meters wide, striking south-southwest and dipping approximately 65 degrees to the northwest.

*Mineralization.* The Farellon property lies within the Candelaria iron oxide-copper-gold (IOCG) belt of Chile. Ore bodies in the belt occur in veins, breccias, stringer bodies and layer parallel replacement bodies and are typically associated with north-south trending faults related to the Atacama Fault Zone. All IOCG deposits have a strong association with iron oxides in the form of hematite or magnetite. In the Candelaria region, larger ore bodies are located where the fault zones intersect a lithological contact with significant rheological contrast such as a sedimentary and volcanic intrusive contact.

Economic IOCG deposits are generally polymetallic and can include iron, copper, gold, zinc, lead, uranium and cobalt among others. The Farellon property historically has been exploited for copper and to a lesser extent, gold. Cobalt mineralization was observed during the 1996-97 exploration work, but we have found no records of cobalt extraction.

*Drilling (Summer 2011).* During June through September 2011 we conducted a combined RC/diamond drill program on the Farellon property. The program was designed to continue to expand on the results of the 2009 drill program, as well as to continue confirming historical results along the strike. During this program we completed 11 drillholes for a total of 2,233m with the goal not only of better defining structural controls on mineralization but to examine the continuity of mineralization along strike and at depth. The target of the program was to outline a 700m mineralized strike length down to 200m vertical depth with approximate 75m intercept spacing, and to infill gaps 300m further to the north to increase intercepts to 150m spacing.

Many of the existing intercepts in this area were from the 1996/97 drill program, but no geological information can be located for these drill holes. By infilling the area with drilling at 75 meter pierce points the aim was to increase confidence in the continuity and increase knowledge of the nature and structural controls on mineralization to aid further exploration planning. 2011 drill results confirmed that mineralization is still present down dip of past drilling intercepts and still open at depth. Infill drilling continued to confirm the continuity of the mineralization and aided in the development of a 3D model that will be used for any future drill planning.

2011 drilling confirmed the overall regional shear structural controls on mineralization occurring within the oblique fault contact between overlying Paleozoic Metasediments and underlying Jurassic intermediate intrusives. Supergene mineralization seems to occur within local faults not immediately within the lithological fault contact - possibly fault splays emanating off the main regional structure. In the 2011 drillholes, supergene copper-gold mineralization was intersected 50-150m downhole with abundant carbonate and iron oxide precipitation.

Hypogene mineralization occurred below 150m hosted in quartz and carbonate veins which appear closer to the main shear fault zone contact. Approximately within 20m downhole of intersected hypogene mineralized veins the lithological contact was encountered, passing through to the underlying intrusive package. The 2011 drill program was generally positive in better defining structural controls on mineralization and proving continuity of mineralization along strike and at depth. However, more drilling is needed to continue to expand on the mineralized zone along strike and at depth, and prove up infill targets for an initial resource estimation.

In spring of 2012 we commissioned Micon to complete a second 43-101 technical report. Micon now recommends that we conduct a much larger phase of exploration consisting of 5,000 meters of diamond drilling and 10,000 meters of RC drilling, and geophysical surveys and geological mapping. A geophysics survey using both magnetics and induced polarization will help to identify further mineralized structures on the property that may not have been noticed in the historic mapping. A phase two drill program would be at defined spacing to outline the continuity of mineralization leading to an initial resource estimation. The depth of the drilling would be dependent on the results of the phase one drilling program. The estimated cost of this phase is \$1.9 million.

Significant results of assays from the 2011 drill program are presented in Table 5 below.

Table 5: Farellon drilling results (2011)

Drill Hole ID	Assay interval (m)			Assay grade	
	From	To	Length	Copper %	Gold g/t
FAR-11-001	36	49	13	2.51	0.35
FAR-11-001	78	85	7	0.43	0.04
FAR-11-002	No Significant Intersections. Zone faulted off				
FAR-11-003	150	155	5	0.40	0.28
FAR-11-003	177	182	5	0.44	0.15
FAR-11-004	141	145	4	0.73	0.01
FAR-11-005	124	133	9	0.84	0.26
FAR-11-006	80	112	32	1.35	0.99
FAR-11-007	56	74	18	0.50	0.40
FAR-11-008	98	102	4	0.85	0.26
FAR-11-009	202	211.55	9.55	0.95	0.42
FAR-11-010	179.13	183	3.87	0.50	0.39
FAR-11-011	54	56	2	0.97	0.48

Figure 3 below illustrates the Farellon geology and the 2006, 2009 and 2011 drillhole collar locations as well as surface traces of mineralized vein systems:

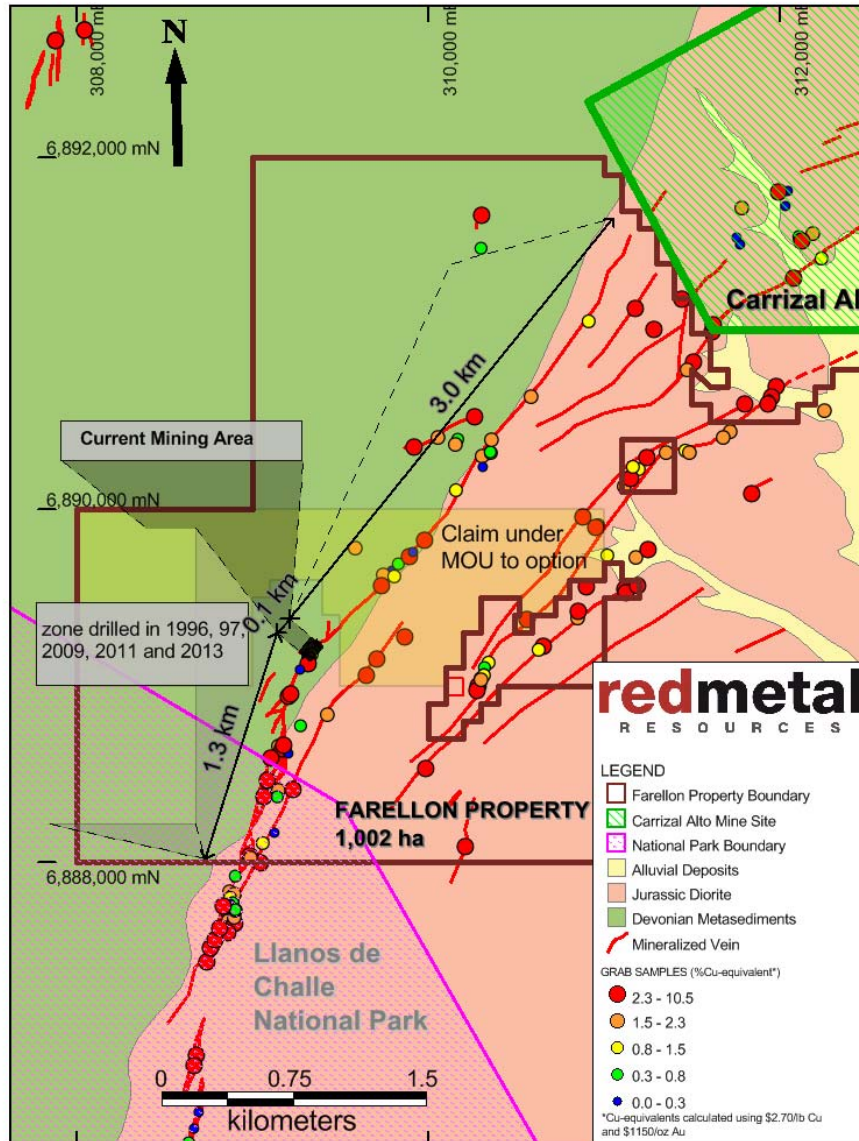


Figure 3: Farellon Property Geology

*QA/QC, sampling procedures and analytical methods.* Samples were taken at intervals between 0.5 and 2 metres. Sampling started at the collar of the hole and proceeded to the top or bottom of the drill hole. Samples were taken at two metre intervals outside the previously identified main zone of interest. Through the main zone of interest samples were taken at one metre intervals. Generally, the sample recovery was good to excellent for the 2011 drilling program. Table 5 above summarizes significant assay results. They are reported as drill lengths as we have not established the width of the mineralized zone.

Our quality assurance, quality control (QA/QC) protocol consists of the addition of standards, blanks and laboratory duplicates to the sample stream. We inserted these into the sample series using the same number sequence as the samples themselves. One of the QA/QC check samples is inserted every 25 samples and it alternates between standards, blanks and laboratory duplicates.

*Spring 2012 mapping program:* In April of 2012 we completed a detailed mapping, prospecting and rock sampling program over the Farellon Property. This program was designed to extend the known mineralized zone to the north and the south and to identify the best potential to expand on the known mineralized zone. As a result of the mapping program, new ground was acquired at public auction in August 2012 to cover the strike extent of the mineralized veins.

*2013 Drilling.* In 2013 we drilled two RC drillholes on the Farellon Property. The two new drillholes, FAR-13-001 and 002, totaling 116 metres, were drilled 25 metres along strike and are intended to aid in identifying the most prospective area on the site to initiate small scale production. The results from the FAR-13-002 drillhole returned 2.15% Cu over 7m with .28 g/t Au; the FAR-13-001 drillhole returned 0.70% Cu over six meters with 0.20 g/t Au and including 1.25% Cu and 0.34 g/t Au over 2 meters.

*2014 Small Scale Mining.* In January 2014 Minera Farellon Limitada started small scale mining activities on the Farellon Claim. The main target of the current development is an area intersected in 2011 and 2013 drilling campaigns, more specifically intercepts in drill holes FAR-11-001 of 3.95% Cu and 0.53 g/t Au over 8 meters, FAR-13-002 of 2.15% Cu and 0.28 g/t Au over 7 meters and FAR-13-001 of 0.70% Cu and 0.20 g/t Au over 6 meters including 1.25% Cu and 0.34 g/t Au over 2 meters (see news releases dated Sept. 21, 2011 and Jan. 24, 2014). The target area is at 35 meters vertical depth from surface.

As of the date of this Annual Report on Form 10-K, Minera Farellon has completed approximately 300 meters of mine development reaching approximately 35 metres in depth and has started production on a vein face averaging 7 metres wide. Our geologist visited site and confirmed the width of the vein and the nature of the mineralization and noted strong oxide supergene mineralization consisting of chalcocite, azurite, malachite and tenorite.

The mining activities resulted in approximately 1,572 tonnes of ore delivered to ENAMI (the Chilean national mining company) at an overall average of 1.40% Cu. We expect Minera Farellon to begin shipping sulphide ore in May 2015 and start to be paid for gold content as well as copper content.

Minera Farellon received \$200,000 in a combined grant and low interest loan from ENAMI, which can be used solely for the development of the Farellon Mine. As part of the grant Minera Farellon also received expanded permitting to mine up to 1,000 tonnes per month.

#### PERTH PROPERTY

On March 10, 2011, we purchased for \$35,000 a group of 12 claims (the “Perth property”) as described in Table 6 and illustrated in Figure 4.



Table 6: Perth property

Claim	Mensura/ Mensura in process (ha)
Perth 1 al 36	109
Lancelot I 1 al 30	300
Lancelot II 1 al 20	200
Rey Arturo 1 al 30	300
Merlin I 1 al 10	60
Merlin I 1 al 24	240
Galahad I 1 al 10	50
Galahad I 1 al 46	230
Percival III 1 al 30	300
Tristan II 1 al 30	300
Tristan IIA 1 al 5	15
Camelot 1 al 58	262
	2,366 <sup>a</sup>

<sup>a</sup>Some claims overlap others, reducing our net area to 2,245 hectares, see Figure 4.

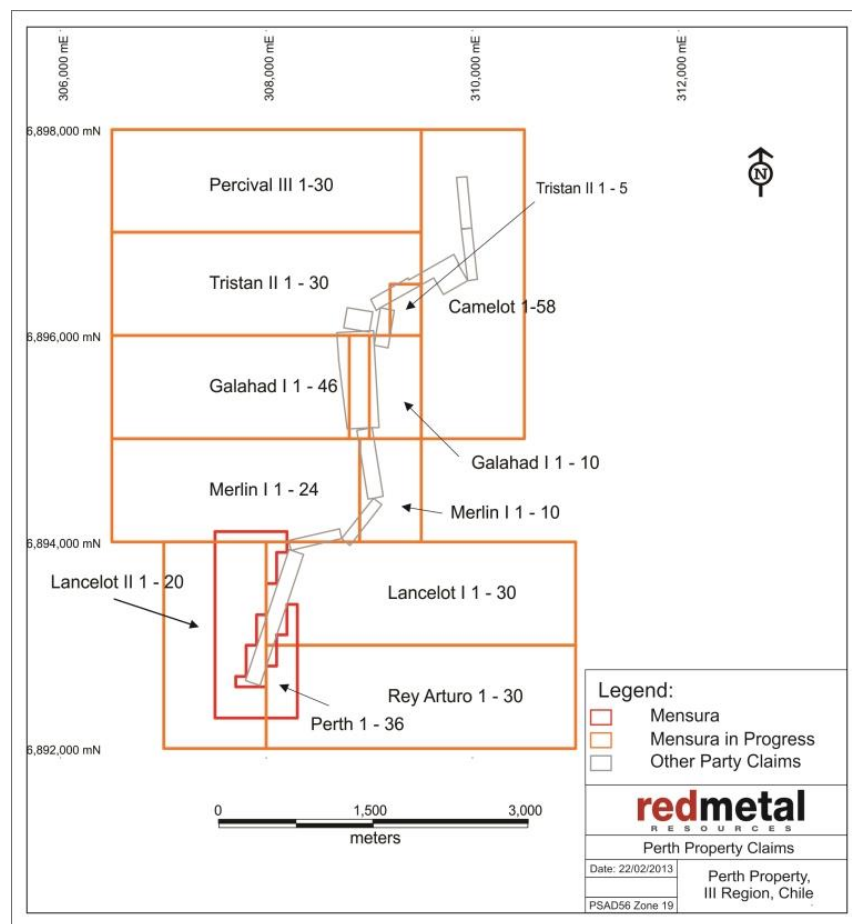


Figure 4. The Perth Property

The Perth property is adjacent to the west side of the historic Carrizal Alto mine and lies approximately 3.5 kilometers north of our Farellon project. It is a 45 minute drive from Vallenar city, with major road access, power and water supply close by. The project lies on a similar geologic contact as the Farellon and Carrizal Alto properties.

*Location and means of access.* The Perth property is centered about 308,750 east and 6,895,000 south UTM PSAD56 Zone 19 approximately 75 km northwest of the city of Vallenar with the highest point at approximately 925 meters above sea level. The property is accessible by road from Vallenar. The Perth property is accessed by taking the Pan American Highway north from Vallenar for 20 kilometres, then turning northwest onto the road to Canto del Agua, a distance of 35 kilometres, then taking the Cardones Canyon road for 15 kilometres, and turning southwest towards Cerro Cachina Grande along a secondary gravel road for 14 kilometres to the property.

*Exploration history.* Exploration programs on the Perth property have historically been limited to surface sampling and mapping programs completed in 2007 and 2008. Significant results from historic channel samples across the veins are shown in Table 7. Numerous artisanal mine workings on the property have previously been exploited for both copper and gold; however, no records of grade or tonnage can be located.

Table 7: Perth historic significant intersections

Sample	Au g/t	Cu %	Co%	Length of Sample (m)
521617	2.5	0.39	0.03	1.0
521796	2.5	0.21	0.00	1.0
521629	2.8	0.76	0.19	3.5
56905	3.1	1.00	0.19	1.0
521610	3.5	0.30	0.02	0.5
521622	4.5	1.72	0.02	1.0
521788	4.5	0.19	0.00	2.0
56858	5.0	0.42	0.16	1.0
521789	5.5	0.29	0.00	2.0
521628	6.2	0.59	0.14	1.3
521609	10.7	0.35	0.07	1.0

*Geology.* The Perth property overlies the contact between Paleozoic metamorphic sediments and a Cretaceous tonalitic batholith. A swarm of north northeast trending fault-related copper gold bearing quartz veins crosscuts the property. Surface mapping and sampling records show twelve veins identified so far on the south end of the property. The veins average two metres wide but have been measured up to six metres wide.

In spring 2011 we completed a reconnaissance mapping and sampling program on the Perth property. Geological mapping during the program identified four major areas where mineralization in veins appear to be concentrated. Sampling consisted of 129 reconnaissance samples taken of vein material where veins outcropped at surface. Significant results are summarized below:

Table 8: Perth 2011 significant reconnaissance samples

Sample	Au g/t	Cu %
0003	7.47	1.73
0010	7.37	3.63
0016	8.86	2.29
0017	29.93	1.1
0033	21.66	2.85
0042	0.9	7.74
0077	10.2	2.43
0078	8.39	3.78
0097	4.42	0.14
0098	10.27	0.51
0099	3.61	0.19
0100	6.37	0.22
0110	22.58	1.51
0121	11.12	3.9

Figure 5 below illustrates the Perth geology as well as the historic and 2011 reconnaissance sample gold g/t assay results:

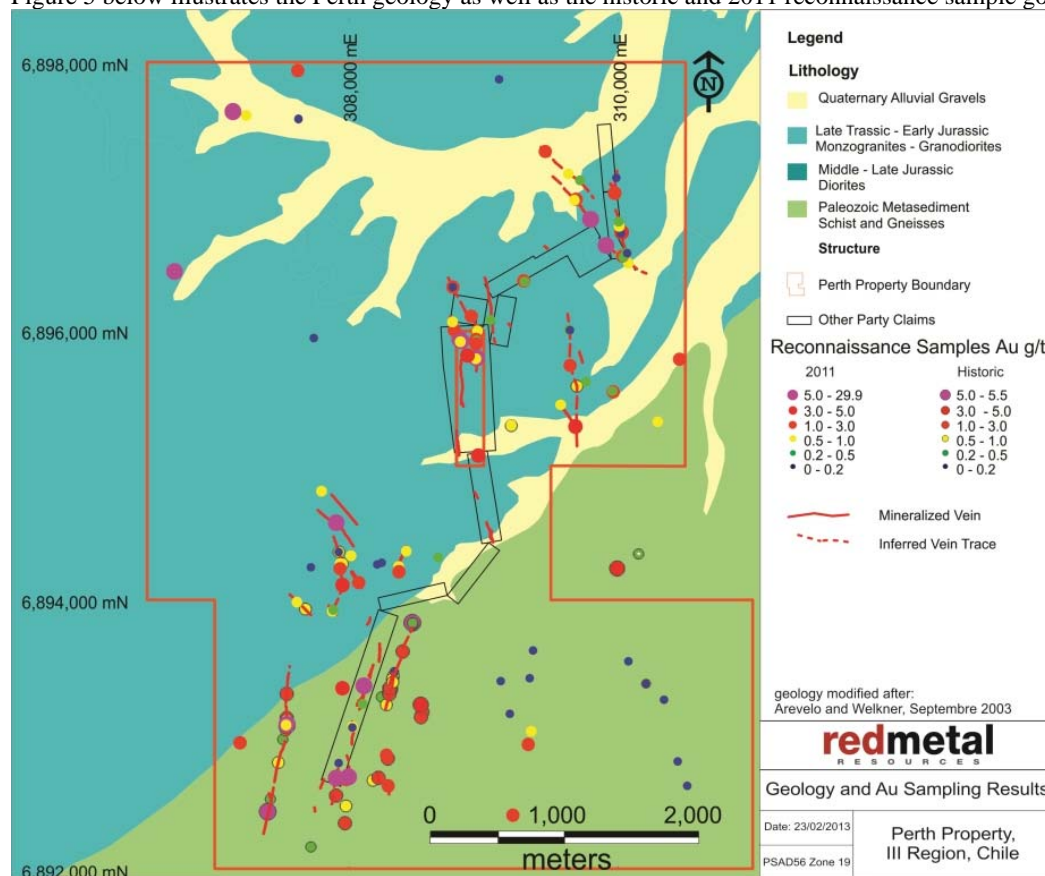


Figure 5. Perth Property Geology

#### *Option with Geoactiva SpA.*

On April 30, 2013, we granted Geoactiva SpA (“Geoactiva”) an option to purchase 100% of the Perth property through the execution of a mining option purchase agreement (the “Option Agreement”). In order to maintain the option to purchase and to acquire the Perth property, Geoactiva was required to pay us the total amount of \$1,000,000 and incur exploration expenses over 48 months totaling \$3,500,000. In August 2014 Geoactiva notified us that it had no intention to maintain the option to purchase the Perth property and the Option Agreement was cancelled.

During the term of the Option Agreement we received total of \$125,000 in option payments from Geoactiva. Geoactiva also conducted a drilling program which met a first exploration expenditure requirement of \$500,000 contemplated under the Option Agreement.

*Current Exploration Activity.* During 2013 - 2014 Geoactiva conducted a drilling program on the Perth property and surrounding claims. The drilling program totaled 3,965 meters, of which 4 drillholes were drilled primarily on Perth property. A total of 35 surface reconnaissance samples and 728 surface chip samples were taken from the Perth property. Significant results of the surface reconnaissance samples are detailed in the table below:

Table 9: Perth 2013 - 2014 reconnaissance samples

Sample	Northing	Easting	Elevation	Length	Au g/t	Cu %
778	6895914.00	308888.00	772	Reconnaissance	16.500	2.874
1962	6893308.58	308065.74	648	1.10	15.260	0.927
1977	6895153.72	308780.84	714	2.10	14.430	0.715
2938	6895006.00	308352.00	888	0.50	14.000	3.616
1960	6893313.57	308068.57	648	1.10	9.770	1.364
2975	6894308.00	308364.00	727	0.40	8.922	1.841
1903	6892715.11	307888.80	588	0.60	8.520	1.563
1952	6892720.24	307889.38	588	1.50	8.370	2.142
1961	6893307.92	308066.42	647	1.10	8.140	2.830
1923	6893265.79	308261.54	622	0.30	7.600	1.036
1921	6893260.81	308515.88	638	0.40	7.380	2.428
1913	6893501.66	308143.50	687	0.60	6.730	7.156
252	6892373.78	307952.33	581	0.35	6.480	1.316
1821	6896660.00	309450.00	671	1.10	5.860	4.092
1813	6896586.00	310019.00	584	1.30	5.710	2.880
3037	6895254.00	308254.00	901	0.30	5.258	8.762
2951	6894414.00	308406.00	741	0.55	4.890	2.083
1972	6895140.00	308797.00	778	1.20	4.750	1.680
1975	6895151.55	308790.60	757	1.40	4.470	5.904
2007	6897060.00	309956.00	563	1.50	4.070	3.777
1905	6893092.03	308001.35	660	0.80	3.130	3.980

#### **MATEO PROPERTY**

The Mateo property consists of fourteen contiguous claims, as described in Table 10 and illustrated in Figure 6. The Mateo claims overlap the Che, Margarita and Irene claims to secure the areas around the claims. Some of them may overlap others' prior claims. We will acquire rights to these overlapped prior claims only if the owners forfeit their rights, and if we want the property. We acquired all of these claims for the same geological reasons and consider them one property, which we call the Mateo property.

Table 10: Mateo property

Claim	Mensura / Mensura in process (ha)
Che Uno 1 - 8	32
Che Dos 1 - 10	44
Margarita 1 - 14	56
Irene Uno 1 - 2	10
Irene Dos 1 - 10	50
Mateo	1,461
	1,653

\* Some of the claims are staked over the mensuras to claim the ground surrounding them.

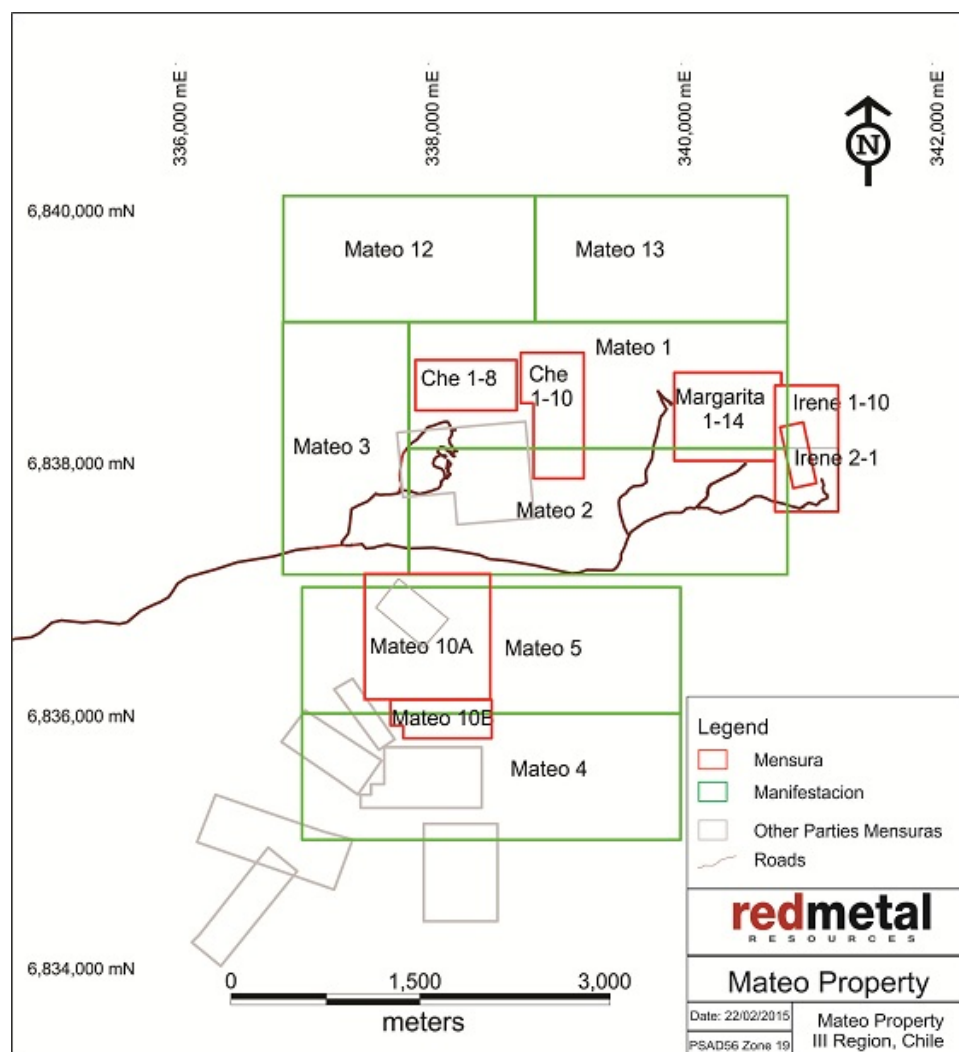


Figure 6: Mateo Property

## CHE UNO AND CHE DOS CLAIMS

On October 10, 2008, Minera Farellon Limitada granted us the option to purchase the Che Uno and Dos claims. The Che claims cover 76 hectares centered about 339,002 east and 6,838,450 south UTM PSAD56 Zone 19. They are in the northwest corner of the Mateo property. On April 12, 2011 we completed the acquisition of the Che claims by paying approximately \$20,000 to Minera Farellon.

We continue to owe a royalty equal to 1% of the net proceeds that we receive from the processor to a maximum of \$100,000 with no monthly minimum when we start exploiting the minerals we extract from the claim. We have not yet exploited the claim.

## MARGARITA CLAIM

We bought the Margarita mining claim on November 27, 2008 through a public auction for a total of \$15,984. The Margarita claim covers 56 hectares centered around 340,353 east and 6,838,347 south UTM PSAD56 Zone 19 located within the northeast corner of the Mateo claim.

## IRENE UNO AND IRENE DOS CLAIMS

On September 7, 2010, we entered into a purchase agreement with Minera Farellon to buy the Irene Uno and Irene Dos mining claims. Under the terms of the agreement, as amended, we paid \$45,174 (equivalent of 21 million Chilean pesos) on May 10, 2011 to exercise the option and purchase the Irene claims. The Irene claims cover 60 hectares centered about 341,002 east and 6,838,101 south UTM PSAD56 Zone 19, are located within the northeast corner of the Mateo property, and share their western border with the Margarita claim.

## MATEO CLAIMS

The Mateo claims consist of seven mensura in process - Mateo 1 through 3, 10A, 10B, 12 and 13, and two mensuras - Mateo 4 and 5, covering 1,461 hectares, which we staked between November 2008 and November 2011. The claims are centered about 337,675 east and 6,837,600 south UTM PSAD56 Zone 19 and cover a five-kilometer strike length of intensely altered volcanics with significant massive sulphide mineralization.

During the year ended January 31, 2015, we wrote off four Mateo claims as the due diligence work conducted on the claims revealed several earlier mensura claims underlying Mateo 9A, 9B, 9C and 10C claims.

*Location and means of access.* The Mateo property is centered about 337,675 east and 6,837,600 south UTM PSAD56 Zone 19 approximately 10 kilometers east of Vallenar with the highest point at approximately 1,050 meters above sea level. A well-used road leads from the city of Vallenar and crosses through the middle of the west half of the properties and along the southern border of the east half of the properties. Many unmarked dirt roads in the area provide reliable access to most areas of Mateo.

*Description.* The Mateo property is a copper-gold-silver project that lies in the Candelaria IOCG belt in the Chilean Coastal Cordillera. The Mateo property has undergone limited modern exploration including surface and underground RC drilling and artisanal mining on three separate mine sites, the Irene, Margarita and Santa Theresa mines. We have reviewed all available records of work completed to date, including some records of the mining activity. Our interpretation of the work completed to date indicates the potential for an economic ore body in mineralized mantos and skarn-style mineralization associated with IOCG deposits.

*Exploration history.* Historical work includes several drill programs completed by different Chilean private and public companies. Records exist from eight drillholes completed in 1994 on the Irene mine and include two full reports written by ENAMI (the Chilean national mining company) with interpretation of mineralization and recommendations for further exploration and mining work.

The Irene mine was investigated by ENAMI in 1994. Work completed during this time included surface RC drilling, including 490 meters in four RC drillholes, and underground diamond drilling, including 220 meters in four drillholes. We obtained ENAMI's reports of mining activities from 1994 through 1997. Approximately 11,875 tonnes of rock were mined in that time averaging 4.3% copper, 61.9 grams per tonne silver, and 1.01 grams per tonne gold. During the period from June 2009 to December 2010 the vendor of the Irene, Minera Farellon, conducted small scale mining activities on a different area of the Irene claims and mined 1,705 tonnes grading 1.39% Cu, 1.39g/t Ag, 0.29g/t Au in sulphides and 1,477 tonnes grading 1.98% Cu in oxides. The difference in grade between the historic work and the recent work is not an indication that further high grade material will not be found on the Mateo property and further modeling and exploration work needs to be completed to determine the best place to drill.

A private Chilean company, Minera Taurus, drilled 16 RC holes on the east end of the Irene claim, but we have no record from this drilling. An unknown company built a portal 250 meters long and approximately three meters wide by three meters high. The portal leads to three mined-out chimneys connected to the surface providing ventilation channels. On a recent property visit with ENAMI's geologists, we found an extension of the mineralized zone at the base of the tunnel below showing the potential for mineral resources.

*Geology.* Geologically, the Mateo property is located within the brittle-ductile north-south-trending Atacama Fault System that is known to host many of the major deposits in the Candelaria IOCG belt. Known mineralization is hosted in an andesitic volcanoclastic sequence assigned to the Bandurrias Formation. Widespread iron oxide and potassic alteration indicates an IOCG mineralizing system further supported by significant amounts of economic grade mineralization.

*Exploration (2011).* During August through October 2011 we carried out an in-depth geological mapping and sampling program on the Mateo property. The Mateo property has very diverse mineralization styles through the property which includes mantos, veins, breccias and porphyries with significant gold and copper. A total of 138 reconnaissance samples were collected over the property. The highest assay values returned from reconnaissance samples were 21g/t Au and 10.3% Cu but more common values were between 1-3g/t Au and 1-3% Cu. Table 11 summarizes the significant assay results.

Table 11: significant intersections

Sample	Cu%	Au g/t
201272	7.37	1.12
202871	2.63	1.14
202852	7.11	1.18
202849	10.3	1.73
201220	4.29	2.07
201277	9.39	2.42
202850	2.58	2.46
202810	2.44	2.49
202882	2.57	3.08
202812	0.50	3.10
202815	0.62	3.57
202880	1.46	5.70
202826	5.30	6.85
201217	3.46	10.11
202813	0.69	21.72

The detailed mapping identified nine significant mineralized zones where further work is recommended.

Figure 7 below illustrates the local Mateo geology including a thematic map of 2011 reconnaissance sample locations and corresponding percent copper assay ranges.

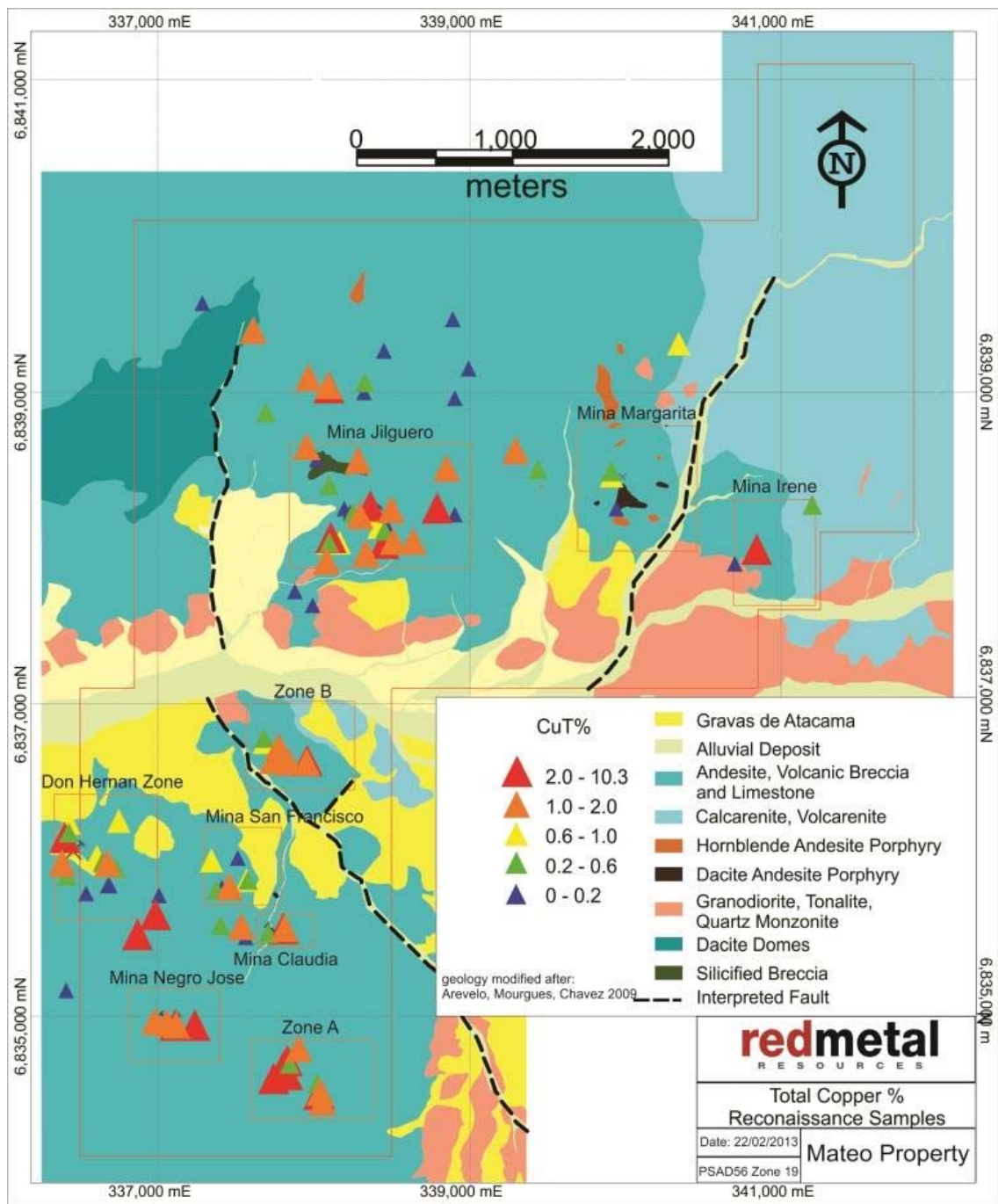


Figure7: Mateo Property Geology



*2011 Ground Magnetic Survey.* During September 2011 we engaged Quantec International Project Services Ltd. to complete a ground magnetic survey on the Mateo Property. The ground magnetic survey consisted of 70 survey lines with an EW orientation, and two control lines with a NS orientation. The survey lines were separated by 100m, and data was collected at 10m intervals on all lines. A total of 218.49km of magnetic data was collected. The survey outlined areas of high and low magnetic response. Areas of high magnetic response indicated the presence of elevated levels of magnetic minerals such as magnetite, pyrotite and hematite whereas areas of low magnetic response may be caused by alteration processes such as magnetite destruction or may simply indicate rock types that never had magnetic minerals.

This ground magnetic survey demarcated the northern and western extent with a large, high magnetic anomaly with a southwest to northeast orientation. This magnetic high may correlate with the Jilguero Intermediate Intrusive formation which is only partially exposed on the property and underlies the Jurassic Punta Del Cobre volcanics, and mixed sedimentary sequence.

Two possible correlations with geology are drawn when looking at the magnetic geophysical response. Firstly, all artisanal mines, reconnaissance samples and documented surface mineralization are exposed on the Western edge of the magnetic high in an area where magnetic high-low gradients are greatest transitioning from high to low. Secondly, magnetic highs appear to persist away from the main magnetic high body in a NW direction. Although these persisting magnetic highs are only small stringers in appearance they possibly correlate to dominant NW trending faults on the property that are often mineralized. Visual correlations between magnetic high/low contrasts and geology seem strong enough to suggest further exploration including sampling and drilling along the steepest gradient of magnetic high/low dropoff.

#### ***Generative claims***

As an exploration company, from time to time we will stake, purchase or option claims to allow ourselves the time and access to fully consider the geological potential of the claims. This allows us to generate new properties in areas that have not been explored. We have conducted groundwork on numerous generative claims of interest to us in the areas of our active properties. We have acquired several of these claims, have options to acquire others, and have staked claims in the same areas. We continue to compile data on and review other claims and discuss terms with various owners.

#### ***Abandoned claims***

During the year ended January 31, 2015, we wrote off several Mateo claims within the Mateo property with a paid cost of \$6,604 when the due diligence work conducted on the claims revealed several earlier mensura claims underlying the Company's staked ground. In addition, we wrote off \$2,265 when we decided not to pursue exploration of certain claims within our Farellon property.

During the year ended January 31, 2014, we wrote off \$6,000 in payments for generative claims that we decided not to pursue.

#### **Competition**

The mineral exploration business is an extremely competitive industry. We are competing with many other exploration companies looking for minerals. We are one of the smallest exploration companies and a very small participant in the mineral exploration business. Being a junior mineral exploration company, we compete with other similar companies for financing and joint venture partners, and for resources such as professional geologists, camp staff, helicopters and mineral exploration contractors and supplies. We do not represent a competitive presence in the industry.

## **Raw materials**

The raw materials for our exploration programs include camp equipment, hand exploration tools, sample bags, first aid supplies, groceries and propane. All of these types of materials are readily available from a variety of local suppliers.

## **Dependence on major customers**

We have no customers. Our first customer likely will be ENAMI, which refines and smelts copper from the ore that it buys from Chile's small- and medium-scale miners. ENAMI is located in Vallenar. We could also sell our ore to the Dos Amigos heap leach facility located approximately fifty kilometers south of Vallenar in Domeyko.

## **Patents/Trademarks/Licenses/Franchises/Concessions/Royalty Agreements/Labor Contracts**

We have no intellectual property such as patents or trademarks, and, other than the royalties that were discussed under the "Unproved mineral properties" section, no royalty agreements or labor contracts.

## **Government controls and regulations**

We are not required to obtain permits or submit operational plans in order to conduct exploration on our properties. The mining business, however, is subject to various levels of government controls and regulations, which are supplemented and revised from time to time. We cannot predict what additional legislation or revisions might be proposed that could affect our business or when any proposals, if enacted, might become effective. Such changes, however, could require more operating capital and expenditures and could prevent or delay some of our operations.

The various levels of government controls and regulations address, among other things, the environmental impact of mining and mineral processing operations. For mining and processing, legislation and regulations in various jurisdictions establish performance standards, air and water quality emission standards and other design or operational requirements for various components of operations, including health and safety standards. Legislation and regulations also establish requirements for decommissioning, reclaiming and rehabilitating mining properties following the cessation of operations, and may require that some former mining properties be managed for long periods of time. As we are not mining or processing, and are unlikely to do so for some years, we have not investigated these regulations.

None of the exploration work that we have completed to date requires an environmental permit. We must repair any damage done to the land during exploration. Some of our claims are within the boundaries of a national park. According to the Mining Code of Chile, we will have to get written authorization from the government to mine or complete any exploration work within the park boundaries. We submitted an application to the government in December 2011 to explore within the park boundaries. We received a response to our application requesting we complete an environmental study on the area we are applying to work in. As part of this study we will have to hire an environmental consultant to investigate if any significant archeological remains exist in the area we intend to work in. Mapping and prospecting work completed north of the park boundary on the Farellon property has shown potential to expand the mineralized zone to the north where exploitation would not fall within the park boundaries. The Company has decided to focus exploration north of the park boundary to determine the potential of the entire mineralized area to host an economic deposit before pursuing the application to work within the park boundary any further.

If our operations in Chile become profitable, any earnings that we remit abroad will be subject to Chilean withholding tax.

We believe that we are in substantial compliance with all material government controls and regulations at each of our mineral claims.

### **Costs and effects of compliance with environmental laws**

We have incurred no costs to date for compliance with environmental laws for our exploration programs on any of our claims.

### **Expenditures on research and development**

We have incurred no research or development costs since our inception on January 10, 2005.

### **Number of total employees and number of full-time employees**

Red Metal does not have any employees. Caitlin Jeffs, Michael Thompson, and Joao (John) da Costa, who are directors and officers, provide their services to the company as independent consultants. Polymet retains the services of Kevin Mitchell, who is Polymet's legal representative and manager in Chile, and an administrative employee. We contract for the services of geologists, prospectors and other consultants as we require them to conduct our exploration programs.

### **ITEM 1A: RISK FACTORS**

IN ADDITION TO THE FACTORS DISCUSSED ELSEWHERE IN THIS ANNUAL REPORT, THE FOLLOWING RISKS AND UNCERTAINTIES COULD MATERIALLY ADVERSELY AFFECT OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS. ADDITIONAL RISKS AND UNCERTAINTIES NOT PRESENTLY KNOWN TO US OR THAT WE CURRENTLY DEEM IMMATERIAL ALSO MAY IMPAIR OUR BUSINESS OPERATIONS AND FINANCIAL CONDITION.

*During the fiscal years ended January 31, 2015 and 2014 we earned no revenue while our operating expenses totalled \$574,454 and \$546,192, respectively. If we do not find sources of financing as and when we need them, we may be required to cease our operations.*

Mineral exploration and development are very expensive. During the fiscal year ended January 31, 2015, we had no revenue from our operations and our operating expenses totalled \$574,454. These expenses were in part offset by the gain on option payments we received from Geoactiva and by royalty payments we received from renting our Farellon property to third-party vendors. During the fiscal year ended January 31, 2014, our operating expenses totaled \$546,192. These expenses were offset by the gain on settlement of debt totalling \$150,000 and by royalty payments. This resulted in a total accumulated loss of \$8,013,633 since inception. As of January 31, 2015 we had cash of \$4,440. Since inception, we have supported our operations through equity and debt financing and, to a minor extent, through option payments received on our option or joint venture agreements, and royalty payments from third-party vendors, who we allowed to mine our claims. Our ability to continue our operations, including exploring and developing our properties, will depend on our ability to generate operating revenue, obtain additional financing, or enter into joint venture agreements. Until we earn enough revenue to support our operations, which may never happen, we will continue to be dependent on loans and sales of our equity or debt securities to continue our development and exploration activities. If we do not find sources of financing as and when we need them, we may be required to severely curtail, or even to cease, our operations.

*Our auditors have expressed substantial doubt about our ability to continue as a going concern; as a result we could have difficulty finding additional financing.*

Our financial statements have been prepared assuming that we will continue as a going concern. From our inception on January 10, 2005, we have accumulated losses of \$8,013,633. As a result, our auditors have expressed substantial doubt about our ability to continue as a going concern. The continuation of our operations depends on our ability to complete equity or debt financings as we need capital or generate capital from profitable operations. Such financings may not be available or may not be available on reasonable terms. Our financial statements do not include any adjustments that could result from the outcome of this uncertainty.

***Unfavorable economic conditions have had a material adverse effect on us since raising capital to continue our operations is more difficult.***

The financial crisis which began in 2007 and continues today has had an adverse impact on our business and financial position, since we must rely on sales of our securities and loans to continue our operations. We have found that there is less capital available to us and less appetite for risk by investors. Furthermore, we have found that locating other mineral exploration companies with available funds who are willing to engage in risky ventures such as the exploration of our properties has become very difficult since the economic downturn. If we are unable to raise additional capital, we may not be able to develop our properties or continue our operations.

***Our business was formed in January 2005 and our operations, to date, have earned only minimal revenues. Due to the high costs of acquiring and exploring claims, we may never be profitable. We expect to continue to incur operating losses during the next 12 months.***

We were incorporated on January 10, 2005, and to date have been involved primarily in organizational activities, acquiring and exploring mineral claims and obtaining financing. We have earned minimal revenues and we are not profitable. Whether we will be successful as a mining company must be considered in light of the costs, difficulties, complications and delays associated with our proposed exploration programs. These potential problems include, but are not limited to, finding claims with mineral deposits that can be cost-effectively mined, the costs associated with acquiring the properties and the unavailability of human or equipment resources. We cannot assure you that we will ever generate significant revenue from our operations or realize a profit. We expect to continue to incur operating losses during the next 12 months.

***We owe approximately \$1.4 million to related parties. To pay out this debt or a portion thereof, we may issue shares of our common stock, which will result in substantial dilution to our existing shareholders.***

As of January 31, 2015, we owed \$1,382,304 to related parties for loans and for services rendered to us. We do not have the cash resources to pay this debt and we may decide to partially pay these individuals by issuing shares of our common stock to them. Because of the low market value of our common stock, the issuance of shares will result in substantial dilution to the percentage of our outstanding common stock owned by our current shareholders.

***Our joint development and operating arrangements may not be successful.***

We have in the past, and may in the future, enter into joint venture arrangements in order to share the risks and costs of developing and operating properties. In a typical joint venture arrangement, the partners own a proportionate share of the assets, are entitled to indemnification from each other and are only responsible for any future liabilities in proportion to their interests in the joint venture. If a party fails to perform its obligations under a joint venture agreement, we could incur liabilities and losses in excess of our pro-rata share of the joint venture. We make investments in exploration and development projects that may have to be written off in the event we do not proceed to a commercially viable mining operation.

Our joint venture agreements may not always be successful. For example, on March 14, 2011, our subsidiary, Minera Polymet, granted to Revonergy Inc. the right to earn a 50% joint venture interest in the Perth property. However, Revonergy decided not to exercise that right and the agreement has been terminated. On April 30, 2013, we granted Geoactiva SpA an option to purchase 100% of the Perth property through the execution of a mining option purchase agreement, however, Geoactiva SpA also cancelled this agreement.

***In some instances members of the board of directors or an officer may be liable for losses incurred by holders of our common stock. If a shareholder were to prevail in such an action in the U.S., it may be difficult for the shareholder to enforce the judgment against any of our directors or officers, who are not U.S. residents.***

In certain instances, such as trading securities based on material non-public information, a director or officer may incur liability to shareholders for losses sustained by the shareholders as a result of the director's or officer's illegal or negligent activity. However, all of our directors and officers live and maintain a substantial portion of their assets outside the U.S. As a result it may be difficult or impossible to effect service of process within the U.S. upon these directors and officers or to enforce in the courts any judgment obtained here against them predicated upon any civil liability provisions of the U.S. federal securities laws.

Foreign courts may not entertain original actions predicated solely upon U.S. federal securities laws against these directors or officers and judgments predicated upon any civil liability provisions of the U.S. federal securities laws may not be directly enforceable in foreign countries.

As a result of the foregoing, it may be difficult or impossible for a shareholder to recover from any of these directors or officers if, in fact, the shareholder is damaged as a result of the negligent or illegal activity of an officer or director.

***Mineral exploration is highly speculative and risky; we might not find mineral deposits that can be extracted cost effectively on our claims.***

Exploration for mineral deposits is a speculative venture involving substantial risk. Problems such as unusual and unexpected rock formations often result in unsuccessful exploration efforts. We cannot assure you that our claims contain mineral deposits that can be extracted cost effectively.

***Mineral exploration is hazardous. We could incur liability or damages as we conduct our business due to the dangers inherent in mineral exploration.***

The search for minerals is hazardous. We could become liable for hazards such as pollution, cave-ins and other hazards against which we cannot insure or against which we may elect not to insure. We have no insurance for these kinds of hazards, nor do we expect to get such insurance for the foreseeable future. If we were to suffer from such a hazard, the costs of rectifying it could exceed our asset value and require that we liquidate our assets.

***We have no known mineral reserves and if we cannot find any, we may have to cease operations.***

It is unknown whether our properties contain viable mineral reserves. If we do not find a viable mineral reserve, or if we cannot exploit the mineral reserve, either because we do not have the money to do it or because it will not be economically feasible to do it, we may have to cease operations and you may lose your investment. Mineral exploration is a highly speculative endeavor. It involves many risks and is often non-productive. Even if mineral reserves are discovered on our properties, our production capabilities will be subject to further risks and uncertainties including:

- Costs of bringing the property into production including exploration work, preparation of production feasibility studies, and construction of production facilities, all of which we have not budgeted for;
- Availability and costs of financing;
- Ongoing costs of production; and
- Environmental compliance regulations and restraints.

***In the future we may be required to comply with government regulations affecting mineral exploration and exploitation, which could adversely affect our business, the results of our operations and our financial condition.***

The mining business is subject to various levels of government control and regulation, which are supplemented and revised from time to time. We cannot predict what legislation or revisions might be proposed that could affect our business or when any such proposals, if enacted, might become effective. Our exploration activities are subject to laws and regulations governing worker safety, and, if we explore within the national park that is part of our Farellon property, protection of endangered and other special status species as well as protection of significant archeological remains, if there are any, will likely require compliance with additional laws and regulations. The cost of complying with these regulations has not been burdensome to date, but if we mine our properties and process more than 5,000 tonnes of ore monthly, we will be required to submit an environmental impact study for review and approval by the federal environmental agency. We anticipate that the cost of such a study will be significant. If the study were to show too great an adverse impact on the environment, we might be unable to develop the property or we might have to engage in expensive remedial measures during or after developing the property, which could make production unprofitable. This requirement could materially adversely affect our business, the results of our operations and our financial condition if we were to proceed to mine a property or process ore on the property. We have no immediate or intermediate plans to process ore on any of our properties.

If we do not comply with applicable environmental and health and safety laws and regulations, we could be fined, enjoined from continuing our operations, and suffer other penalties. Although we make every attempt to comply with these laws and regulations, we cannot assure you that we have fully complied or will always fully comply with them.

***We might not be able to market any minerals that we find on our mineral claims due to market factors that are beyond our control.***

Even if we discover minerals that can be extracted cost-effectively, we may not be able to find a ready market for our minerals. Many factors beyond our control affect the marketability of minerals. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting minerals and environmental protection. We cannot accurately predict the effect of these factors, but any combination of these factors could result in an inadequate return on invested capital.

***We are not certain that we can successfully compete in the mineral exploration business. We do not represent a significant presence in this industry.***

The mineral exploration business is an extremely competitive industry. We are competing with many other exploration companies looking for minerals. We are one of the smallest exploration companies and we do not represent a significant presence in the mineral exploration business. Being a junior mineral exploration company, we compete with other similar companies for financing and joint venture partners, and for resources such as professional geologists, camp staff, helicopters and mineral exploration contractors and supplies. We may not have the means to compete successfully for these resources.

***We conduct operations in a foreign jurisdiction, and are subject to certain risks that may limit or disrupt our business operations.***

Our head office is in Canada and our mining operations are in Chile. Mining investments are subject to the risks normally associated with the conduct of any business in foreign countries including uncertain political and economic environments; wars, terrorism and civil disturbances; changes in laws or policies, including those relating to imports, exports, duties and currency; cancellation or renegotiation of contracts; royalty and tax increases or other claims by government entities, including retroactive claims; risk of expropriation and nationalization; delays in obtaining or the inability to obtain or maintain necessary governmental permits; currency fluctuations; restrictions on the ability of local operating companies to sell gold, copper or other minerals offshore for U.S. dollars, and on the ability of such companies to hold U.S. dollars or other foreign currencies in offshore bank accounts; import and export regulations, including restrictions on the export of gold, copper or other minerals; limitations on the repatriation of earnings; and increased financing costs.

These risks could limit or disrupt our exploration programs, cause us to lose our interests in our mineral claims, restrict the movement of funds, cause us to spend more than we expected, deprive us of contract rights or result in our operations being nationalized or expropriated without fair compensation, and could materially adversely affect our financial position or the results of our operations. If a dispute arises from our activities in Chile, we could be subject to the exclusive jurisdiction of courts outside North America, which could adversely affect the outcome of the dispute.

***While we take the steps we believe are necessary to maintain legal ownership of our claims, title to mineral claims may be invalidated for a number of reasons, including errors in the transfer history or our acquisition of a claim we believed, after appropriate due diligence investigation, to be valid, but in fact, wasn't. If ownership of our claims was ultimately determined to be invalid, our business and prospects would likely be materially and adversely affected.***

Our ability to realize a return on our investment in mineral claims depends upon whether we maintain the legal ownership of the claims. Title to mineral claims involves risks inherent in the process of determining the validity of claims and the ambiguous transfer history characteristic of many mineral claims. We take a number of steps to protect the legal ownership of our claims, including having our contracts and deeds notarized, recording these documents with the registry of mines and publishing them in the mining bulletin. We also review the mining bulletin regularly to determine whether other parties have staked claims over our ground. However, none of these steps guarantees that another party could not challenge our right to a claim. Any such challenge could be costly to defend and, if we lost our claim, our business and prospects would likely be materially and adversely affected.

***We sometimes hold a significant portion of our cash in United States dollars, which could weaken our purchasing power in other currencies and limit our ability to conduct our exploration programs.***

Currency fluctuations could affect the costs of our operations and affect our operating results and cash flows. Gold and copper are sold throughout the world based principally on the U.S. dollar price, but most of our operating expenses are incurred in local currencies, such as the Canadian dollar and the Chilean peso. The appreciation of other currencies against the U.S. dollar can increase the costs of our operations.

We sometimes hold a significant portion of our cash in U.S. dollars. Currency exchange rate fluctuations can result in conversion gains and losses and diminish the value of our U.S. dollars. If the U.S. dollar declined significantly against the Canadian dollar or the Chilean peso, our U.S. dollar purchasing power in Canadian dollars and Chilean pesos would also significantly decline and that could make it more difficult to conduct our business operations. We have not entered into derivative instruments to offset the impact of foreign exchange fluctuations.

***Because our directors are not independent they can make and control corporate decisions that may be disadvantageous to other common shareholders.***

Our securities are not listed on a national securities exchange or quoted on an inter-dealer quotation system that requires that directors be independent. Using the definition of “independent” in Rule 5605 of Nasdaq’s Rules, we have determined that none of our directors are independent. Our directors have a significant influence in determining the outcome of all corporate transactions or other matters, including mergers, consolidations, and the sale of all or substantially all of our assets. They also have the power to prevent or cause a change in control. The interests of our directors may differ from the interests of the other stockholders and thus result in corporate decisions that are disadvantageous to other shareholders.

***We do not expect to declare or pay dividends in the foreseeable future.***

We have never paid cash dividends on our common stock and have no plans to do so in the foreseeable future. We intend to retain any earnings to develop, carry on, and expand our business.

***“Penny stock” rules may make buying or selling our common stock difficult, and severely limit its marketability and liquidity.***

Because our securities are considered a penny stock, shareholders will be more limited in their ability to sell their shares. The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a price of less than \$5.00, other than securities registered on certain national securities exchanges or quoted on the Nasdaq system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or quotation system. Because our securities constitute “penny stocks” within the meaning of the rules, the rules apply to us and to our securities. The rules may further affect the ability of owners of shares to sell our securities in any market that might develop for them. As long as the trading price of our common shares is less than \$5.00 per share, the common shares will be subject to Rule 15c-9 under the Exchange Act. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock, to deliver a standardized risk disclosure document prepared by the SEC, that:

- Contains a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading;
- Contains a description of the broker’s or dealer’s duties to the customer and of the rights and remedies available to the customer with respect to a violation of such duties or other requirements of securities laws;
- Contains a brief, clear, narrative description of a dealer market, including bid and ask prices for penny stocks and the significance of the spread between the bid and ask price;
- Contains a toll-free telephone number for inquiries on disciplinary actions;
- Defines significant terms in the disclosure document or in the conduct of trading in penny stocks; and
- Contains such other information and is in such form, including language, type, size and format, as the SEC shall require by rule or regulation.

The broker-dealer also must provide, prior to effecting any transaction in a penny stock, the customer with: (a) bid and offer quotations for the penny stock; (b) the compensation of the broker-dealer and its salesperson in the transaction; (c) the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such shares; and (d) a monthly account statement showing the market value of each penny stock held in the customer’s account. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser’s written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for our shares.



## ITEM 1B: UNRESOLVED STAFF COMMENTS

As a smaller reporting company we are not required to provide this information.

## ITEM 2: PROPERTIES

Our executive offices are located at 1158 Russell Street, Unit D, Thunder Bay, ON P7B 5N2. Our president, Caitlin Jeffs, provides this space free of charge although she is under no obligation to do so. We also have a field and administrative office in Vallenar, Chile, which we rent on a month to month basis at the rate of 550,000 Chilean pesos (approximately \$1,000) per month. We believe that these properties are suitable and adequate for our business operations.

We have assembled interests in three mineral properties in Chile-the Farellon, Perth, and Mateo - which we have described above in Item 1.

## ITEM 3: LEGAL PROCEEDINGS

We are not a party to any pending legal proceedings and, to the best of our knowledge, none of our property or assets are the subject of any pending legal proceedings.

## ITEM 4: MINE SAFETY DISCLOSURES

Not applicable.

## ITEM 5: MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is quoted under the symbol RMES on the OTC Link alternative trading system on the OTCQB marketplace. Table 12 presents the range of high and low bid quotes of our common stock for each quarter for the last two fiscal years as reported by the OTC Markets Group Inc. The bid prices represent inter-dealer quotations, without adjustments for retail mark-ups, markdowns or commissions and may not necessarily represent actual transactions.

Table 12: High and low bids

	High	Low
Fiscal year ended January 31, 2015		
First quarter	\$0.12	\$0.09
Second quarter	\$0.12	\$0.04
Third quarter	\$0.05	\$0.04
Fourth quarter	\$0.08	\$0.05
Fiscal year ended January 31, 2014		
First quarter	\$0.17	\$0.029
Second quarter	\$0.04	\$0.04
Third quarter	\$0.06	\$0.04
Fourth quarter	\$0.10	\$0.065

As of April 27, 2015, we had approximately 42 shareholders of record according to a shareholder's list provided to us by our transfer agent. This number does not include an indeterminate number of shareholders whose shares are held by brokers in street name. Our transfer agent is Empire Stock Transfer, 1859 Whitney Mesa Dr. Henderson, Nevada, 89014.

### ***Dividends***

We have not declared any dividends on our common stock during the past two fiscal years or at any time in our history. The Nevada Revised Statutes (the “NRS”), provide certain limitations on our ability to declare dividends. Section 78.288 of Chapter 78 of the NRS prohibits us from declaring dividends where, after giving effect to the distribution of the dividend:

- a) we would not be able to pay our debts as they become due in the usual course of business; or
- b) except as may be allowed by our Articles of Incorporation, our total assets would be less than the sum of our total liabilities plus the amount that would be needed, if we were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of stockholders who may have preferential rights and whose preferential rights are superior to those receiving the distribution.

We do not expect to declare any dividends in the foreseeable future as we expect to spend any funds legally available for the payment of dividends on the development of our business and exploration of our properties.

### ***Securities Authorized for Issuance under Equity Compensation Plans***

Table 13 provides information as of January 31, 2015, regarding the Red Metal Resources Ltd. 2011 Equity Incentive Plan (the “2011 Plan”), as amended on May 18, 2012, under which equity securities of Red Metal are authorized for issuance.

Table 13. Equity compensation plans

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	1,200,000	\$0.15	2,095,697

### ***Recent Issuances of Unregistered Securities***

On December 15, 2014, we issued 500,000 shares of our common stock with a fair value of \$25,000 as consideration for the first option payment to acquire interest in the Quina claim. The shares were issued pursuant to the provisions of Regulation S of the U.S. Securities Act of 1933 (the “U.S. Securities Act.”)

## **ITEM 6: SELECTED FINANCIAL DATA**

As a smaller reporting company we are not required to provide this information.

## ITEM 7: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### *Overview*

Red Metal is a mineral exploration company engaged in locating, and eventually developing, mineral resources in Chile. Our business strategy is to identify, acquire and explore prospective mineral claims with a view to either developing them ourselves or, more likely, finding a joint venture partner with the mining experience and financial means to undertake the development. All of our claims are in the Candelaria IOCG belt in the Chilean Coastal Cordillera.

We have generated only minimal revenue from operations and are dependent upon the equity markets for our working capital. Despite the current market volatility, we are optimistic that we can raise equity capital under these market conditions.

Consistent with our historical practices, we continue to monitor our costs in Chile by reviewing our mineral claims to determine whether they possess the geological indicators to economically justify the capital to maintain or explore them. Currently, we have two employees in Chile and engage part time assistants during our exploration programs. Most of our support - such as vehicles, office and equipment - is supplied under short-term contracts. The only long-term commitments that we have are for royalty payments on three of our mineral claims - Farellon, Quina and Che. These royalties are payable once exploitation begins.

Please refer to the section '*Unproved Mineral Properties*' under Item 1 of this Annual Report for a detailed description of our unproved mineral assets and associated exploration campaigns.

The cost and timing of all planned exploration programs are subject to the availability of qualified mining personnel, such as consulting geologists and geo-technicians, and drillers and drilling equipment. Although Chile has a well-trained and qualified mining workforce from which to draw and few early-stage companies such as Red Metal compete for the available resources, if we are unable to find the personnel and equipment that we need when we need them and at the prices that we have estimated today, we might have to revise or postpone our plans.

### *Results of operations*

#### SUMMARY OF FINANCIAL CONDITION

Table 14 summarizes and compares our financial condition at January 31, 2015, to the year-ended January 31, 2014.

Table 14: Comparison of financial condition

	January 31, 2015	January 31, 2014
Working capital deficit	\$(1,881,494)	\$(1,678,410)
Current assets	\$5,110	\$4,222
Unproved mineral properties	\$640,653	\$836,401
Total liabilities	\$1,886,604	\$1,682,632
Common stock and additional paid in capital	\$6,763,837	\$6,596,058
Deficit	\$(8,013,633)	\$(7,481,121)

## COMPARISON OF PRIOR QUARTERLY RESULTS

Table 15 and Table 16 present selected financial information for each of the past eight quarters.

Table 15: Summary of quarterly results (2015)

	April 30, 2014	July 31, 2014	October 31, 2014	January 31, 2015
Net income / (loss)	(215,264)	\$(103,803)	\$(91,825)	\$(121,620)
Basic and diluted (loss) per share	\$(0.01)	\$(0.00)	\$(0.00)	\$(0.00)

Table 16: Summary of quarterly results (2014)

	April 30, 2013	July 31, 2013	October 31, 2013	January 31, 2014
Net income (loss)	\$(147,484)	\$(151,343)	\$43,139	\$(140,004)
Basic and diluted income (loss) per share	\$(0.01)	\$(0.01)	\$0.00	\$(0.00)

During the past two fiscal years we maintained our exploration and operating activities at moderate levels. The net loss during the quarter ended April 30, 2013 included write down of our unproved mineral claims totaling \$6,000. During the quarter ended July 31, 2013, we filed an amendment to our registration statement that was originally filed in May 2011, which resulted in an increase to our legal fees. During the quarter ended October 31, 2013, we reached an agreement with certain debt holders to pay \$750,000 in debt owed to them with 15,000,000 shares of our common stock at \$0.05 per share. The conversion was recorded at \$0.04 per share, the market price of our common stock on the date of the transaction, which resulted in gain on settlement of debt of \$150,000; this gain was partially offset by legal and regulatory fees associated with the registration statement on Form S-1 that we filed with Securities and Exchange Commission in order to register these shares. During the quarter ended April 30, 2014 our net loss was affected by \$142,779 we recorded on stock based compensation when we issued options to purchase up to 1,200,000 shares of our common stock to our executives, consultants and employees. This increase was partially offset by the gain we recorded on the option payment we received from Geoactiva pursuant to our Option Agreement with the company. In August 2014 Geoactiva cancelled the Option Agreement, which ended any future revenue streams from this source. During the past three quarters our net loss was affected by regular operating activities, which resulted in little fluctuation from quarter to quarter.

### *Selected Financial Results*

#### YEARS ENDED JANUARY 31, 2015 AND JANUARY 31, 2014

Our results of operations for the years ended January 31, 2015 and 2014 and the changes between those periods are summarized in Table 17.

Table 17: Summary of operating results

	Year ended January 31,		Changes between the years ended January 31,
	2015	2014	2015 and 2014
Operating expenses	\$ (574,454)	\$ (546,192)	\$ 28,262
Other items:			
Gain on settlement of debt	-	150,000	(150,000)
Gain on mineral property option payment received	27,687	-	27,687
Recovery of mineral exploration costs	14,255	500	13,755
Net loss	(532,512)	(395,692)	150,575
Unrealized foreign exchange gain / (loss)	(38,273)	160,909	(199,182)
Comprehensive loss	\$ (570,785)	\$ (234,783)	\$ 336,002

*Revenue.* We did not generate any revenue during the years ended January 31, 2015 and 2014. Due to the exploration rather than the production nature of our business, we do not expect to have significant operating revenue in the foreseeable future.

*Operating expenses.* Our operating expenses increased by \$28,262, or 5%, from \$546,192 for the year ended January 31, 2014 to \$574,454 for the year ended January 31, 2015. The marginal change in operating expenses was a result of our continued efforts to control our day to day operating costs.

Our operating expenses for the years ended January 31, 2015 and 2014 consisted of the following:

Table 18: Details of changes in operating expenses

	Year ended January 31,		Changes between the years ended January 31, 2015 and 2014
	2015	2014	
Operating expenses			
Administration	\$ 50,110	\$ 52,886	\$ (2,776)
Advertising and promotion	20,351	13,588	6,763
Amortization	2,137	3,276	(1,139)
Automobile	4,784	4,696	88
Bank charges	5,167	4,899	268
Consulting fees	127,379	125,971	1,408
Interest on current debt	69,407	81,997	(12,590)
IVA expense	(257)	2,564	(2,821)
Mineral exploration costs	20,872	54,289	(33,417)
Office	12,226	16,400	(4,174)
Professional fees	29,775	81,640	(51,865)
Rent	12,734	13,188	(454)
Regulatory	11,669	17,554	(5,885)
Travel and entertainment	593	3,925	(3,332)
Salaries, wages and benefits	58,451	63,894	(5,443)
Stock-based compensation	142,779	-	142,779
Foreign exchange loss (gain)	3,162	(575)	3,737
Write-down of unproved mineral properties	3,115	6,000	(2,885)
Total operating expenses	\$ 574,454	\$ 546,192	\$ 28,262

The most significant year-to-date changes included the following:

- During the year ended January 31, 2015 we granted options to purchase up to 1,200,000 shares of our common stock to certain officers, directors, consultants and employees, which resulted in stock-based compensation expense of \$142,779. We did not have similar transactions during the year ended January 31, 2014.
- Our advertising and promotion expenses increased by \$6,763 or 50% from \$13,588 we incurred during the year ended January 31, 2014 to \$20,351 we incurred during the year ended January 31, 2015. The increase was associated with our efforts to bring awareness of our Company to the general public.
- As a result of the restructuring of our debt with certain debt holders during the year ended January 31, 2014, our interest on current debt decreased by \$12,590, or 15%, from \$81,997 we incurred during the year ended January 31, 2014, to \$69,407 incurred during the year ended January 31, 2015.
- During the year ended January 31, 2015, we have kept our exploration activities at a low level, decreasing our exploration expenses by \$33,417 compared to the year ended January 31, 2014. At the same time Minera Farellon and Mr. Mitchell were carrying out the small scale mining operations on our Farellon Alto 1-8 claim, which started our obligation to pay royalty fees to the original vendor of the claim. The royalties paid to the vendor amounted to \$14,255 and were recorded as part of mineral exploration costs.

- Due to the decrease in our operating activities and our continued efforts to control the overhead costs, our professional and regulatory fees incurred during the year ended January 31, 2015 decreased by \$51,865 and \$5,885 compared to the year ended January 31, 2014.
- Our salaries and wages as well as travel and entertainment expenses decreased by \$5,443 and \$3,332, respectively. These changes were associated with a decrease in our operating activities and our continued efforts to control the overhead costs

*Other items.* During the year ended January 31, 2015, we recorded a gain on mineral property option payments in the amount of \$27,687 when we received a third option payment from Geoactiva. The gain represents the excess over the carrying value of the Perth property at the date of the payment. During the same period we recorded \$14,255 as recovery of mineral exploration costs, which represented royalty payments we received from Minera Farellon and Kevin Mitchell who were carrying out the small scale mining operations on our Farellon Alto 1-8 claim.

During the year ended January 31, 2014, we reached an agreement with certain debt holders to pay \$750,000 in debt owed to them with 15,000,000 shares of our common stock at \$0.05 per share. The conversion was recorded at \$0.04 per share, the market price of our common stock on the date of the transaction, which resulted in a gain on settlement of debt of \$150,000.

*Comprehensive loss.* Our comprehensive loss for the year ended January 31, 2015 was \$570,785 as compared to the comprehensive loss of \$234,783 we recorded for the year ended January 31, 2014. The \$336,002 increase in comprehensive loss was mainly associated with the unrealized foreign exchange translation of the transactions denominated in other than our functional currency, which was offset by the gain on mineral property option payment we received from Geoactiva and by recovery of mineral exploration costs recorded during the year ended January 31, 2015. The gain on settlement of debt of \$150,000 that we recorded during the year ended January 31, 2014 further contributed to the change in comprehensive loss.

### ***Liquidity***

#### **GOING CONCERN**

The consolidated financial statements included in this Annual Report have been prepared on a going concern basis, which implies that we will continue to realize our assets and discharge our liabilities in the normal course of business. We have not generated any significant revenues from mineral sales since inception, have never paid any dividends and are unlikely to pay dividends or generate significant earnings in the immediate or foreseeable future. Our continuation as a going concern depends upon the continued financial support of our shareholders, our ability to obtain necessary debt or equity financing to continue operations, and the attainment of profitable operations. Our ability to achieve and maintain profitability and positive cash flow depends upon our ability to locate profitable mineral claims, generate revenue from mineral production and control our production costs. Based upon our current plans, we expect to incur operating losses in future periods, which we plan to mitigate by controlling our operating costs and sharing mineral exploration expenses through joint venture agreements, if possible. At January 31, 2015, we had a working capital deficit of \$1,881,494 and accumulated losses of \$8,013,633 since inception. These factors raise substantial doubt about our ability to continue as a going concern. We cannot assure you that we will be able to generate significant revenues in the future. Our consolidated financial statements do not give effect to any adjustments that would be necessary should we be unable to continue as a going concern and therefore be required to realize our assets and discharge our liabilities in other than the normal course of business and at amounts different from those reflected in our financial statements.

#### **INTERNAL AND EXTERNAL SOURCES OF LIQUIDITY**

To date we have funded our operations by selling our securities and borrowing funds, and, to a minor extent, from mining royalties and geological services.

## *Sources and uses of cash*

YEARS ENDED JANUARY 31, 2015 AND 2014

Table 19 summarizes our sources and uses of cash for the years ended January 31, 2015 and 2014.

Table 19: Summary of sources and uses of cash

	January 31,	
	2015	2014
Net cash used in operating activities	\$(260,692)	\$ (173,803)
Net cash provided by (used in) investing activities	24,679	(2,660)
Net cash provided by financing activities	133,577	81,042
Effect of foreign currency exchange	103,368	95,778
Net increase in cash	\$ 932	\$ 357

### *Net cash used in operating activities.*

During the year ended January 31, 2015, we used net cash of \$260,692 in operating activities. We used \$412,168 to cover our cash operating costs. This use of cash was offset by increases in accounts payable of \$14,222 and accrued liabilities of \$7,905; accounts payable to related parties of \$95,347 for administration, consulting, corporate communication, and travel expenses; and accrued interest on our notes payable to related parties of \$34,004.

During the year ended January 31, 2014, we used net cash of \$173,803 in operating activities. We used \$516,416 to cover our cash operating costs. This use of cash was offset by a decrease of \$358 in prepaids; net increases in accounts payable and accrued liabilities of \$30,130 and \$27,102, respectively; accounts payable to related parties of \$260,118 for administration, consulting, corporate communication, mineral exploration, and travel expenses; and by accrued interest on our notes payable to related parties of \$24,905.

### *Net cash used in investing activities.*

During the year ended January 31, 2015, we spent \$25,321 acquiring mineral claims and paying property taxes associated with our mineral claims. During the same period we received \$50,000 from Geoactiva pursuant to the Perth Option Agreement, of which \$27,687 represented gain on mineral property option payments in excess of the carrying value of the Perth property.

During the year ended January 31, 2014, we spent \$77,660 acquiring mineral claims and paying property taxes associated with our mineral claims. During the same period we received \$75,000 from Geoactiva pursuant to the Option Agreement described in the section entitled “*Option with Geoactiva SpA*”.

### *Net cash provided by financing activities.*

During the year ended January 31, 2015, we borrowed \$71,000 and CAD\$15,000 (\$13,622) from a significant shareholder and \$6,220 and CAD\$47,400 (\$42,735) from our CEO.

During the year ended January 31, 2014, we borrowed \$17,000 from a significant shareholder and CAD\$66,000 (\$64,042) from our CEO. The loans bear annual interest of 8%, are non-secured and due on demand. See *Non-cash financing transactions* below.

### *Non-cash financing transactions.*

During the year ended January 31, 2014, we converted \$750,000 in debt owed to certain shareholders into 15,000,000 shares of our common stock at \$0.05 per share. The conversion resulted in \$150,000 gain on settlement of debt. During the same period we repriced and extended the term of 6,919,666 warrants to purchase our common stock, which were issued as part of the April 7, 2011 private equity financing, and 267,335 warrants to purchase our common stock, which were issued as part of the April 12, 2012 private placement. The warrants were repriced to \$0.10 and the term extended for one additional year. This change resulted in \$542,569 incremental increase in fair value of the modified warrants, however it did not affect our results of operations.

### *Capital resources*

Our ability to acquire and explore our Chilean claims is subject to our ability to obtain the necessary funding. We expect to raise funds through loans from private or affiliated persons and sales of our debt or equity securities. We have no committed sources of capital. If we are unable to raise funds as and when we need them, we may be required to curtail, or even to cease, our operations.

### *Contingencies and commitments*

We had no contingencies at January 31, 2015.

As of the date of the filing of this report we have the following long-term contractual obligations and commitments:

Farellon royalty. We are committed to paying the vendor a royalty equal to 1.5% on the net sales of minerals extracted from the Farellon Alto 1 - 8 claim up to a total of \$600,000. The royalty payments are due monthly once exploitation begins and are subject to minimum payments of \$1,000 per month. We have no obligation to pay the royalty when we do not exploit the property.

Quina royalty. We are committed to paying a royalty equal to 1.5% on the net sales of minerals extracted from the Quina claim. The royalty payments are due semi-annually once commercial production begins, and are not subject to minimum payments.

Che royalty. We are committed to paying a royalty equal to 1% of the net sales of minerals extracted from the claims to a maximum of \$100,000 to the former owner. The royalty payments are due monthly once exploitation begins, and are not subject to minimum payments.

Mineral property taxes payable of approximately \$40,000 per annum.

### *Equity financing*

On August 12, 2013, we reached an agreement with certain debt holders to pay \$750,000 in debt with 15,000,000 shares of our common stock at \$0.05 per share. The transaction resulted in a \$750,000 reduction to our current liabilities and a gain of \$150,000 on settlement of debt.

Based on our operating plan, we anticipate incurring operating losses in the foreseeable future and will require additional equity capital to support our operations and develop our business plan. If we succeed in completing future equity financings, the issuance of additional shares will result in dilution to our existing shareholders.

### *Debt financing*

Between February 1, 2013 and January 31, 2015, we borrowed a total of \$214,619 from related parties. Information about these transactions is included in the section of this report titled "Certain Relationships and Related Transactions, and Director Independence".



### ***Challenges and risks***

We anticipate generating only minimal royalty revenue over the next twelve months. We plan to fund our operations through any combination of equity or debt financing from the sale of our securities, private loans, joint ventures or through the sale of part interest in our mineral properties. Although we have succeeded in raising funds as we needed them, we cannot assure you that this will continue in the future. Many things, such as the continued general worldwide downturn of the economy or a significant decrease in the price of minerals, could affect the willingness of potential investors to invest in risky ventures such as ours. In addition to our agreement with Geoactiva SpA, we may consider entering into joint venture partnerships with other resource companies to complete a mineral exploration programs on other properties in Chile. If we enter into a joint venture arrangement, we would likely have to assign a percentage of our interest in our mineral claims to our joint venture partner in exchange for the funding.

As at January 31, 2015, we owed approximately \$1.4 million to related parties for loans and services that have been provided to us. We do not have the funds to pay this debt therefore we may decide to partially pay this debt with shares of our common stock. Because of the low price of our common stock, the issuance of the shares to pay the debt will likely result in substantial dilution to the percentage of outstanding shares of our common stock held by our existing shareholders.

### ***Investments in and expenditures on mineral interests***

Realization of our investments in mineral properties depends upon our maintaining legal ownership, producing from the properties or gainfully disposing of them.

Title to mineral claims involves risks inherent in the difficulties of determining the validity of claims as well as the potential for problems arising from the ambiguous conveyancing history characteristic of many mineral claims. Our contracts and deeds have been notarized, recorded in the registry of mines and published in the mining bulletin. We review the mining bulletin regularly to discover whether other parties have staked claims over our ground. We have discovered no such claims. To the best of our knowledge, we have taken the steps necessary to ensure that we have good title to our mineral claims.

### ***Foreign exchange***

We are subject to foreign exchange risk for transactions denominated in foreign currencies. Foreign currency risk arises from the fluctuation of foreign exchange rates and the degree of volatility of these rates relative to the United States dollar. We do not believe that we have any material risk due to foreign currency exchange.

### ***Trends, events or uncertainties that may impact results of operations or liquidity***

The financial crisis which began in 2007 and continues today has had an adverse impact on our business and financial position, since we must rely on sales of our securities and loans to continue our operations. We have found that there is less capital available to us and less appetite for risk by investors. Furthermore, we have found that locating other mineral exploration companies with available funds who are willing to engage in risky ventures such as the exploration of our properties has become very difficult since the economic downturn. If we are unable to raise additional capital, we may not be able to develop our properties or continue our operations.

### ***Off-balance sheet arrangements***

We have no off-balance sheet arrangements and no non-consolidated, special-purpose entities.

### ***Related-party transactions***

Related-party transactions are disclosed in Item 13 of this Annual Report.

### ***Critical accounting estimates***

The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect certain of the reported amounts 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. The company regularly evaluates estimates and assumptions. The company bases its estimates and assumptions on current facts, historical experience and various other factors it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected. The most significant estimates with regard to these financial statements relate to carrying values of unproved mineral properties, determination of fair values of stock-based transactions, and deferred income tax assets or liabilities.

### ***Reclassifications***

Certain comparative amounts in the accompanying consolidated financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the consolidated results of operations or financial position for any year presented.

### ***Financial instruments***

Our financial instruments include cash, accounts receivable, accounts payable, accrued liabilities, and notes and amounts due to related parties. The fair values of these financial instruments approximate their carrying values due to their short maturities.

### ***Recently adopted accounting guidance***

In June 2014 the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update(ASU) No. 2014-10, "Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810,Consolidation". This ASU does the following, among other things: a) eliminates the requirement to present inception-to-date information on the statements of income, cash flows, and shareholders' equity, b) eliminates the need to label the financial statements as those of a development stage entity, c) eliminates the need to disclose a description of the development stage activities in which the entity is engaged, and d) amends FASB ASC 275, "Risks and Uncertainties", to clarify that information on risks and uncertainties for entities that have not commenced planned principal operations is required. The amendments in ASU No. 2014-10 related to the elimination of Topic 915 disclosures and the additional disclosure for Topic 275 are effective for public companies for annual and interim reporting periods beginning after December 15, 2014. Early adoption is permitted. The management has evaluated this ASU and adopted beginning with the period ended January 31, 2015.

The management has reviewed other recently issued accounting pronouncements and plans to adopt those that are applicable to the Company. We do not expect the adoption of these pronouncements to have a material impact on our financial position, results of operations or cash flows.

## **ITEM 7A: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

As a smaller reporting company we are not required to provide this information.

## **ITEM 8: FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

### **Index to Financial Statements**

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**DALE MATHESON CARR-HILTON LABONTE LLP**  
**CHARTERED ACCOUNTANTS & BUSINESS ADVISORS**

WWW.DMCL.CA

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Stockholders and Board of Directors of Red Metal Resources Ltd.

We have audited the accompanying consolidated balance sheets of Red Metal Resources Ltd. (the "Company") as at January 31, 2015 and 2014 and the related consolidated statements of operations, stockholders' deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2015 and 2014 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has not generated revenues since inception, has incurred losses in developing its business, and further losses are anticipated. The Company requires additional funds to meet its obligations and the costs of its operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in this regard are described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ DMCL

DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED ACCOUNTANTS

Vancouver, Canada  
April 30, 2015

**RED METAL RESOURCES LTD.  
CONSOLIDATED BALANCE SHEETS**

	January 31, 2015	January 31, 2014
<b>ASSETS</b>		
Current assets		
Cash	\$ 4,440	\$ 3,508
Prepays and other receivables	670	714
Total current assets	5,110	4,222
Equipment	4,775	8,949
Unproved mineral properties	640,653	836,401
Total assets	\$ 650,538	\$ 849,572
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities		
Accounts payable	\$ 340,037	\$ 329,328
Accrued liabilities	164,263	156,358
Due to related parties	892,495	889,083
Notes payable to related parties	489,809	307,863
Total liabilities	1,886,604	1,682,632
Stockholders' deficit		
Common stock, \$0.001 par value, authorized 500,000,000, 33,456,969 issued and outstanding at January 31, 2015 (32,956,969 at January 31, 2014)	33,457	32,957
Additional paid in capital	6,730,380	6,563,101
Deficit	(8,013,633)	(7,481,121)
Accumulated other comprehensive income	13,730	52,003
Total stockholders' deficit	(1,236,066)	(833,060)
Total liabilities and stockholders' deficit	\$ 650,538	\$ 849,572

The accompanying notes are an integral part of these audited consolidated financial statements

**RED METAL RESOURCES LTD.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	Year ended January 31,	
	2015	2014
Operating expenses		
Administration	\$ 50,110	\$ 52,886
Advertising and promotion	20,351	13,588
Amortization	2,137	3,276
Automobile	4,784	4,696
Bank charges	5,167	4,899
Consulting fees	127,379	125,971
Interest on current debt	69,407	81,997
IVA expense	(257)	2,564
Mineral exploration costs	20,872	54,289
Office	12,226	16,400
Professional fees	29,775	81,640
Rent	12,734	13,188
Regulatory	11,669	17,554
Travel and entertainment	593	3,925
Salaries, wages and benefits	58,451	63,894
Stock-based compensation	142,779	-
Foreign exchange loss (gain)	3,162	(575)
Write-down of unproved mineral properties	3,115	6,000
	574,454	546,192
Other items		
Gain on settlement of debt	-	150,000
Gain on mineral property option payment received	27,687	-
Recovery of mineral exploration costs	14,255	500
Net loss	(532,512)	(395,692)
Unrealized foreign exchange (loss) gain	(38,273)	160,909
Comprehensive loss	\$ (570,785)	\$ (234,783)
Net loss per share - basic and diluted	\$ (0.02)	\$ (0.02)
Weighted average number of shares outstanding - basic and diluted	32,956,969	25,025,462

The accompanying notes are an integral part of these audited consolidated financial statements

**RED METAL RESOURCES LTD.**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT**

	<b>Common Stock Issued</b>			<b>Accumulated Deficit</b>	<b>Accumulated Other Comprehensive Income / (Loss)</b>	<b>Total</b>
	<b>Number of Shares</b>	<b>Amount</b>	<b>Additional Paid-in Capital</b>			
Balance at January 31, 2013	17,956,969	\$ 17,957	\$ 5,958,101	\$ (7,085,429)	\$ (108,906)	\$ (1,218,277)
Common stock issued for debt	15,000,000	15,000	585,000	-	-	600,000
Donated services	-	-	20,000	-	-	20,000
Net loss for the year ended January 31, 2014	-	-	-	(395,692)	-	(395,692)
Unrealized foreign currency exchange gain	-	-	-	-	160,909	160,909
Balance at January 31, 2014	32,956,969	32,957	6,563,101	(7,481,121)	52,003	(833,060)
Stock issued for property	500,000	500	24,500	-	-	25,000
Options issued for services	-	-	142,779	-	-	142,779
Net loss for the year ended January 31, 2015	-	-	-	(532,512)	-	(532,512)
Unrealized foreign currency exchange loss	-	-	-	-	(38,273)	(38,273)
Balance at January 31, 2015	33,456,969	\$ 33,457	\$ 6,730,380	\$ (8,013,633)	\$ 13,730	\$ (1,236,066)

The accompanying notes are an integral part of these audited consolidated financial statements

**RED METAL RESOURCES LTD.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>For the Year Ended January 31,</b>	
	<b>2015</b>	<b>2014</b>
Cash flows used in operating activities:		
Net loss	\$ (532,512)	\$ (395,692)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization	2,137	3,276
Donated services	-	20,000
Gain on extinguishment of debt	-	(150,000)
Gain on mineral property option payment	(27,687)	-
Stock-based compensation	142,779	-
Write-down of unproved mineral properties	3,115	6,000
Changes in operating assets and liabilities:		
Prepays and other receivables	(2)	358
Accounts payable	14,222	30,130
Accrued liabilities	7,905	27,102
Due to related parties	95,347	260,118
Notes payable to related parties	34,004	24,905
Net cash used in operating activities	(260,692)	(173,803)
Cash flows provided by (used in) investing activities:		
Option payments received on mineral properties	50,000	75,000
Acquisition of unproved mineral properties	(25,321)	(77,660)
Net cash provided by (used in) investing activities	24,679	(2,660)
Cash flows provided by financing activities:		
Cash received on issuance of notes payable to related parties	133,577	81,042
Net cash provided by financing activities	133,577	81,042
Effects of foreign currency exchange	103,368	95,778
Increase in cash	932	357
Cash, beginning	3,508	3,151
Cash, ending	\$ 4,440	\$ 3,508
Supplemental disclosures:		
Cash paid for:		
Income tax	\$ -	\$ -
Interest	\$ -	\$ -

The accompanying notes are an integral part of these audited consolidated financial statements



**RED METAL RESOURCES LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JANUARY 31, 2015**

**NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION**

**Nature of Operations**

Red Metal Resources Ltd. (the "Company") was incorporated on January 10, 2005, under the laws of the State of Nevada. On August 21, 2007, the Company acquired a 99% interest in Minera Polymet Limitada ("Polymet"), a limited liability company formed on August 21, 2007, under the laws of the Republic of Chile. The Company is involved in acquiring and exploring mineral properties in Chile. The Company has not determined whether its properties contain mineral reserves that are economically recoverable.

The Company's consolidated financial statements are prepared on a going concern basis in accordance with US generally accepted accounting principles ("GAAP") which contemplates the realization of assets and discharge liabilities and commitments in the normal course of business. The Company is in the exploration stage. It has generated only minimal operating revenues to date, and has accumulated losses of \$8,013,633 since inception. The Company has funded its operations through the issuance of capital stock and debt, and to the minor extent through royalty revenue and option payments. Management plans to raise additional funds through equity and/or debt financings, and by entering into joint venture agreements. There is no certainty that further funding will be available as needed. These factors raise substantial doubt about the ability of the Company to continue operating as a going concern. The Company's ability to continue its operations as a going concern, realize the carrying value of its assets, and discharge its liabilities in the normal course of business is dependent upon its ability to raise new capital sufficient to fund its commitments and ongoing losses, and ultimately on generating profitable operations.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

These consolidated financial statements and related notes are presented in accordance with US GAAP, and are expressed in United States dollars. The Company has not produced revenues from its principal business. These financial statements include the accounts of the Company and its subsidiary, Polymet. All intercompany transactions and balances have been eliminated.

**Reclassifications**

Certain comparative amounts in the accompanying consolidated financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the consolidated results of operations or financial position for any year presented.

**Accounting Estimates**

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain of the reported amounts 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. The Company regularly evaluates estimates and assumptions. The Company bases its estimates and assumptions on current facts, historical experience and various other factors it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected. The most significant estimates with regard to these financial statements relate to carrying values of unproved mineral properties, asset retirement obligations, fair value of stock based transactions, and recognition of deferred tax assets or liabilities.

**Asset Retirement Obligations**

The Company records the fair value of an asset retirement obligation as a liability in the period in which it incurs an obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development and/or normal use of the assets. The estimated fair value of the asset retirement obligation is based on the current cost escalated at an inflation rate and discounted at a credit adjusted risk-free rate. This liability is capitalized as part of the cost of the related asset and amortized over its useful life. The liability accretes until the Company settles the obligation. To date the Company has not incurred any asset retirement obligations.

**Long Lived Assets**

The carrying value of intangible assets and other long-lived assets is reviewed on a regular basis for the existence of facts or circumstances that may suggest impairment. The Company recognizes impairment when the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. Impairment losses, if any, are measured as the excess of the carrying amount of the asset over its estimated fair value.

**Fair Value of Financial Instruments**

The estimated fair values for financial instruments are determined at discrete points in time based on relevant market information. These estimates involve uncertainties and cannot be determined with precision. The estimated fair value of cash, other receivables, amounts due to related parties, notes payable and accounts payable approximates their carrying value due to their short-term nature.

**Foreign Currency Translation and Transaction**

The functional currency for the parent company and the Company's foreign subsidiary is the US dollar and the Chilean peso, respectively. The Company translates assets and liabilities to US dollars using year-end exchange rates and translates revenues and expenses using average exchange rates during the period. Exchange gains and losses arising from the translation of foreign entity financial statements are included as a component of other comprehensive loss.

Transactions denominated in currencies other than the functional currency of the legal entity are re-measured to the functional currency of the legal entity at the year-end exchange rates. Any associated transactional currency re-measurement gains and losses are recognized in current operations.

**Income Taxes**

Income taxes are determined using the liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes that date of enactment. In addition, a valuation allowance is established to reduce any deferred tax asset for which it is determined that it is more likely than not that some portion of the deferred tax asset will not be realized.

The Company accounts for uncertainty in income taxes by applying a two-step method. First, it evaluates whether a tax position has met a more likely than not recognition threshold, and second, it measures that tax position to determine the amount of benefit, if any, to be recognized in the financial statements. The application of this method did not have a material effect on the Company's financial statements.

**Loss per Share**

The Company presents both basic and diluted loss per share (“LPS”) on the face of the statements of operations. Basic LPS is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the year. Diluted LPS gives effect to all dilutive potential common shares outstanding during the period including convertible debt, stock options, and warrants, using the treasury stock method. Diluted LPS excludes all dilutive potential shares if their effect is anti-dilutive.

**Mineral Properties**

Acquisition costs (including option payments) and mineral property taxes are capitalized as mineral property costs. Mineral exploration costs are expensed as incurred until commercially mineable deposits are determined to exist within a particular property.

**Equipment**

Equipment is recorded at cost and is being amortized over its estimated useful lives using the declining balance method at 30% per year.

**Recovery of exploration costs**

Recovery of exploration costs is recognized in relation to royalty payments received from authorized contractors. Amounts are recognized when the risks and rewards of ownership to delivered concentrate pass to the buyer and collection is reasonably assured.

**Stock Options and Other Share-Based Compensation**

For equity awards, such as stock options, total compensation cost is based on the grant date fair value and for liability awards, such as stock appreciation rights, total compensation cost is based on the settlement value. The company recognizes stock-based compensation expense for all awards over the service period required to earn the award, which is the shorter of the vesting period or the time period an employee becomes eligible to retain the award at retirement, adjusted for the expected rate of forfeiture of the equity awards granted.

**Recently Adopted Accounting Guidance**

In June 2014 the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update(ASU) No. 2014-10, “Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810,Consolidation”. This ASU does the following, among other things: a) eliminates the requirement to present inception-to-date information on the statements of income, cash flows, and shareholders' equity, b) eliminates the need to label the financial statements as those of a development stage entity, c) eliminates the need to disclose a description of the development stage activities in which the entity is engaged, and d) amends FASB ASC 275, “Risks and Uncertainties”, to clarify that information on risks and uncertainties for entities that have not commenced planned principal operations is required. The amendments in ASU No. 2014-10 related to the elimination of Topic 915 disclosures and the additional disclosure for Topic 275 are effective for public companies for annual and interim reporting periods beginning after December 15, 2014. Early adoption is permitted. The Company has evaluated this ASU and adopted beginning with the period ended January 31, 2015.

The Company has reviewed recently issued accounting pronouncements and plans to adopt those that are applicable to it. It does not expect the adoption of these pronouncements to have a material impact on its financial position, results of operations or cash flows.

### NOTE 3 - RELATED-PARTY TRANSACTIONS

The following amounts were due to related parties as at:

	January 31, 2015	January 31, 2014
Due to a company owned by an officer (a)	\$ 445,601	\$ 350,206
Due to a company controlled by directors (b)	317,089	395,921
Due to a director (a)	--	5,666
Due to a company controlled by a major shareholder (a)	91,966	94,099
Due to a major shareholder (a)	37,839	43,191
Total due to related parties	<u>\$ 892,495</u>	<u>\$ 889,083</u>
Note payable to the Chief Executive Officer ("CEO") (c)	\$ 248,564	\$ 204,730
Note payable to the Chief Financial Officer ("CFO") (c)	10,802	9,974
Note payable to a major shareholder (c)	113,241	25,378
Note payable to a company controlled by directors (c)	117,202	67,781
Total notes payable to related parties	<u>\$ 489,809</u>	<u>\$ 307,863</u>

(a) Amounts are unsecured, due on demand and bear no interest.

(b) Amounts are unsecured, due on demand and bear interest at 10%.

(c) Amounts are unsecured, due on demand and bear interest at 8%.

During the year ended January 31, 2015, the Company accrued \$34,004 (2014 - \$24,905) in interest expense on the notes payable to related parties. During the same time, the Company accrued \$18,676 (2014 - \$44,091) on trade accounts payable with related parties.

#### Transactions with Related Parties

During the years ended January 31, 2015 and 2014, the Company incurred the following expenses with related parties:

	January 31, 2015	January 31, 2014
Consulting fees paid or accrued to a company owned by the CFO	\$ 120,000	\$ 100,000
Consulting fees donated by a company owned by the CFO	\$ --	\$ 20,000
Corporate communication fees paid or accrued to a company controlled by two directors	\$ 4,113	\$ --
Mineral exploration fees paid or accrued to a company controlled by two directors	\$ --	\$ 51,236
Rent fees paid or accrued to a company controlled by a major shareholder	\$ 12,734	\$ 13,188
Royalty revenue earned from a company controlled by a major shareholder	<u>\$ 9,865</u>	<u>\$ 500</u>

#### NOTE 4 - UNPROVED MINERAL PROPERTIES

Mineral Claims	January 31, 2014	Additions/ Payments	Property Taxes Paid/ Accrued	Write- down	Effect of foreign currency translation	January 31, 2015
<b>Farellon Project</b>						
Farellon Alto 1-8(1)	\$ 584,414	\$ --	\$ 3,736	\$ (2,115)	\$ (169,605)	\$ 416,430
Cecil	49,975	--	1,730	--	(9,976)	41,729
Quina(2)	--	25,000	--	--	(591)	24,409
	634,389	25,000	5,466	(2,115)	(180,172)	482,568
<b>Perth Project(3)</b>						
	22,313	(22,313)	--	--	--	--
<b>Mateo Project</b>						
Margarita	19,575	--	424	--	108	20,107
Che(4)	26,371	--	623	--	(5,651)	21,343
Irene	48,652	--	455	--	(12,894)	36,213
Mateo	85,101	4,799	19,340	(6,604)	(22,214)	80,422
	179,699	4,799	20,842	(6,604)	(40,651)	158,085
<b>Total Costs</b>	<b>\$ 836,401</b>	<b>\$ 7,486</b>	<b>\$ 26,308</b>	<b>\$ (8,719)</b>	<b>\$ (220,823)</b>	<b>\$ 640,653</b>

(1) The Farellon Alto 1-8 claim is subject to a 1.5% royalty on the net sales of minerals extracted from the property to a total of \$600,000. The royalty payments are due monthly while the claim is being exploited, and are subject to minimum payments of \$1,000 per month. As at January 31, 2015, the Company had paid \$14,755 in royalty payments to the vendor, which were recorded as part of mineral exploration costs. See Farellon Project discussion below.

(2) The Quina claim is subject to a 1.5% royalty on the net sales of minerals extracted from the property. The royalty payments are due semi-annually once commercial production begins, and are not subject to minimum payments.

(3) See Perth Project discussion below.

(4) The claims are subject to a 1% royalty on the net sales of minerals extracted from the property to a total of \$100,000. The royalty payments are due monthly once exploitation begins and are not subject to minimum payments. The Company has no obligation to pay the royalty if it does not commence exploitation.

##### ***Farellon Project***

On May 27, 2014, the subsidiary of the Company entered into a Memorandum of Understanding (the "MOU") with an unrelated party to acquire an option to earn a 100% interest in two mining claims contiguous to the Farellon Property. On December 15, 2014, the MOU was superseded by an option agreement to earn 100% interest in one of the mining claims included in the MOU, Quina 1-56 (the "Quina claim").

In order to acquire the 100% interest in the Quina claim, the Company is required to pay a total of \$150,000, which, at discretion of the Company, can be paid in a combination of shares of the Company and cash over four years, as detailed in the following schedule:

Date	Option Payment
Upon execution of the Option Agreement ("Execution date") (paid)	\$ 25,000
12 months subsequent to the Execution date	25,000
24 months subsequent to the Execution date	25,000
36 months subsequent to the Execution date	25,000
48 months subsequent to the Execution date	50,000
<b>Total</b>	<b>\$ 150,000</b>

The number of shares to be issued for each option payment will be determined based on the average trading price of the Company's shares during a 30-day period prior to the payment. All of the above payments shall be made only if the Company wishes to keep the option agreement in force and finally to exercise the option to purchase.

In addition to the option payments, the Company will have to pay a 1.5% royalty from net smelter returns (“NSR”) on the Quina claims, which the Company can buy out for a one-time payment of \$1,500,000 any time after acquiring 100% of the Quina claim.

On December 15, 2014, the Company issued 500,000 shares of its common stock with a fair value of \$25,000 as consideration for the first option payment (Note 6).

### ***Perth Project***

On April 30, 2013, the Company granted Geoactiva SpA (“Geoactiva”) an option to purchase 100% of the Perth Property through the execution of a mining option purchase agreement (the “Option Agreement”).

To maintain the option and acquire the properties, Geoactiva agreed to the following:

<b>Date</b>	<b>Option Payments</b>	<b>Exploration Expenditures</b>
April 30, 2013 (paid)	\$ 37,500	\$ --
October 30, 2013 (paid)	37,500	--
April 30, 2014 (paid and incurred)	50,000*	500,000
October 30, 2014	50,000	--
April 30, 2015	100,000	1,000,000
October 30, 2015	100,000	--
April 30, 2016	125,000	1,000,000
October 30, 2016	250,000	--
April 30, 2017	250,000	1,000,000
<b>Total</b>	<b>\$ 1,000,000</b>	<b>\$ 3,500,000</b>

\* The amount has been credited against the carrying value of the Perth property. The excess of \$27,687 over the carrying value of the Perth property has been recorded as a gain on mineral property option payment in the consolidated statements of operations.

Upon exercise of the Option Agreement and once commercial production begins, Geoactiva agreed to pay the Company a Net Smelter Royalty (“NSR”) of 1.5% from the sale of gold, copper, and cobalt extracted from the Perth property. At any time after the exercise of the Option Agreement and Geoactiva’s fulfilment of the investment commitment of \$3,500,000 in exploration expenditures, Geoactiva will be able to purchase 100% of the NSR as follows:

**Gold:** paying \$5 per inferred ounce of gold, according to the definition of Inferred Mineral Resource in the *CIM Definition Standards on Mineral Resources and Mineral Reserves*.

**Copper:** \$0.005 per inferred ounce of copper, according to the definition of Inferred Mineral Resource in the *CIM Definition Standards on Mineral Resources and Mineral Reserves*.

**Cobalt:** If Geoactiva acquired the NSR with respect to gold, copper, or both, the NSR relating to cobalt would have been terminated.

In August 2014 Geoactiva notified the Company that it had no intention to continue the Joint Venture and the Perth Option Agreement was cancelled.

### ***Abandoned claims***

During the year ended January 31, 2015, the Company wrote off several claims within the Mateo Project with a total cost of \$6,604. The Company wrote off \$2,115 when it decided not to pursue exploration of certain other exploration claims.

During the year ended January 31, 2014, the Company abandoned several generative mineral claims with a paid cost of \$6,000 as it decided not to pursue exploration of the claims.

#### **NOTE 5 - EQUIPMENT**

Amortization schedule for the equipment at January 31, 2015 and 2014:

	January 31, 2015	January 31, 2014
Book value	\$ 8,949	\$ 12,225
Amortization	(2,137)	(3,276)
Effect of foreign exchange translation	(2,037)	--
Equipment	\$ 4,775	\$ 8,949

The equipment consists of a truck that is used for daily operations and is amortized on a declining balance basis at 30% over its useful life.

#### **NOTE 6 - COMMON STOCK**

On December 15, 2014, the Company issued 500,000 shares of its common stock with a fair value of \$25,000 as consideration for the first option payment to acquire an interest in the Quina claim (Note 4).

On August 12, 2013 the Company settled \$750,000 in notes payable by issuing 15,000,000 shares of its common stock. The fair value of the shares was \$600,000 and the Company recognized a gain on settlement of debt of \$150,000.

#### **Warrants**

On April 5, 2013, the Company extended the term of the warrants issued as part of the April 7, 2011, private equity financing from April 7, 2013 to April 7, 2014, and lowered the exercise price to \$0.10. The incremental increase in fair value of the modified warrants was determined to be \$526,690.

On November 25, 2013, the Company extended the term of the warrants issued as part of the April 12, 2012, private equity financing from April 27, 2014 to April 27, 2015, and lowered the exercise price to \$0.10. The incremental increase in fair value of the modified warrants was determined to be \$15,879.

The Company did not have any transactions that resulted in a grant of warrants during the year ended January 31, 2015.

	January 31, 2015	January 31, 2014
Balance, opening	7,187,001	7,187,001
Expired	(6,919,666)	--
Balance, closing	267,335	7,187,001

The weighted average life and weighted average exercise price of the warrants at January 31, 2015 is 0.24 years and \$0.10, respectively.

## Options

On February 28, 2014, the Company granted 1,200,000 options to purchase shares of its common stock to certain officers, directors, consultants and employees. The Chief Executive Officer, Chief Financial Officer, and Vice President of Exploration were each granted options to purchase up to 300,000 shares of the Company's common stock. The options are exercisable at \$0.15 for a term of two years and vested upon grant.

	January 31, 2015	January 31, 2014
Balance, opening	--	1,040,000
Granted	1,200,000	--
Expired	--	(1,040,000)
Balance, closing	1,200,000	--

The weighted average life and weighted average exercise price of the options at January 31, 2015 is 1.08 years and \$0.15, respectively.

The Company recorded \$142,779 as stock-based compensation associated with the grant of options, which was calculated using the following assumptions under the Black-Scholes option-pricing model:

Expected life of options	2 years
Annualized volatility	179%
Risk-free interest rate	0.33%
Dividend yield	Nil

## NOTE 7 - INCOME TAXES

The provision for income taxes differs from the amount that would have resulted in applying the combined federal statutory tax rate as follows:

	January 31, 2015	January 31, 2014
Net loss	\$ (532,512)	\$ (395,692)
Statutory income tax rate	34%	34%
Expected in tax recovery at statutory income tax rates	(181,054)	(134,535)
Permanent differences	(47,791)	98,770
Difference in foreign tax rates, foreign exchange, other	315,876	(27,656)
Change in valuation allowance	(87,031)	63,421
Income tax recovery	\$ --	\$ --

Temporary differences that give rise to the following deferred tax assets and liabilities are:

	January 31, 2015	January 31, 2014
Deferred tax assets		
Federal loss carryforwards	\$ 1,079,146	\$ 1,093,484
Foreign loss carryforwards	561,117	446,361
Mineral properties	(129,107)	58,342
	1,511,156	1,598,187
Valuation allowance	(1,511,156)	(1,598,187)
	\$ --	\$ --



The Company has \$3,173,960 of United States federal net operating loss carry forwards that may be offset against future taxable income. These losses expire as follows:

2026	\$	1,188
2027		14,932
2028		231,644
2029		429,972
2030		329,635
2031		459,615
2032		780,079
2033		487,838
2034		227,034
2035		212,023
	<u>\$</u>	<u>3,173,960</u>

The Company also has approximately \$2,805,000 of Chilean tax losses. The Chilean tax losses can be carried forward indefinitely.

## **ITEM 9: CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

Not applicable.

## **ITEM 9A: CONTROLS AND PROCEDURES**

### **Report on Controls and Procedures**

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15 (e) and 15d-15(e) under the Securities Exchange Act of 1934 (“Exchange Act”)) as of January 31, 2015. Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms and that such information is accumulated and communicated to management, including our Chief Executive Officer and our Chief Financial Officer, to allow timely decisions regarding required disclosures.

Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms.

### **Management’s Report on Internal Controls over Financial Reporting**

Our Chief Executive Officer and our Chief Financial Officer are responsible for establishing and maintaining internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of management and our directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, our internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our Chief Executive Officer and our Chief Financial Officer assessed the effectiveness of our internal control over financial reporting as of January 31, 2015. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework*

Based on our assessment, our Chief Executive Officer and our Chief Financial Officer determined that, as of January 31, 2015, our internal control over financial reporting is effective.

#### **Changes in Internal Control over Financial Reporting**

There have been no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15 (f) under the Exchange Act) during the fourth quarter of the last fiscal year that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

#### **ITEM 9B: OTHER INFORMATION**

Not applicable.

#### **ITEM 10: DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

Table 20 contains certain information regarding our directors and executive officers. There is a family relationship between Caitlin Jeffs and Michael Thompson. Directors serve until their successors are duly elected and qualified.

Table 20: Directors and officers

<b>Name</b>	<b>Age</b>	<b>Position</b>
Caitlin Jeffs	39	Director, Chief Executive Officer, President and Secretary
Michael Thompson	45	Director and Vice President of Exploration
Joao (John) da Costa	50	Director, Chief Financial Officer and Treasurer

**Caitlin Jeffs, P. Geo.** Ms. Jeffs has been our director since October 2007 and our President, Chief Executive Officer and Secretary since April 21, 2008. She has more than ten years of experience as an exploration geologist. Ms. Jeffs graduated from the University of British Columbia in 2002 with an honors bachelor of science in geology. She is a professional geologist on the register of the Association of Professional Geoscientists of Ontario. She worked for Placer Dome (CLA) Ltd. in Canada from February 2003 until May 2006 where she worked as both a project geologist managing drill programs for the exploration department at Placer Dome's Musselwhite Mine in Northwestern Ontario and then as part of the generative team evaluating potential projects in Northwestern Ontario. Placer Dome (since acquired by Barrick Gold Corp. and Gold Corp.) was a major mining company with operations in North America, Australia, Africa and South America. None of these companies is related to Red Metal. Ms. Jeffs was a self-employed consulting geologist from May 2006 to April 2007. She is one of the founders and the general manager of Fladgate Exploration Consulting Corporation, a firm of consulting geologists in Ontario, Canada, which provides its services to Red Metal. Since July 2012, Ms. Jeffs has been a director of Kesselrun Resources Ltd., a resource exploration company listed on the TSX Venture Exchange and focused on gold exploration in Ontario, Canada. She was a director of Trilogy Metals Inc., a resource exploration company listed on the TSX Venture Exchange, from July 2006 to May 2007. She lives with Michael Thompson as a family.

**Michael Thompson, P. Geo.** Mr. Thompson has been our director since October 2007 and our Vice President of Exploration since April 2008. He has more than 13 years of experience as an exploration geologist. Mr. Thompson graduated from the University of Toronto in 1997 with an honors bachelor of science in geology. He is a professional geologist on the register of the Association of Professional Geoscientists of Ontario. He worked in Canada for Teck Resources Ltd. from 1999 until 2002 as a project geologist managing exploration projects in Northwestern Ontario. From January 2003 until May 2006 he worked for Placer Dome (CLA) Ltd. as both a project geologist managing drill programs for the exploration department at Placer Dome's Musselwhite Mine in Northwestern Ontario and then as part of the generative team evaluating potential projects in Northwestern Ontario. Teck Resources and Placer Dome (since acquired by Barrick Gold Corp. and Gold Corp.) are major mining companies with operations in North America, Australia, Africa and South America. None of these former employers is related to Red Metal. Mr. Thompson was a self-employed consulting geologist from May 2006 to April 2007. He is one of the founders and the president of Fladgate Exploration Consulting Corporation, a firm of consulting geologists in Ontario, Canada, which provides its services to Red Metal. Since July 2012 Mr. Thompson has been President, CEO and a director of Kesselrun Resources Ltd., a resource exploration company listed on the TSX Venture Exchange and focused on gold exploration in Ontario, Canada. Since October 2011 Mr. Thompson has been a director of Fairmont Resources Inc., a resource exploration company listed on the TSX Venture Exchange. He lives with Caitlin Jeffs as a family.

We believe that the extensive education and experience that Ms. Jeffs and Mr. Thompson have as geologists make them uniquely qualified to serve as directors of our Company. Their knowledge of mining and geology provides them with the tools necessary to set goals for our business and to determine how those goals can be achieved.

**Joao (John) da Costa.** Mr. da Costa has been our director since May 2012 and our Chief Financial Officer and Treasurer since May 13, 2008. Mr. da Costa has more than twenty years of experience providing bookkeeping and accounting services for both private and public companies and is the founder and president of Da Costa Management Corp., a company that has provided management and accounting services to public and private companies since August 2003. Red Metal is a client of Da Costa Management Corp. Currently, Mr. da Costa is a director, the Chief Financial Officer, Secretary and Treasurer of Triton Emission Solutions Inc., a publicly traded U.S. company, engaged in marketing of emission abatement technologies to marine industry. Mr. da Costa is also a director, the Chief Financial Officer and a Secretary of Kesselrun Resources Ltd., a Canadian reporting company listed on the TSX Venture Exchange; a director, the Chief Financial Officer and Secretary of Turquoise Capital Corp., a Capital Pool Company pursuant to the policies of the TSX Venture Exchange. From August 2006 until December 2011, Mr. da Costa served as the Treasurer of Rock City Energy Corp., an oil and gas exploration company previously reporting under the Exchange Act; and from October 2010 to May 2011, Mr. da Costa served as a director of Live Current Media Inc., a company that operated a number of e-commerce websites that was previously reporting under the Exchange Act. Mr. da Costa's experience in accounting and as a director, Chief Financial Officer and Secretary of several publicly traded U.S. companies led us to conclude that he should be a director.

### **Significant Employees**

**Kevin Mitchell.** Mr. Mitchell has been the legal representative and manager of Minera Polymet Limitada since it was formed in August 2007. He is a Canadian who has lived in Chile for more than twenty years. He has owned and operated a heavy equipment company for all of that time, mainly servicing the mining industry. Since February 2007 he has been the legal representative and manager of Minera Farellon Limitada, a Chilean company that investigates potential projects, conducts due diligence reviews, and provides logistical support.

## **Involvement in Certain Legal Proceedings**

During the past ten years, none of Red Metal's directors or officers has been:

- a person against whom a bankruptcy petition was filed;
- a general partner or executive officer of any partnership, corporation or business association against which any bankruptcy petition was filed, either at the time of the bankruptcy or two years prior to that time;
- convicted in a criminal proceeding or named subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or commodities trading or banking activities;
- subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of (1) any court of competent jurisdiction, permanently or temporarily enjoining him or otherwise limiting him from acting, or (2) any Federal or State authority barring, suspending or otherwise limiting for more than 60 days his right to act, as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity, or to be associated with persons engaged in any such activity;
- found by a court of competent jurisdiction in a civil action or by the SEC to have violated any Federal or State securities law, and the judgment in such civil action or finding by the SEC has not been subsequently reversed, suspended, or vacated;
- found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated;
- the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:
  - any Federal or State securities or commodities law or regulation, or
  - any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or
  - any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
- the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

## **Directors' Compensation**

Director's compensation is described below in the *Executive Compensation* section.

## Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and directors, and persons who beneficially own more than 10% of our equity securities (collectively, the “Reporting Persons”), to file reports of ownership and changes in ownership with the SEC.

Under the SEC regulations, Reporting Persons are required to provide us with copies of all forms that they file pursuant to Section 16(a). Based on our review of the copies of such forms received by us, the following persons have, during the fiscal year ended January 31, 2015, failed to file, on a timely basis, the reports required by Section 16(a) of the Exchange Act:

<b>Name and Principal Position</b>	<b>Number of Late Reports</b>	<b>Transactions Not Timely Reported</b>	<b>Known Failures to File a Required Form</b>
Caitlin Jeffs Chief Executive Officer, President and Director	1 <sup>(1)</sup>	1	nil
Michael Thompson Vice President of Exploration and Director	1 <sup>(2)</sup>	1	nil

(1) On February 28, 2014, we issued to Caitlin Jeffs options to purchase up to 300,000 shares of our common stock under our 2011 Equity Incentive Plan. The Form 4 required to be filed by Ms. Jeffs as a result of the grant of these options was filed on March 7, 2014.

(2) On February 28, 2014, we issued to Michael Thompson options to purchase up to 300,000 shares of our common stock under our 2011 Equity Incentive Plan. The Form 4 required to be filed by Mr. Thompson as a result of the grant of these options was filed on March 7, 2014.

## Code of Ethics

We have adopted a code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Our code of ethics will be provided to any person without charge, upon request. Requests should be in writing and addressed to Caitlin Jeffs, c/o Red Metal Resources Ltd., 1158 Russell Street, Unit D, Thunder Bay, ON P7B 5N2.

## Corporate Governance

Our board of directors does not have an audit committee, a compensation committee or a nominating committee. We believe this is appropriate given the small size of our Company and the stage of our development.

We have not adopted any procedures by which our security holders may recommend nominees to our board of directors and that has not changed during the last fiscal year.

John da Costa, our Chief Financial Officer and a member of our Board of Directors, qualifies as an “audit committee financial expert”, as defined by Item 407 of Regulation S-K promulgated under the Securities Act of 1933 and the Securities Exchange Act of 1934. We believe that Mr. da Costa’s experience in preparing, analyzing and evaluating financial statements, as well as his knowledge of public company reporting, will provide us with the guidance we need until we are able to expand our board to include independent directors who have the knowledge and experience to serve on an audit committee.

## ITEM 11: EXECUTIVE COMPENSATION

The following table summarizes all compensation received by our Executive Officers for the past two fiscal years:

Table 21: Summary Compensation Table

		Salary	Bonus	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Non-Qualified Deferred Compensation Earnings	All Other Compensation	Total
	Year	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Caitlin Jeffs</b>	2015	nil	nil	nil	35,695 <sup>(1)</sup>	nil	nil	4,113 <sup>(2)</sup>	39,808
Chief Executive Officer, President and Secretary	2014	nil	nil	nil	nil	nil	nil	51,236 <sup>(2)</sup>	51,236
<b>Michael Thompson</b>	2015	nil	nil	nil	35,695 <sup>(1)</sup>	nil	nil	4,113 <sup>(2)</sup>	39,808
Vice President of Exploration	2014	nil	nil	nil	nil	nil	nil	51,236 <sup>(2)</sup>	51,236
<b>Joao (John) da Costa</b>	2015	nil	nil	nil	35,695 <sup>(1)</sup>	nil	nil	120,000 <sup>(3)</sup>	155,695
Chief Financial Officer and Treasurer	2014	nil	nil	nil	nil	nil	nil	100,000 <sup>(3)</sup>	100,000

- (1) On February 28, 2014, we issued to Messrs. Thompson and da Costa, and to Ms. Jeffs options to purchase up to 300,000 shares of our common stock each (900,000 options in total) under our 2011 Equity Incentive Plan (the “Management Options”). The Management Options vested immediately upon issuance, are exercisable at \$0.15 for a period of two years expiring on February 28, 2016. The cost assigned to the Management Options was calculated to be \$35,695 (\$107,085 in total) using the Black-Scholes option pricing model at the grant date.
- (2) Represents amounts we paid or accrued to Fladgate Exploration Consulting Corporation., of which Caitlin Jeffs and Michael Thompson are directors, for mineral exploration and corporate communication services.
- (3) Represents amounts we paid or accrued to Da Costa Management Corp., of which John da Costa is the principle, for accounting, administrative and management services.

### Equity Awards

The following table provides information concerning stock awards for each of our named executive officers, as that term is defined in Item 402(m)(2) of Regulation S-K as of our fiscal year end of January 31, 2015.

Table 22: Option Awards

Name and Position	No. of Securities Underlying Unexercised Options (#) Exercisable	No. of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price	Vest Date	Option Expiration Date
<b>Caitlin Jeffs</b>	300,000	-	\$0.15	Feb. 28, 2014	Feb. 28, 2016
Chief Executive Officer, President and Secretary					
<b>Michael Thompson</b>	300,000	-	\$0.15	Feb. 28, 2014	Feb. 28, 2016
Vice President of Exploration					
<b>Joao (John) da Costa</b>	300,000	-	\$0.15	Feb. 28, 2014	Feb. 28, 2016
Chief Financial Officer and Treasurer					

## Director Compensation

Other than the compensation set out in the tables above, we have not paid compensation to our directors.

## ITEM 12: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Table 23 presents, as of April 28, 2015, information regarding the beneficial ownership of our common stock with respect to each of our executive officers, each of our directors, each person known by us to own beneficially more than 5% of the common stock, and all of our directors and executive officers as a group. Beneficial ownership is determined under the rules of the Securities and Exchange Commission and generally includes voting or investment power over securities. Each individual or entity named has sole investment and voting power with respect to the shares of common stock indicated as beneficially owned by them, subject to community property laws, where applicable, except where otherwise noted.

Shares of common stock subject to options or warrants that are currently exercisable or exercisable within 60 days from April 28, 2015, are considered outstanding and beneficially owned by the person holding the options or warrants for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

Table 23: Security ownership

Class of security	Name and address of beneficial owner	Number of shares beneficially owned	Percentage of common stock
<b>Security Ownership of Management</b>			
Common stock	Caitlin Jeffs 1158 Russell Street, Unit D, Thunder Bay, ON P7B 5N2	1,996,909 <sup>(a)</sup>	5.92%
Common stock	Michael Thompson 1158 Russell Street, Unit D, Thunder Bay, ON P7B 5N2	386,191 <sup>(b)</sup>	1.14%
Common stock	Fladgate Exploration Consulting Corp. <sup>(c)</sup> 1158 Russell Street, Unit D, Thunder Bay, ON P7B 5N2	330,087	0.99%
Common stock	Joao (John) da Costa 789 West Pender Street, Unit 810 Vancouver, BC V6C 1H2	1,043,691 <sup>(d)</sup>	3.09%
	All officers and directors as a group	3,756,878	11.14%
<b>Security Ownership of Certain Beneficial Owners (more than 5%)</b>			
Common stock	Richard N. Jeffs Parcela 29, Perales Viejo Vallenar, III Region Chile	3,638,785	10.88%
Common stock	Robert Andjelic PO Box 69 Millarville, AB T0L 1K0	2,500,000	7.47%

(a) 1,996,909 shares listed as being held by Ms. Jeffs include options to purchase up to 300,000 shares of our common stock at initial exercise price of \$0.15 per share which expire on February 28, 2016.

(b) 386,191 shares listed as being held by Mr. Thompson include options to purchase up to 300,000 shares of our common stock at initial exercise price of \$0.15 per share which expire on February 28, 2016.

(c) Fladgate Exploration Consulting Corporation is controlled by Caitlin Jeffs and Michael Thompson.

(d) 1,043,691 shares listed as being held by Mr. da Costa include 296,667 shares held by Da Costa Management Corp. of which Mr. da Costa is a principal of, and options to purchase up to 300,000 shares of our common stock at initial exercise price of \$0.15 per share which expire on February 28, 2016.



## Equity Compensation Plans

The following table sets forth certain information concerning all equity compensation plans previously approved by stockholders and all previous equity compensation plans not previously approved by stockholders, as of January 31, 2015, our most recent fiscal year end:

Table 24: Equity Compensation Plans

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity Compensation Plans Approved by Security Holders	1,200,000	\$0.15	2,095,697
Equity Compensation Plans Not Approved by Security Holders	None	Not Applicable	None

On September 2, 2011, we adopted Red Metal Resources 2011 Equity Incentive Plan, as amended on May 18, 2012 (the “Plan”). The purpose of the Plan is to benefit the company by enabling us to attract, retain and motivate officers, directors, employees and consultants by providing them with the opportunity, through grants of options to purchase our common stock, to acquire an increased proprietary interest in the Company.

As of January 31, 2015, we had 1,200,000 options issued and outstanding under the Plan. For information relating to option grants made in February 2014 to our Named Executive Officers, see Item 11, “Executive Compensation”.

We have no plans that provide for the payment of retirement benefits, or benefits that will be paid primarily following retirement, including but not limited to tax-qualified defined benefit plans, supplemental executive retirement plans, tax-qualified defined contribution plans and nonqualified defined contribution plans.

We have no contracts, agreements, plans or arrangements, written or unwritten, that provide for payment to a Named Executive Officer at, following, or in connection with the resignation, retirement or other termination of a Named Executive Officer, or a change in control of our company or a change in the Named Executive Officer's responsibilities following a change in control. We have no employment agreements with our Named Executive Officers.

In the past we have not paid compensation to our Named Executive Officers, although we have paid and continue to pay fees to entities controlled by our Named Executive Officers for services rendered to us. See Item 13, “Certain Relationships and Related Transactions, and Director Independence”. In the past we have granted options to purchase our common stock to our Named Executive Officers as compensation for the services they render to us in our day-to-day operations. Grants of options allow us to conserve cash at the same time as they increase the proprietary interest of our Named Executive Officers in the company, thereby aligning their interests with those of our stockholders. In the future, we may pay cash compensation to our Named Executive Officers and we may pay bonuses of cash or securities as a way of rewarding exceptional performance. We did not pay bonuses during the fiscal year ended January 31, 2015.

We do not have a compensation committee. Caitlin Jeffs, Michael Thompson and John da Costa, all of whom are executive officers as well as directors, participate in deliberations of the board of directors concerning executive officer compensation.

## **ITEM 13: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

### **Director Independence**

Using the definition of “independent” in Rule 5605 of the Rules of The Nasdaq Stock Market, we have determined that none of our directors is independent.

### **Transactions with Related Persons**

Since February 1, 2014, the directors, executive officers, or holders of more than 5% of our common stock, or members of their immediate families, as described below, have completed transactions with us in which they had direct or indirect material interests that exceeded the lesser of \$120,000 or 1% of the average of our total assets at year end for the last two completed fiscal years.

#### Loans from Richard N. Jeffs

During the year ended January 31, 2015, we borrowed from Richard N. Jeffs, our major shareholder, \$71,000 and CDN\$15,000 (\$13,622). The loans are subject to 8% interest compounded monthly, are unsecured and due on demand. As of January 31, 2015, we were indebted to Mr. Jeffs in the amount of \$113,241 (2014 - \$25,378), consisting of the full principal of all advances made by Mr. Jeffs to that date plus accrued interest of \$13,446 (2014 - \$8,378). Subsequent to our year end, Mr. Jeffs advanced to us an additional \$80,000, bringing the total principal amount payable to Mr. Jeffs under the loan agreements with him to \$179,795.

#### Loans from Caitlin L. Jeffs

During the year ended January 31, 2015, we borrowed from Caitlin L. Jeffs, our Chief Executive Officer, Secretary and a member of our Board of Directors \$6,220 and CDN\$47,400 (\$42,735). The loans are subject to 8% interest compounded monthly, are unsecured and due on demand. As of January 31, 2015, we were indebted to Ms. Jeffs in the amount of \$248,564 (2014 - \$204,730), consisting of the full principal of all advances made by Ms. Jeffs to that date plus accrued interest of \$35,079 (2014 - \$20,140).

#### Loans from John da Costa

At January 31, 2015 we were indebted to Joao (John) da Costa, our Chief Financial Officer, Treasurer and member of our Board of Directors, in the amount of \$10,802 (2014 - \$9,974), consisting of the full principal of the loan we received from Mr. da Costa prior to February 1, 2014, plus accrued interest of \$2,302 (2014 - \$1,474). We did not borrow any funds from Mr. da Costa during the year ended January 31, 2015.

#### Transactions with Da Costa Management Corp.

We pay Da Costa Management Corp. for administrative and accounting services. Joao (John) da Costa, our Chief Financial Officer, Treasurer and a member of our Board of Directors is the principal of Da Costa Management Corp. During the year ended January 31, 2015, we paid or accrued \$120,000 to Da Costa Management for services provided by them. This amount has been included in the Summary Compensation Table included under Item 11 of this Annual Report on Form 10-K. As of January 31, 2015, we were indebted to Da Costa Management Corp. in the amount of \$445,601 for unpaid fees (2014 - \$350,206).

#### Transactions with Fladgate Exploration Consulting Corporation

We pay Fladgate Exploration Consulting Corporation ("Fladgate") for mineral exploration and corporate communication services. Caitlin Jeffs, our Chief Executive Officer, Secretary and a member of our Board of Directors, and Michael Thompson, our Vice President of Exploration and a member of our Board of Directors are the principals of Fladgate, each owning 33% of the interest in the company. During the year ended January 31, 2015, we paid or accrued \$4,113 to Fladgate for corporate communications services provided by them. This amount has been included in the Summary Compensation Table included under Item 11 of this Annual Report on Form 10-K. As of January 31, 2015, we were indebted to Fladgate in the amount of \$317,089 for unpaid fees (2014 - \$395,921).

In addition to the above transactions, during the year ended January 31, 2015, we issued to Fladgate a note payable for CAD\$63,494 (\$49,929) for advances we received from Fladgate in prior years. The note payable is subject to 8% interest compounded monthly, is unsecured and due on demand. At January 31, 2015 we were indebted to Fladgate in the amount of \$117,202 (2014 - \$67,781), consisting of the full principal of all loans we received from Fladgate prior to February 1, 2014, plus accrued interest of \$18,214 (2014 - \$11,671). We did not borrow any funds from Fladgate during the year ended January 31, 2015.

#### Transactions with Minera Farellon Limitada

We pay Minera Farellon Limitada for rental of our Chilean office used by our Subsidiary, Minera Polymet Limitada, and receive royalty payments from Minera Farellon, pursuant to our mineral property rental agreement with them. Richard N. Jeffs, our major shareholders is the principle of Minera Farellon Limitada, owning 50% of the company. During the year ended January 31, 2015, we paid or accrued \$12,734 in rental fees and received \$9,865 in royalty payments from small scale mining Minera Farellon conducted on our Farellon Alto 1-8 claim. As of January 31, 2015, we were indebted to Minera Farellon in the amount of \$91,966 for unpaid fees (2014 - \$94,099). Subsequent to our year end, we repaid approximately \$26,500 of the amount due to Minera Farellon.

### **ITEM 14: PRINCIPAL ACCOUNTING FEES AND SERVICES**

#### **(1) Audit Fees and Related Fees**

The aggregate fees billed and accrued for each of the last two fiscal years for professional services rendered by our principal accountant for the audit of our annual consolidated financial statements and for the review of our financial statements or for services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years were:

2015 - \$23,215 - Dale Matheson Carr-Hilton Labonte LLP

2014 - \$28,316 - Dale Matheson Carr-Hilton Labonte LLP

#### **(2) Audit-Related Fees**

The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountants that are reasonably related to the performance of the audit or review of our financial statements and are not reported in the preceding paragraph:

2015 - \$0 - Dale Matheson Carr-Hilton Labonte LLP

2014 - \$0 - Dale Matheson Carr-Hilton Labonte LLP

### (3) Tax Fees

The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning was:

2015 - \$1,785 - Dale Matheson Carr-Hilton Labonte LLP

2014 - \$2,393 - Dale Matheson Carr-Hilton Labonte LLP

### (4) All Other Fees

The aggregate fees billed in each of the last two fiscal years for the products and services provided by the principal accountant, other than the services reported in paragraphs (1), (2) and (3) was:

2015 - \$0 - Dale Matheson Carr-Hilton Labonte LLP

2014 - \$0 - Dale Matheson Carr-Hilton Labonte LLP

We do not have an audit committee. Our board of directors pre-approves all audit and permissible non-audit services provided by the independent auditors. These services may include audit services, audit-related services, tax services and other services.

## ITEM 15: EXHIBITS

See the index to financial statements on page 40

The following table sets out the exhibits either filed herewith or incorporated by reference.

Exhibit	Description
3.1	Articles of Incorporation <sup>1</sup>
3.2	By-laws <sup>1</sup>
10.1	Red Metal Resources Ltd. 2011 Equity Incentive Plan <sup>2</sup>
10.2	Form of Agreement to Accept Shares of Common Stock for Monies Owed <sup>3</sup>
10.3	Memorandum (Minutes) of Understanding between Geoactiva Spa and Minera Polymet Limitada <sup>4</sup>
10.4	Extension of Memorandum of Understanding between Geoactiva Spa and Minera Polymet Limitada <sup>5</sup>
10.5	Unilateral Purchase Option Contract for Mining Properties: Minera Polymet Limitada to Geoactiva SpA, dated April 30, 2013 (English translation of text) <sup>6</sup>
10.6	Memorandum of Understanding between Minera Polymet Limitada and David Marcus Mitchel <sup>7</sup>
10.7	Irrevocable Purchase Option Contract for Mining Property Quina 1-56, English translation <sup>8</sup>
21	List of significant subsidiaries of Red Metal Resources Ltd. <sup>9</sup>
31.1	Certification of chief executive officer and president pursuant to Rule 13a-14(a)/15d-14(a)
31.2	Certification of chief financial officer pursuant to Rule 13a-14(a)/15d-14(a)
32	Certification pursuant to 18 U.S.C. Section 1350
101	The following financial statements formatted in Extensive Business Reporting Language (XBRL): (i) consolidated balance sheet, (ii) consolidated statements of operations, (iii) consolidated statements of cash flows, (iv) consolidated statement of changes in stockholders' deficit, and (v) the notes to the consolidated financial statements.

<sup>1</sup> Incorporated by reference from the registrant's report on Form SB-2 filed with the Securities and Exchange Commission on May 22, 2006 as file number 333-134-363

<sup>2</sup> Incorporated by reference from the registrant's registration statement on Form S-8 filed with the Securities and Exchange Commission on September 23, 2011.

<sup>3</sup>Incorporated by reference from the registrant's registration statement on Form S-1, as amended, which was originally filed with the Securities and Exchange Commission on September 19, 2013 as file number 333-190647.

<sup>4</sup>Incorporated by reference from the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 14, 2013.

<sup>5</sup>Incorporated by reference from the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 12, 2013.

<sup>6</sup>Incorporated by reference from the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 6, 2013.

<sup>7</sup> Incorporated by reference from the registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission on June 4, 2014.

<sup>8</sup> Incorporated by reference from the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 19, 2014

<sup>9</sup> Incorporated by reference from the registrant's report on Form 10 filed with the Securities and Exchange Commission on February 12, 2010.

## SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: May 1, 2015

### RED METAL RESOURCES LTD.

By: /s/ Caitlin Jeffs  
Caitlin Jeffs, Chief Executive  
Officer

By: /s/ Joao (John) da Costa  
Joao (John) da Costa, Chief  
Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Caitlin Jeffs</u> Caitlin Jeffs	Chief Executive Officer, (Principle Executive Officer) President, Secretary and Member of the Board of Directors	May 1, 2015
<u>/s/ Joao (John) da Costa</u> Joao (John) da Costa	Chief Financial Officer and director (Principle Financial and Accounting Officer) and Member of the Board of Directors	May 1, 2015
<u>/s/ Michael Thompson</u> Michael Thompson	Vice President of Exploration and Member of the Board of Directors	May 1, 2015