

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

FORM 10-Q

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

For the quarterly period ended: **October 31, 2016**

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 small business issuer 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) (Zip Code)

(807) 345-7384

(Issuer's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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

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 (§232.405 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
(Do not check if a smaller reporting company)			

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of December 15, 2016, the number of shares of the registrant's common stock outstanding was 34,647,445.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

**RED METAL RESOURCES LTD.
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN US DOLLARS)**

	October 31, 2016	January 31, 2016
	(Unaudited)	
ASSETS		
Current assets		
Cash	\$ 3,646	\$ 2,161
Prepays and other receivables	12,268	4,519
Total current assets	15,914	6,680
Equipment	2,688	3,107
Unproved mineral properties	553,535	460,539
Total assets	\$ 572,137	\$ 470,326
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	\$ 380,469	\$ 358,709
Accrued liabilities	146,920	131,577
Due to related parties	1,034,894	938,584
Notes payable	39,518	17,433
Notes payable to related parties	876,103	687,155
Total liabilities	2,477,904	2,133,458
Stockholders' deficit		
Common stock, \$0.001 par value, authorized 500,000,000, 34,290,302 issued and outstanding at October 31, 2016 and January 31, 2016	34,290	34,290
Additional paid in capital	6,754,547	6,754,547
Deficit	(8,747,387)	(8,525,921)
Accumulated other comprehensive income	52,783	73,952
Total stockholders' deficit	(1,905,767)	(1,663,132)
Total liabilities and stockholders' deficit	\$ 572,137	\$ 470,326

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

RED METAL RESOURCES LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS
(EXPRESSED IN US DOLLARS)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	October 31,		October 31,	
	2016	2015	2016	2015
Operating expenses:				
Amortization	\$ 217	\$ 282	\$ 686	\$ 975
Consulting fees	15,000	30,000	45,000	90,000
General and administrative	20,290	18,066	54,007	53,330
Interest on current debt	25,868	20,657	73,129	60,678
Mineral exploration costs	4,471	2,729	16,916	12,378
Professional fees	490	4,004	3,536	13,670
Rent	2,488	2,388	7,351	7,659
Regulatory	1,252	581	6,114	5,023
Salaries, wages and benefits	12,152	11,129	40,838	37,491
Foreign exchange loss (gain)	142	(420)	403	(1,333)
Impairment of unproved mineral properties	-	-	-	3,401
	<u>(82,370)</u>	<u>(89,416)</u>	<u>(247,980)</u>	<u>(283,272)</u>
Other income	5,563	4,140	26,514	17,106
Net loss	<u>(76,807)</u>	<u>(85,276)</u>	<u>(221,466)</u>	<u>(266,166)</u>
Foreign exchange translation	26,043	(8,720)	(21,169)	(11,081)
Comprehensive loss	<u>\$ (50,764)</u>	<u>\$ (93,996)</u>	<u>\$ (242,635)</u>	<u>\$ (277,247)</u>
Net loss per share - basic and diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average number of shares outstanding - basic and diluted	<u>34,290,302</u>	<u>33,456,969</u>	<u>34,290,302</u>	<u>33,456,969</u>

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

RED METAL RESOURCES LTD.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
(EXPRESSED IN US DOLLARS)
(Unaudited)

	Common Stock Issued			Accumulated Deficit	Accumulated Other Comprehensive Income	Total
	Number of Shares	Amount	Additional Paid-in Capital			
Balance at January 31, 2015	33,456,969	\$ 33,457	\$ 6,730,380	\$ (8,013,633)	\$ 13,730	\$ (1,236,066)
Net loss for the nine months ended October 31, 2015	-	-	-	(266,166)	-	(266,166)
Foreign exchange translation	-	-	-	-	(11,081)	(11,081)
Balance at October 31, 2015	33,456,969	33,457	6,730,380	(8,279,799)	2,649	(1,513,313)
Stock issued for mineral property	833,333	833	24,167	-	-	25,000
Net loss for the three months ended January 31, 2016	-	-	-	(246,122)	-	(246,122)
Foreign exchange translation	-	-	-	-	71,303	71,303
Balance at January 31, 2016	34,290,302	34,290	6,754,547	(8,525,921)	73,952	(1,663,132)
Net loss for the nine months ended October 31, 2016	-	-	-	(221,466)	-	(221,466)
Foreign exchange translation	-	-	-	-	(21,169)	(21,169)
Balance at October 31, 2016	34,290,302	\$ 34,290	\$ 6,754,547	\$ (8,747,387)	\$ 52,783	\$ (1,905,767)

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

RED METAL RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN US DOLLARS)
(Unaudited)

	For the Nine Months Ended October 31,	
	2016	2015
Cash flows used in operating activities:		
Net loss	\$ (221,466)	\$ (266,166)
Adjustments to reconcile net loss to net cash used in operating activities:		
Accrued interest on related party notes payable	47,513	37,288
Accrued interest on notes payable	2,226	468
Amortization	686	975
Impairment of unproved mineral properties	-	3,401
Changes in operating assets and liabilities:		
Prepays and other receivables	(7,519)	(2,654)
Accounts payable	18,812	15,931
Accrued liabilities	8,512	17,277
Due to related parties	62,747	65,785
Net cash used in operating activities	(88,489)	(127,695)
Cash flows used in investing activities:		
Acquisition of unproved mineral properties	(47,906)	(59,531)
Net cash used in investing activities	(47,906)	(59,531)
Cash flows provided by financing activities:		
Cash received on issuance of notes payable to related parties	125,105	170,022
Cash received on issuance of notes payable	11,533	16,619
Net cash provided by financing activities	136,638	186,641
Effects of foreign currency exchange	1,242	(4,395)
Change in cash	1,485	(4,980)
Cash, beginning	2,161	4,440
Cash, ending	\$ 3,646	\$ (540)
Supplemental disclosures:		
Cash paid for:		
Income tax	\$ -	\$ -
Interest	\$ -	\$ -

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

RED METAL RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 31, 2016
(Unaudited)

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION

Nature of Operations

Red Metal Resources Ltd. (the “Company”) holds a 99% interest in Minera Polymet SpA (“Polymet”) 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.

Unaudited Interim Consolidated Financial Statements

The unaudited interim consolidated financial statements of the Company have been prepared in accordance with United States generally accepted accounting principles (“GAAP”) for interim financial information and the rules and regulations of the Securities and Exchange Commission (“SEC”). They do not include all information and footnotes required by GAAP for complete financial statements. Except as disclosed herein, there have been no material changes in the information disclosed in the notes to the financial statements for the year ended January 31, 2016, included in the Company’s Annual Report on Form 10-K, filed with the SEC. The unaudited interim consolidated financial statements should be read in conjunction with those financial statements included in Form 10-K. In the opinion of management, all adjustments considered necessary for fair presentation, consisting solely of normal recurring adjustments, have been made. Operating results for the three and nine month periods ended October 31, 2016 are not necessarily indicative of the results that may be expected for the year ending January 31, 2017.

NOTE 2 - RELATED-PARTY TRANSACTIONS

The following amounts were due to related parties as at:

	<u>October 31, 2016</u>	<u>January 31, 2016</u>
Due to a company owned by an officer (a)	\$ 607,337	\$ 553,991
Due to a company controlled by directors (b)	325,442	299,761
Due to a company controlled by a major shareholder (a)	65,371	51,201
Due to a major shareholder (a)	36,744	33,631
Total due to related parties	<u>\$ 1,034,894</u>	<u>\$ 938,584</u>
Note payable to the Chief Executive Officer (“CEO”) (c)	\$ 290,790	\$ 257,081
Note payable to the Chief Financial Officer (“CFO”) (c)	12,420	11,698
Note payable to a major shareholder (c)	442,384	301,360
Note payable to a company controlled by directors (c)	130,509	117,016
Total notes payable to related parties	<u>\$ 876,103</u>	<u>\$ 687,155</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 nine months ended October 31, 2016, the Company accrued \$47,513 (October 31, 2015 - \$37,288) in interest expense on the notes payable to related parties. During the same time, the Company accrued \$10,767 (October 31, 2015 - \$11,066) in interest expense on trade accounts payable with related parties.

Transactions with Related Parties

During the nine months ended October 31, 2016 and 2015, the Company incurred the following expenses with related parties:

	<u>October 31, 2016</u>	<u>October 31, 2015</u>
Consulting fees paid or accrued to a company owned by the CFO	\$ 45,000	\$ 90,000
Rent fees paid or accrued to a company controlled by a major shareholder	\$ 7,351	\$ 7,659

NOTE 3 - UNPROVED MINERAL PROPERTIES

<u>Mineral Claims</u>	<u>January 31, 2016</u>	<u>Additions/ Payments</u>	<u>Property Taxes Paid/ Accrued</u>	<u>Effect of foreign currency translation</u>	<u>October 31, 2016</u>
Farellon Project					
Farellon Alto 1-8(1)	\$ 371,811	\$ --	\$ 3,307	\$ 34,562	\$ 409,680
Quina	48,160	--	1,683	4,528	54,371
Exeter	26,208	25,000	1,576	3,952	56,736
	<u>446,179</u>	<u>25,000</u>	<u>6,566</u>	<u>43,042</u>	<u>520,787</u>
Perth Project	<u>14,360</u>	<u>1,237</u>	<u>15,103</u>	<u>2,048</u>	<u>32,748</u>
Total Costs	<u>\$ 460,539</u>	<u>\$ 26,237</u>	<u>\$ 21,669</u>	<u>\$ 45,090</u>	<u>\$ 553,535</u>

- (1) During the nine month period ended October 31, 2016, the Company received \$26,514 (October 31, 2015 - \$17,106) in royalty payments from minerals extracted during the small scale mining operations that were carried out by a third-party; these payments were recorded as other income. During the same period the Company paid \$12,806 (October 31, 2015 - \$12,055) in royalty payments to the original vendor of the Farellon Alto 1-8, which were recorded as part of mineral exploration costs.

NOTE 4 - COMMON STOCK

During the nine months ended October 31, 2016, the Company did not have any transactions that resulted in issuance of its common stock, or warrants or options to acquire its common stock.

As at October 31, 2016, the Company had 34,290,302 common shares issued and outstanding, with no warrants or options issued and exercisable.

NOTE 5 - SUBSEQUENT EVENTS

On November 29, 2016, the Company entered into a loan agreement with Richard Jeffs, a significant shareholder of the Company, for a loan in the principal amount of CAD\$10,000 (USD\$7,443) (the "Loan"). The Loan is unsecured, due on demand, with interest payable at a rate of 8% per annum.

On December 8, 2016, the Company issued 357,143 shares of its common stock with a fair value of \$25,000 as consideration for the third option payment to acquire an interest in the Quina Claim.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

This Quarterly Report on Form 10-Q filed by Red Metal Resources Ltd. contains forward-looking statements. These are statements regarding financial and operating performance and results and other statements that are not historical facts. The words "expect," "project," "estimate," "believe," "anticipate," "intend," "plan," "forecast," and similar expressions are intended to identify forward-looking statements. Certain important risks could cause results to differ materially from those anticipated by some of the forward-looking statements. Some, but not all, of these risks include, among other things:

- 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; and / or
- other uncertainties, all of which are difficult to predict and many of which are beyond our control.

We caution you not to place undue reliance on these forward-looking statements, which reflect our management's view only as of the date of this report. We are not obligated to update these statements or publicly release the results of any revisions to them to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events. You should refer to, and carefully review, the information in future documents we file with the Securities and Exchange Commission.

General

You should read this discussion and analysis in conjunction with our interim unaudited consolidated financial statements and related notes included in this Form 10-Q and the audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the fiscal year ended January 31, 2016. The inclusion of supplementary analytical and related information may require us to make estimates and assumptions to enable us to fairly present, in all material respects, our analysis of trends and expectations with respect to our results of operations and financial position taken as a whole. Actual results may vary from the estimates and assumptions we make.

Overview

Red Metal Resources Ltd. ("Red Metal", or the "Company") 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.

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, our subsidiary, Minera Polymet SpA, has one employee in Chile and engages independent consultants on as needed basis. 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 four of our mineral claims - Farellon Alto 1-8, Quina 1 - 56, Exeter 1 - 54, and Che. These royalties are payable once exploitation begins. We are also required to pay property taxes that are due annually on all the claims that are included in our properties.

The cost and timing of all planned exploration programs are subject to the availability of qualified mining personnel, such as consulting geologists, 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 ours are competing 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.

Recent Corporate Events

The following corporate developments have occurred during the third quarter ended October 31, 2016, and up to the date of the filing of this report:

LOI with TomaGold

On September 16, 2016, we signed a letter of intent (“LOI”) with TomaGold Corporation (“TomaGold”) to sell, pursuant to a takeover bid, business combination or similar transaction, all of the issued and outstanding common shares of the Company, namely 34,290,302 common shares, for an aggregate consideration of CAD\$3,250,000.

The LOI included customary provisions, including non-solicitation of alternative transactions, the right to match superior proposals and the closing by TomaGold of a financing of CAD\$700,000 before the closing of the transaction. The parties have agreed to a break-up fee of CAD\$175,000 (i) payable to TomaGold if Red Metal is in default of the LOI and if a superior proposal is accepted by Red Metal’s shareholders, and (ii) payable to Red Metal if TomaGold does not complete the transaction for reasons other than discovering an issue with their confirmatory due diligence.

On November 28, 2016 we received a letter from TomaGold notifying us that the company will not pursue the transaction to acquire Red Metal.

Option to acquire Quina Claim

On December 8, 2016, we issued 357,143 shares of our common stock with a fair value of \$25,000 as consideration for the third option payment to acquire an interest in 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 Quarterly Report on Form 10-Q.

Farellon Property Production

Production in the sulphide zone has been ongoing for the past year and copper, silver and gold mineralized material is being delivered to ENAMI. From August 2015 to the end of August 2016 a total of 7,931 tonnes have been sold to ENAMI with an average grade of 1.88% copper, 8.35 g/t silver, and 0.25 g/t gold.

Since commencement of the mining activities and the first delivery of mineralized material to ENAMI in January 2015, a total of 10,431 tonnes of sulphide material with an average grade of 1.85% copper, 6.78 g/t silver and 0.25 g/t gold, and a total of 1,806 tonnes of oxide material with an average grade of 1.56% copper have been sold.

Results of Operations

SUMMARY OF FINANCIAL CONDITION

Table 1 summarizes and compares our financial condition at October 31, 2016, to the year ended January 31, 2016.

Table 1: Comparison of financial condition

	October 31, 2016	January 31, 2016
Working capital deficit	\$ (2,461,990)	\$ (2,126,778)
Current assets	\$ 15,914	\$ 6,680
Unproved mineral properties	\$ 553,535	\$ 460,539
Total liabilities	\$ 2,477,904	\$ 2,133,458
Common stock and additional paid in capital	\$ 6,788,837	\$ 6,788,837
Accumulated other comprehensive income	\$ 52,783	\$ 73,952
Deficit	\$ (8,747,387)	\$ (8,525,921)

COMPARISON OF PRIOR QUARTERLY RESULTS

Table 2: Summary of quarterly results (October 31, 2016 - January 31, 2016)

	October 31, 2016	July 31, 2016	April 30, 2016	January 31, 2016
Net loss	\$(76,807)	\$(72,306)	\$(72,353)	\$(246,122)
Basic and diluted loss per share	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.01)

Table 3: Summary of quarterly results (October 31, 2015 - January 31, 2015)

	October 31, 2015	July 31, 2015	April 30, 2015	January 31, 2015
Net loss	\$(85,276)	\$(90,406)	\$(90,484)	\$(121,620)
Basic and diluted loss per share	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)

During the past eight fiscal quarters we maintained our exploration and operating activities at low levels. Following are the most significant events that affected our quarterly financial results:

- During the quarter ended October 31, 2016, we recorded \$25,868 in accrued interest associated with our promissory notes and amounts payable with the related parties as well as interest accrued on other trades payable.
- During the quarter ended July 31, 2016, we recorded \$8,084 in exploration expenses, which were mainly associated with the payment of 2016 - 2017 property taxes for our Mateo property claims and Cecil claim, which we fully impaired at January 31, 2016, however continue to maintain.
- During the quarter ended January 31, 2016, we recorded \$158,141 when we fully impaired our Mateo Property and Cecil Claim.
- During the quarter ended October 31, 2015, we completed restructuring of our Chilean subsidiary, Minera Polymet, from a Limited Liability Company to a Closed Stock Corporation. During the same period, we continued renting our Farellon Alto 1 - 8 claim to a third-party, who was carrying out a small scale mining operation on the claim, which resulted in royalty payments we received of \$4,140.
- During the quarter ended July 31, 2015, we increased royalties payable to us on the minerals extracted during the small scale mining operations that were carried out by the third-party on our Farellon Property, which resulted in \$10,007 in royalty payments we received during the period.

Selected Financial Results

THREE AND NINE MONTHS ENDED OCTOBER 31, 2016 AND 2015

Our operating results for the three and nine month periods ended October 31, 2016 and 2015, and the changes in the operating results between those periods are summarized in Table 4:

Table 4: Summary of operating results

	Three months ended October 31,		Changes between the periods	Nine months ended October 31,		Changes between the periods
	2016	2015		2016	2015	
Operating expenses	\$ (82,370)	\$ (89,416)	\$ (7,046)	\$ (247,980)	\$ (283,272)	\$ (35,292)
Other income	5,563	4,140	1,423	26,514	17,106	9,408
Net loss	(76,807)	(85,276)	(8,469)	(221,466)	(266,166)	(44,700)
Foreign exchange translation	26,043	(8,720)	34,763	(21,169)	(11,081)	(10,088)
Comprehensive loss	\$ (50,764)	\$ (93,996)	\$ (43,232)	\$ (242,635)	\$ (277,247)	\$ (34,612)

Revenue. We did not generate any revenue during the three and nine month periods ended October 31, 2016 and 2015. 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 for the three and nine month periods ended October 31, 2016 and 2015, and the changes between those periods are summarized in Table 5.

Table 5: Detailed changes in operating expenses

	Three months ended October 31,		Changes between the periods	Nine months ended October 31,		Changes between the periods
	2016	2015		2016	2015	
Operating expenses						
Amortization	\$ 217	\$ 282	\$ (65)	\$ 686	\$ 975	\$ (289)
Consulting fees	15,000	30,000	(15,000)	45,000	90,000	(45,000)
General and administrative	20,290	18,066	2,224	54,007	53,330	677
Interest on current debt	25,868	20,657	5,211	73,129	60,678	12,451
Mineral exploration costs	4,471	2,729	1,742	16,916	12,378	4,538
Professional fees	490	4,004	(3,514)	3,536	13,670	(10,134)
Rent	2,488	2,388	100	7,351	7,659	(308)
Regulatory	1,252	581	671	6,114	5,023	1,091
Salaries, wages and benefits	12,152	11,129	1,023	40,838	37,491	3,347
Foreign exchange loss (gain)	142	(420)	562	403	(1,333)	1,736
Impairment of unproved mineral properties	-	-	-	-	3,401	(3,401)
Total operating expenses	\$ 82,370	\$ 89,416	\$ (7,046)	\$ 247,980	\$ 283,272	\$ (35,292)

Our operating expenses decreased by \$7,046, or 8%, from \$89,416 for the three month period ended October 31, 2015 to \$82,370 for the three month period ended October 31, 2016. Since we kept our operating activities at low level the change in operating expenses during the three month period ended October 31, 2016, was associated mainly with a decrease in consulting, and professional fees. These costs were offset by marginal increases in interest we accrued on the notes payable we issued to related and non-related parties as well as trade accounts payable, regulatory fees, as well as increases in mineral exploration costs. Our salaries, wages and benefits increased due to the fluctuation in the foreign exchange rate, as those fees originate from our Chilean subsidiary, whose functional currency is Chilean Peso.

On a year-to-date basis, our operating expenses decreased by \$35,292 or 12%, from \$283,272 for the nine months ended October 31, 2015, to \$247,980 for the nine months ended October 31, 2016.

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

- During the nine months ended October 31, 2016 our consulting fees decreased by 50% or \$45,000, from \$90,000 we incurred during the nine months ended October 31, 2015 to \$45,000 we incurred during the nine months ended October 31, 2016. In addition, our professional fees decreased by \$10,134 or 74%. These reductions were associated with our decreased business activity during the period covered by this report on Form 10-Q, and with our continued efforts to control our overhead costs.
- To continue our operations we were required to incur additional debt with our debt holders, which resulted in \$12,451 increase to the interest we accrued.
- In June 2016 we paid 2016 - 2017 property taxes associated with our Mateo Property claims and Cecil claim, which were impaired at January 31, 2016. In the comparative period those tax payments were capitalized.
- During the nine months ended October 31, 2015 we impaired a claim within our Mateo Property, which resulted in a write off of the cash acquisition fees totaling \$3,401. We did not have similar expenses during the nine months ended October 31, 2016.
- Our salaries and wages increased by \$3,347; this increase was mainly associated with the foreign exchange fluctuation, as the salaries are incurred by our Chilean Subsidiary, whose functional currency is Chilean Peso.

Other income. During the nine months ended October 31, 2016, we continued renting our Farellon Alto 1-8 claim to Mr. Mitchell, who was carrying out a small scale mining operation on the claim. Pursuant to our rental agreement, Mr. Mitchell was obligated to pay us 5% royalty on the amounts generated from the net smelter returns. In June 2015 we reached a verbal agreement with Mr. Mitchell to increase the royalty payable to us from net smelter returns from the Farellon Alto 1-8 claim from 5% to 10%. As such, the royalty payments we received increased by \$9,408, or 55% from \$17,106 we received during the nine months ended October 31, 2015 to \$26,514 we received during the nine months ended October 31, 2016. For additional information, refer to the “Unproved Mineral Properties” section of this Quarterly Report on Form 10-Q.

Comprehensive loss. Our comprehensive loss for the three month period ended October 31, 2016 was \$50,764 as compared to the comprehensive loss of \$93,996 we recorded for the three month period ended October 31, 2015. The \$43,232 decrease in comprehensive loss was mainly associated with the foreign exchange translation associated with revaluation of the transactions denominated in other than our functional currencies.

Our comprehensive loss for the nine month period ended October 31, 2016 was \$242,635 as compared to the comprehensive loss of \$277,247 we recorded for the nine month period ended October 31, 2015. The \$34,612 decrease in comprehensive loss was mainly associated with the foreign exchange translation associated with revaluation of the transactions denominated in other than our functional currencies.

Liquidity and Capital Resources

Table 6: Working capital

	October 31, 2016	January 31, 2016	Changes between the periods
Current assets	\$ 15,914	\$ 6,680	\$ 9,234
Current liabilities	2,477,904	2,133,458	344,446
Working capital deficit	<u>\$ (2,461,990)</u>	<u>\$ (2,126,778)</u>	<u>\$ 335,212</u>

As of October 31, 2016, we had a cash balance of \$3,646, our working capital was represented by a deficit of \$2,461,990 and cash flows used in operations totaled \$88,489 for the period then ended. During the nine month period ended October 31, 2016, we funded our operations with \$125,105 in loans we received from our related parties and \$11,533 in loans with Mr. Mitchell. See “Net Cash Provided By Financing Activities.”

We did not generate sufficient cash flows from our operating activities to satisfy our cash requirements for the nine month period ended October 31, 2016. The amount of cash that we have generated from our operations to date is significantly less than our current debt obligations, including our debt obligations under our notes and advances payable. There is no assurance that we will be able to generate sufficient cash from our operations to repay the amounts owing under these notes and advances payable, or to service our other debt obligations. If we are unable to generate sufficient cash flow from our operations to repay the amounts owing when due, we may be required to raise additional financing from other sources.

Cash Flow

Table 7 summarizes our sources and uses of cash for the nine months ended October 31, 2016 and 2015.

Table 7: Summary of sources and uses of cash

	2016	October 31, 2015
Net cash used in operating activities	\$ (88,489)	\$ (127,695)
Net cash used in investing activities	(47,906)	(59,531)
Net cash provided by financing activities	136,638	186,641
Effects of foreign currency exchange	1,242	(4,395)
Net increase (decrease) in cash	<u>\$ 1,485</u>	<u>\$ (4,980)</u>

Net cash used in operating activities. During the nine months ended October 31, 2016, we used net cash of \$88,489 in operating activities. We used \$171,041 to cover our cash operating costs and \$7,519 to increase our prepaid expenses and receivables. These uses of cash were offset by increases in accounts payable and amounts due to related parties of \$18,812 and \$62,747, respectively, and by an increase to our accrued liabilities of \$8,512.

During the nine months ended October 31, 2015, we used net cash of \$127,695 in operating activities. We used \$224,034 to cover our cash operating costs and \$2,654 to increase our prepaid expenses. These uses of cash were offset by increases in our accounts payable and amounts payable to related parties of \$15,931 and \$65,785, respectively, and by an increase to accrued liabilities of \$17,277.

Certain non-cash changes included in the net loss for the period. During the nine months ended October 31, 2016, we recorded \$47,513 (October 31, 2015 - \$37,288) in interest accrued on outstanding notes payable to related parties, and \$2,226 (October 31, 2015 - \$468) in interest accrued on outstanding notes payable to Mr. Mitchell.

During the nine months ended October 31, 2015, we impaired our mineral property acquisition costs by \$3,401, we did not have any impairment charges during the nine month period ended October 31, 2016. In addition, we recorded \$686 (October 31, 2015 - \$975) in amortization of our equipment used in exploration activities.

Net cash used in investing activities. During the nine months ended October 31, 2016, we spent \$47,906 on our mineral claims. Of this amount \$25,000 was used to make a second option payment to acquire the Exeter claim, and \$22,906 was used to pay 2016 - 2017 mineral property taxes and other regulatory fees on exploration claims within our Perth and Farellon Properties.

During the nine months ended October 31, 2015, we spent \$59,531 acquiring mineral claims, of which \$27,708 was used to acquire the Exeter claim, and \$31,823 to pay 2015 - 2016 mineral property taxes on our claims.

Net cash provided by financing activities. During the nine months ended October 31, 2016, we borrowed \$79,500 and \$39,266 (CAD\$51,500) from our significant shareholder, and \$4,410 and \$1,929 (CAD\$2,502) from our CEO. In addition, we borrowed \$11,533 (7,808,563 Chilean Pesos) from Mr. Kevin Mitchell. The loans are unsecured, payable on demand and bear interest at 8% per annum, compounded monthly.

During the nine months ended October 31, 2015, we borrowed \$146,000 and \$12,391 (CAD\$15,000) from our significant shareholder, and \$1,040 and \$8,145 (CAD\$10,300) from our CEO. In addition, we borrowed \$2,446 (CAD\$3,211) from Fladgate Exploration Consulting Corporation, a company controlled by our CEO and VP of Exploration, and \$16,619 (10,500,000 Chilean Pesos) from Mr. Kevin Mitchell. The loans are unsecured, payable on demand and bear interest at 8% per annum, compounded monthly.

Going Concern

The consolidated financial statements included in this Quarterly 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 by sharing mineral exploration expenses through joint venture agreements, if possible. At October 31, 2016, we had a working capital deficit of \$2,461,990 and accumulated losses of \$8,747,387 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 interim 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.

Unproved Mineral Properties

Table 8: Active properties

Property	Percentage, type of claim	Hectares	
		Gross area	Net area ^a
Farellon			
Farellon Alto 1 - 8 claim	100%, mensura	66	
Quina 1 - 56 claim	Option to acquire 100% interest, mensura	251	
Exeter 1 - 54 claim	Option to acquire 100% interest, mensura	235	
Cecil 1 - 49 claim	100%, mensura	228	
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	
		<u>1,234</u>	1,234
Perth			
Perth 1 al 36 claim	100%, mensura	109	
Lancelot I 1 al 30 claim	100%, mensura	300	
Lancelot II 1 al 20 claim	100%, mensura	200	
Rey Arturo 1 al 30 claim	100%, mensura	300	
Merlin I 1 al 10 claim	100%, mensura	60	
Merlin I 1 al 24 claim	100%, mensura	240	
Galahad I 1 al 10 claim	100%, mensura	50	
Galahad IA 1 al 45 claim	100%, mensura	230	
Percival III 1 al 30 claim	100%, mensura	300	
Tristan II 1 al 30 claim	100%, mensura	300	
Tristan IIA 1 al 5 claim	100%, mensura	15	
Camelot 1 al 58 claim	100%, mensura	262	
		<u>2,366</u>	
Overlapped claims ^a		(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	
		<u>1,653</u>	
Overlapped claims ^a		(469)	<u>1,184</u>
			<u>4,663</u>

^a Certain claims overlap other claims. The net area is the total of the hectares we have in each property (i.e. net of our overlapped claims).

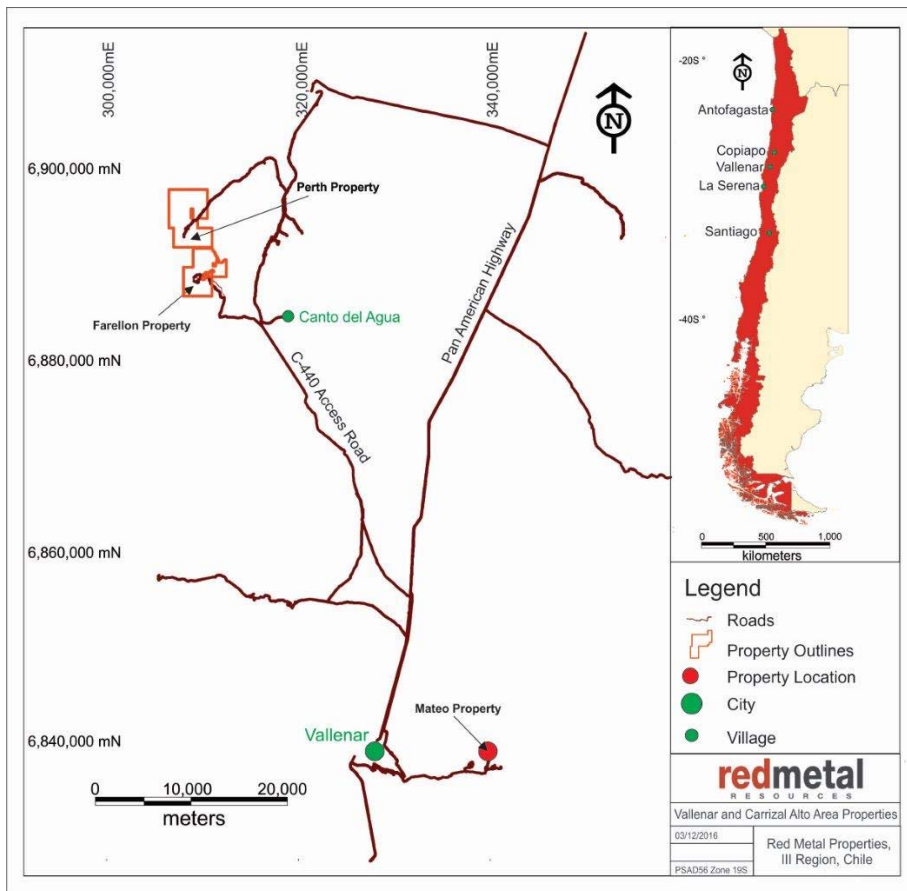


Figure 1: Location and access to active properties.

Farellon Property.

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. On October 21, 2014, the agreement was further amended to transfer the right to mine Farellon Alto 7 - 8 claims from Minera Farellon to Kevin Mitchell. In addition, the Company decreased the royalty on gross smelter returns payable by Mr. Mitchell from initial 10% to 5%. The 10% royalty was reinstated as of June 2015.

On December 9, 2013, in anticipation of exploration and mining activities carried out by Mr. Mitchell and Minera Farellon, we amended our option agreement with the vendor of Farellon Alto 1 - 8 Claim (the “Amended Agreement”) to allow us to carry out the exploration and mining activities without triggering the requirement to start paying a 1.5% royalty from the net proceeds to a maximum of \$600,000 with a monthly minimum of \$1,000 contemplated under the option agreement to acquire the Farellon Alto 1 - 8 Claim. The Amended Agreement allows us to work on the Farellon Alto 1 - 8 Claim, while paying the Vendor 5% royalty on net smelter returns maintaining a monthly minimum of \$1,000 (the “Amended Royalty”); however, we can stop the exploration of the Farellon Alto 1 - 8 Claim at any time, which will cease our requirement to continue paying the Amended Royalty.

The work done on the Farellon Alto 1-8 claim by Mr. Mitchell resulted in \$26,514 in royalty payments from gross smelter returns during the nine month period ended October 31, 2016. At the same time we paid the original vendor of the Farellon Alto 1-8 claim \$12,806 in royalty payments required under the amended option agreement to acquire the claim.

Option to Acquire Quina Claim

On December 15, 2014, we entered into an option agreement with David Marcus Mitchell to earn 100% interest in the Quina 1-56 claim (the “Quina Claim”). In order to acquire the 100% interest in the Quina Claim, we are required to pay a total of \$150,000, which we can pay in a combination of shares of our common stock 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 (paid)	25,000
24 months subsequent to the Execution date (paid)(1)	25,000
36 months subsequent to the Execution date	25,000
48 months subsequent to the Execution date	50,000
Total	\$ 150,000

⁽¹⁾The third option payment was made on December 8, 2016, when the Company issued 357,143 shares of its common stock with a fair value of \$25,000.

In addition to the option payments, the vendor will retain a 1.5% royalty from net smelter returns (“NSR”) on the Quina Claim, and we will have the right to buy out the royalty for a one-time payment of \$1,500,000 any time after acquiring 100% of the Quina Claim.

Option to Acquire Exeter Claim

On June 3, 2015, we entered into an option agreement, made effective on June 15, 2015, with Minera Stamford S.A., to earn 100% interest in a mining claim Exeter 1-54 (the “Exeter Claim”). In order to acquire 100% interest in the Exeter Claim, we are required to pay a total of \$150,000 as detailed in the following schedule:

	Option Payment
Upon execution of the Option Agreement (paid)	\$ 25,000
On or before May 12, 2016 (paid)	25,000
On or before May 12, 2017	25,000
On or before May 12, 2018	25,000
On or before May 12, 2019	50,000
Total	\$ 150,000

In addition to the option payments, the vendor will retain a 1.5% NSR on the Exeter Claim and we will have the right to buy out the royalty for a one-time payment of \$750,000 any time after acquiring 100% of the Exeter Claim. Should we decide to mine the Exeter Claim prior to acquiring the option, we will be obligated to pay a minimum monthly royalty of \$2,500 up to 5,000 tonnes, and a further \$0.25 for every additional tonne mined.

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 through 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 October 31, 2016.

As of the date of the filing this Quarterly 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 and are subject to minimum payments of \$1,000 per month.
- *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.
- *Exeter royalty.* We are committed to paying a royalty equal to 1.5% on the net sales of minerals extracted from the Exeter claim. The royalty payments are due semi-annually once commercial production begins, and are not subject to minimum payments. Should we decide to mine the Exeter claim prior to acquiring the option, we will be obligated to pay a minimum monthly royalty of \$2,500 up to 5,000 tonnes, and a further \$0.25 for every additional tonne mined.
- *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.* To keep our mineral claims in good standing we are required to pay mineral property taxes of approximately \$35,000 per annum.

Equity Financing

During the period covered by this Quarterly Report on Form 10-Q we did not engage in financing of our operations through issuance of our equity securities and relied solely on the debt financing.

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

During the period covered by this Quarterly Report on Form 10-Q we borrowed a total of \$125,105 from related parties and \$11,533 from Mr. Mitchell. The loans are unsecured, due on demand, with interest payable at a rate of 8% per annum.

Challenges and Risks

Over the next twelve months we anticipate generating cash through royalty payments pursuant to our rental agreement with Mr. Mitchell. This cash will not be adequate to support our current operations. We plan to continue funding 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. We may consider entering into joint venture partnerships with other resource companies to complete a mineral exploration programs on our 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 October 31, 2016, we owed approximately \$1.91 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 associated with 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

Disruptions to credit and financial markets, including volatility in security prices, diminished liquidity and credit availability, declining valuations of certain investments and significant changes in the capital and organizational structures of certain financial institutions may limit our ability to access the capital necessary to grow and maintain our business. Accordingly, we may be forced to delay raising capital, issue shorter tenors than we prefer or pay unattractive interest rates, which could increase our interest expense, decrease our profitability and significantly reduce our financial flexibility. Overall, our results of operations, financial condition and cash flows could be materially adversely affected by disruptions in the global credit and financial markets. If we are unable to raise sufficient capital, we may be required to cease our operations. Other than as discussed in this report, we know of no other trends, events or uncertainties that have or are reasonably likely to have a material impact on our short-term or long-term liquidity.

Off-Balance Sheet Arrangements

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

Related-Party Transactions

During the nine month period ended October 31, 2016, and up to the date of the filing of this Quarterly Report on Form 10-Q we have entered into the following transactions with the directors, executive officers, or holders of more than 5% of our common stock, or members of their immediate families:

Loans from Richard N. Jeffs

During the nine month period ended October 31, 2016, we borrowed from Richard N. Jeffs, our major shareholder, \$79,500 and \$39,266 (CAD\$51,500). The loans are subject to 8% interest compounded monthly, are unsecured and due on demand. As of October 31, 2016, we were indebted to Mr. Jeffs in the amount of \$442,384 (January 31, 2016 - \$301,360), consisting of the full principal of all advances made by Mr. Jeffs to that date plus accrued interest of \$55,077 (January 31, 2016 - \$33,053) and \$36,744 (January 31, 2016 - \$33,631) for services. Subsequent to October 31, 2016, Mr. Jeffs advanced to us an additional \$7,443 (CAD\$10,000), bringing the total principal amount payable to Mr. Jeffs under the loan agreements with him to \$394,750.

Loans from Caitlin L. Jeffs

During the nine month period ended October 31, 2016, we borrowed from Caitlin L. Jeffs, our Chief Executive Officer, Secretary and a member of our Board of Directors \$4,410 and \$1,929 (CAD\$2,502). The loans are subject to 8% interest compounded monthly, are unsecured and due on demand.

As of October 31, 2016, we were indebted to Ms. Jeffs in the amount of \$290,790 (January 31, 2016 - \$257,081), consisting of the full principal of all advances made by Ms. Jeffs to that date plus accrued interest of \$70,503 (January 31, 2016 - \$51,572). Subsequent to October 31, 2016, Ms. Jeffs advanced to us an additional \$1,405 bringing the total principal amount payable to Ms. Jeffs under the loan agreements with her to \$221,692.

Loans from John da Costa

At October 31, 2016, we were indebted to Joao (John) da Costa, our Chief Financial Officer, Treasurer and a member of our Board of Directors, in the amount of \$12,420 (January 31, 2016 - \$11,698), consisting of the full principal of the loan we received from Mr. da Costa in Fiscal 2012, plus accrued interest of \$3,920 (January 31, 2016 - \$3,198). We did not borrow any funds from Mr. da Costa during the nine month period ended October 31, 2016.

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 nine month period ended October 31, 2016, we paid or accrued \$45,000 to Da Costa Management for services provided by them (October 31, 2015 - \$90,000). As of October 31, 2016, we were indebted to Da Costa Management Corp. in the amount of \$607,337 for unpaid fees and advances (January 31, 2016 - \$553,991).

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 nine month period ended October 31, 2016, we did not have any transaction with Fladgate, except for \$10,767 (October 31, 2015 - \$11,066) in interest we accrued on unpaid invoices. As of October 31, 2016, we were indebted to Fladgate in the amount of \$325,442 for unpaid fees (January 31, 2016 - \$299,761) and \$130,509 (January 31, 2016 - \$117,016) consisting of the full principal of all loans we received from Fladgate to that date, plus accrued interest of \$34,192 (January 31, 2016 - \$25,303).

Transactions with Minera Farellon Limitada

We pay Minera Farellon Limitada for rental of our Chilean office used by our Subsidiary, Minera Polymet SpA. During the nine months ended October 31, 2016, we paid or accrued \$7,351 in rental fees (October 31, 2015 - \$7,659). As of October 31, 2016, we were indebted to Minera Farellon in the amount of \$65,371 for unpaid fees and advances received to that date (January 31, 2016 - \$51,201).

Critical Accounting Estimates

Preparing 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 period. 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 rates.

Reclassifications

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

Financial Instruments

Our financial instruments include cash, prepaids and other receivables, accounts payable, accrued liabilities, amounts due to related parties and notes payable. The fair value of these financial instruments approximates their carrying values due to their short maturities.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

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

Item 4. Controls and Procedures.

(a) Disclosure Controls and Procedures

Caitlin Jeffs, our Chief Executive Officer and President, and John da Costa, our Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures (as the term is defined in Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934) as of the end of the quarter covered by this report (the "evaluation date"). Based on their evaluation, they have concluded that, as of the evaluation date, our disclosure controls and procedures are not effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms due to lack of segregation of duties.

(b) Changes in Internal Control over Financial Reporting

During the quarter covered by this report, there were no changes to our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II-OTHER INFORMATION

Item 1. Legal Proceedings.

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

Item 1a. Risk Factors.

We incorporate by reference the Risk Factors included as Item 1A of our Annual Report on Form 10-K we filed with the Securities and Exchange Commission on May 2, 2016.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On December 8, 2016, the Company issued 357,143 shares of its common stock with a fair value of \$25,000 as consideration for the third option payment to acquire an 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 3. Defaults upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None

Item 6. Exhibits.

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

Exhibit	Description
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3.1.1	Articles of Incorporation ⁽¹⁾
3.1.2	Certificate of Amendment to Articles of Incorporation ⁽²⁾
3.2	By-laws ⁽¹⁾
10.1	Memorandum (Minutes) of Understanding between Geoactiva Spa and Minera Polymet Limitada ⁽³⁾
10.2	Extension of Memorandum of Understanding between Geoactiva Spa and Minera Polymet Limitada ⁽⁴⁾
10.3	Unilateral Purchase Option Contract for Mining Properties: Minera Polymet Limitada to Geoactiva SpA, dated April 30, 2013 (English translation of text) ⁽⁵⁾
10.4	Memorandum of Understanding between Minera Polymet Limitada and David Marcus Mitchel ⁽⁶⁾
10.5	Irrevocable Purchase Option Contract for Mining Property Quina 1-56, English translation ⁽⁷⁾
10.6	Irrevocable Purchase Option Contract for Mining Property Exeter 1-54 in Spanish ⁽⁹⁾
10.7	Irrevocable Purchase Option Contract for Mining Property Exeter 1-54, English translation ⁽⁹⁾
10.8	Amendment to the Contract of Purchase and Sale of Mine Holdings dated for reference May 9, 2008, between Minera Polymet Limitada and Compañía Minera Romelio Alday Limitada, dated December 9, 2013; English translation. ⁽¹⁰⁾
10.9	Amendment to the Contract of Purchase and Sale of Mine Holdings dated for reference May 9, 2008, between Minera Polymet Limitada and Compañía Minera Romelio Alday Limitada dated December 9, 2013 in Spanish. ⁽¹⁰⁾
10.10	Letter of Intent between Red Metal Resources Ltd. and TomaGold Corporation dated for reference September 16, 2016 ⁽¹¹⁾
31.1	Certification pursuant to Rule 13a-14(a) and 15d-14(a)
31.2	Certification pursuant to Rule 13a-14(a) and 15d-14(a)
32	Certification pursuant to Section 1350 of Title 18 of the United States Code
101	The following financial statements from the registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 2016, formatted in XBRL: <ul style="list-style-type: none">(i) Consolidated Balance Sheets;(ii) Consolidated Statements of Operations;(iii) Consolidated Statement of Stockholders' Deficit;(iv) Consolidated Statements of Cash Flows; and(v) Notes to the Interim Consolidated Financial Statements.

⁽¹⁾ Incorporated by reference from the registrant's registration statement on Form SB-2 filed with the Securities and Exchange Commission on May 22, 2006 as file number 333-134363.

⁽²⁾ Incorporated by reference from the registrant's Quarterly report on Form 10-Q for the period ended October 31, 2010 and filed with the Securities and Exchange Commission on December 13, 2010.

⁽³⁾ Incorporated by reference from the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 14, 2013.

⁽⁴⁾ Incorporated by reference from the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 12, 2013.

⁽⁵⁾ Incorporated by reference from the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 6, 2013.

⁽⁶⁾ Incorporated by reference from the registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission on June 4, 2014.

⁽⁷⁾ Incorporated by reference from the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 19, 2014.

⁽⁸⁾ Incorporated by reference from the registrant's report on Form 10 filed with the Securities and Exchange Commission on February 12, 2010.

⁽⁹⁾ Incorporated by reference from the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 18, 2015.

⁽¹⁰⁾ Incorporated by reference from the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on May 2, 2016.

⁽¹¹⁾ Incorporated by reference from the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 22, 2016.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

December 15, 2016

RED METAL RESOURCES LTD.

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

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