



**CONSOLIDATED
FINANCIAL STATEMENTS
YEARS ENDED
JANUARY 31, 2024, 2023, and 2022**



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Report of Independent Registered Public Accounting Firm

To the shareholders and the board of directors of Red Metal Resources Ltd.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Red Metal Resources Ltd. (the "Company") as of January 31, 2024 and 2023, the related consolidated statements of comprehensive loss, shareholders' deficit, and cash flow, for each of the three years in the period ended January 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of January 31, 2024 and 2023, and its financial performance and its cash flows for each of the three years in the period ended January 31, 2024, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the 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 financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting in accordance with the standards of the PCAOB. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose

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of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion in accordance with the standards of the PCAOB.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ DMCL LLP

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

We have served as the Company's auditor since 2010
Vancouver, Canada (PCAOB ID 1173)
May 30, 2024

RED METAL RESOURCES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)



	Note	January 31, 2024	January 31, 2023
ASSETS			
Current			
Cash		\$ 25,699	\$20,776
Prepays and other receivables	8	75,924	126,715
Total current assets		101,623	147,491
Equipment	7	38,935	60,953
Exploration and evaluation assets	6	700,852	803,251
Total assets		\$ 841,410	\$1,011,695
LIABILITIES AND SHAREHOLDERS' DEFICIT			
Current			
Accounts payable		\$ 173,954	\$106,517
Accrued liabilities		51,893	76,869
Due to related parties	12	600,223	443,071
Notes payable	12	2,561,691	2,202,540
Total current liabilities		3,387,761	2,828,997
Withholding taxes payable	9	138,568	158,814
Total liabilities		3,526,329	2,987,811
Shareholders' deficit			
Share capital	10	8,176,210	8,176,210
Share-based payment reserve	10	4,078,941	4,078,941
Deficit		(14,552,074)	(13,914,265)
Accumulated other comprehensive loss		(387,996)	(317,002)
Total shareholders' deficit		(2,684,919)	(1,976,116)
Total liabilities and shareholders' deficit		\$ 841,410	\$1,011,695

Nature and continuance of operations (Note 1)

Subsequent events (Note 16)

Approved on behalf of the Board of Directors:

/s/ Caitlin Jeffs
Director

/s/ Gregory Jensen
Director

RED METAL RESOURCES LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)



		Years ended January 31,		
	Note	2024	2023	2022
Operating expenses:				
Amortization	7	\$ 15,797	\$ 18,918	\$ 8,626
Consulting fees	10,12	110,000	187,520	214,008
General and administrative	12	118,184	340,975	230,582
Impairment of exploration and evaluation assets	6	-	55,885	-
Mineral exploration costs	6,12	43,258	754,906	307,669
Professional fees	12	67,961	103,148	313,679
Regulatory		36,555	58,320	62,031
Rent	12	-	-	9,034
Salaries, wages and benefits		34,778	62,441	47,419
Share-based compensation	10,12	-	-	327,070
		(426,533)	(1,582,113)	(1,520,118)
Other items				
Foreign exchange gain (loss)		(21,350)	(24,664)	2,404
Forgiveness of debt	11	-	-	13,858
Interest on notes payable	12	(189,926)	(162,724)	(118,144)
Net loss		(637,809)	(1,769,501)	(1,622,000)
Other comprehensive loss				
<i>Items that may be reclassified to profit or loss</i>				
Foreign currency translation		(70,994)	(28,358)	(62,433)
Comprehensive loss		\$ (708,803)	\$ (1,797,859)	\$ (1,684,433)
Net loss per share – basic and diluted		\$ (0.03)	\$ (0.10)	\$ (0.11)
Weighted average number of shares outstanding - basic and diluted:		18,288,875	17,971,592	15,064,057

Note: All share and per share amounts in these consolidated financial statements have been retrospectively adjusted to reflect the 1-for-3 share consolidation completed on May 23, 2024.

RED METAL RESOURCES LTD.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT
(Expressed in Canadian Dollars)



	Share Capital		Share-based payment reserve	Deficit	Accumulated other comprehensive loss	Total deficit
	Number of common shares issued	Amount				
Balance at January 31, 2021	13,739,324	\$ 6,409,558	\$ 3,521,907	\$ (10,522,764)	\$ (226,211)	\$ (817,510)
Shares issued for private placement	1,283,222	577,450	-	-	-	577,450
Share issuance costs	-	(80,512)	58,273	-	-	(22,239)
Shares issued for subscription receipts	2,153,624	969,131	-	-	-	969,131
Share issuance costs	-	(131,914)	92,653	-	-	(39,261)
Shares issued for services	9,803	12,117	-	-	-	12,117
Share-based compensation	-	-	335,194	-	-	335,194
Forgiveness of debt with related party	-	-	16,925	-	-	16,925
Cash received from short sell fees	-	-	9,977	-	-	9,977
Net loss	-	-	-	(1,622,000)	-	(1,622,000)
Foreign exchange translation	-	-	-	-	(62,433)	(62,433)
Balance, January 31, 2022	17,185,973	7,755,830	4,034,929	(12,144,764)	(288,644)	(642,649)
Shares issued for private placement	1,102,888	479,757	16,543	-	-	496,300
Share issuance costs	-	(59,377)	25,076	-	-	(34,301)
Share-based compensation	-	-	2,393	-	-	2,393
Net loss	-	-	-	(1,769,501)	-	(1,769,501)
Foreign exchange translation	-	-	-	-	(28,358)	(28,358)
Balance, January 31, 2023	18,288,861	8,176,210	4,078,941	(13,914,265)	(317,002)	(1,976,116)
Net loss	-	-	-	(637,809)	-	(637,809)
Foreign exchange translation	-	-	-	-	(70,994)	(70,994)
Balance, January 31, 2024	18,288,861	\$ 8,176,210	\$ 4,078,941	\$ (14,552,074)	\$ (387,996)	\$ (2,684,919)

Note: All share and per share amounts in these consolidated financial statements have been retrospectively adjusted to reflect the 1-for-3 share consolidation completed on May 23, 2024.

RED METAL RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)



	Years ended January 31,		
	2024	2023	2022
Cash flows used in operating activities			
Net loss	\$ (637,809)	\$ (1,769,501)	\$ (1,622,000)
Adjustments to reconcile net loss to net cash used in operating activities			
Accrued interest on notes payable	189,926	162,724	118,144
Amortization	15,797	18,918	8,626
Foreign exchange	19,358	(39,124)	-
Forgiveness of debt	-	-	(13,858)
Impairment of exploration and evaluation assets	-	55,885	-
Share-based compensation for consulting services	-	2,393	20,241
Share-based compensation	-	-	327,070
Changes in operating assets and liabilities			
Prepays and other receivables	50,766	25,221	(134,691)
Accounts payable	63,248	54,868	(13,735)
Accrued liabilities	(24,849)	(23,488)	60,738
Due to related parties	162,095	226,849	144,550
Net cash used in operating activities	(161,468)	(1,285,255)	(1,104,915)
Cash flows used in investing activities			
Acquisition of equipment	-	(55,572)	-
Net cash used in investing activities	-	(55,572)	-
Cash flows provided by financing activities			
Issuance of notes payable to related parties	167,583	459,580	39,497
Cash received on subscription to shares, net	-	426,999	555,211
Cash received on subscription to subscription receipts	-	-	929,870
Repayment of former related party loans	-	-	(18,981)
Cash received from short sell fees	-	-	9,977
Net cash provided by financing activities	167,583	886,579	1,515,574
Effects of foreign currency exchange on cash	(1,192)	707	3,172
Increase/(decrease) in cash	4,923	(453,541)	413,831
Cash, beginning	20,776	474,317	60,486
Cash, ending	\$ 25,699	\$ 20,776	\$ 474,317

1. NATURE AND CONTINUANCE OF OPERATIONS

Red Metal Resources Ltd. (the “Company”) is involved in acquiring and exploring mineral properties in Chile through its wholly-owned subsidiary, Minera Polymet SpA (“Polymet”) organized under the laws of the Republic of Chile. The Company has not determined whether its properties contain mineral reserves that are economically recoverable.

The Company’s head office is located at 1130 West Pender Street, Suite 820, Vancouver, British Columbia, V6E 4A4. Its registered office address is 800 - 885 West Georgia Street, Vancouver, BC V6C 3H1. The Company's mailing address is 278 Bay Street, Suite 102, Thunder Bay, Ontario, P7B 1R8. Polymet's head office is located in Vallenar, III Region of Atacama, Chile.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at January 31, 2024, the Company has not advanced its mineral properties to commercial production and is not able to finance day to day activities through operations. The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. As at January 31, 2024, the Company had \$25,699 cash and working capital deficit of \$3,286,138. The Company raises financing for its exploration and development activities in discrete tranches to finance its activities for limited periods only. The Company has identified that further funding may be required for working capital purposes, and to finance the Company’s exploration program and development of mineral assets. These conditions may cast substantial doubt on the Company’s ability to continue as a going concern.

On May 23, 2024, the Company completed a share consolidation (reverse stock split) on the basis of one new share for every three old shares. As a result of the share consolidation, the number of issued and outstanding ordinary shares was reduced from 54,866,625 to 18,288,861 shares. The share consolidation did not change the proportionate ownership interest of any shareholder or the total equity attributable to the Company's shareholders. All references to share and per share amounts in the financial statements and accompanying notes have been retrospectively adjusted to reflect the share consolidation as if it had occurred at the beginning of the earliest period presented.

These consolidated financial statements do not give effect to any adjustment which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the consolidated financial statements and such adjustments may be material.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**a) Statement of Compliance**

These consolidated financial statements were authorized for issue on May 30, 2024, by the directors of the Company.

The Company’s consolidated financial statements, including comparatives, have been prepared in accordance with accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

b) Basis of Presentation and Consolidation

The consolidated financial statements of the Company as at and for the years ended January 31, 2024, 2023, and 2022 comprise of the Company and its wholly-owned subsidiary, Minera Polymet SpA, (together referred to as “Red Metal”, or the “Company”). Polymet is consolidated from the date of its incorporation, as Red Metal is the sole shareholder and therefore has the control and power to govern the financial and operating policies of Polymet as to obtain benefits from its activities. The Company will continue to consolidate until the date Red Metal no longer has control over Polymet. The financial statements of Polymet are prepared for the same reporting period as the parent company, using consistent accounting policies. Balances, transactions, income and expenses between Red Metal and Polymet are eliminated on consolidation.

The consolidated financial statements have been prepared on an accrual basis and are based on historical costs, except certain financial instruments, which are recorded at fair value. All amounts are expressed in Canadian dollars.

The preparation of financial statements in compliance with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates. The areas involving significant assumptions and estimates are disclosed in Note 4.

c) Foreign Currency Translation

Functional & presentation currencies

The functional currency of the Company is the Canadian dollar. The functional currency of the Company's subsidiary, Polymet, is the Chilean peso, which is determined to be the currency of the primary economic environment in which Polymet operates.

During the year ended January 31, 2022, the Company changed its presentation currency from the US dollar ("US") to the Canadian dollar ("CAD").

3. MATERIAL ACCOUNTING POLICY INFORMATION

Foreign currency translation and transactions

Translation of foreign currency transactions

Transactions in foreign currencies are translated using the exchange rate prevailing at the date of the transaction. At each reporting date, foreign currency denominated monetary assets and liabilities are translated at year-end exchange rates. Exchange differences arising from the transactions are recorded in profit or loss for the period, except for exchange differences relating to borrowings hedging net investments denominated in the consolidated subsidiaries' currency. These differences are recognized in other comprehensive income as currency translation differences until the disposal of the net investment. Exchange differences arising from operating transactions are recorded in operating profit for the period; exchange differences related to financing transactions are recognized as finance costs or income, or in other comprehensive income.

Translation of foreign operations

The assets and liabilities of a foreign operation, including goodwill and fair value adjustments arising from the acquisition, are translated in Canadian dollars at year-end exchange rates. Income and expenses, and cash flows of a foreign operation are translated in Canadian dollars using average exchange rates. Differences resulting from translating foreign operations are reported as translation differences in equity. When a foreign operation is disposed of, the translation differences previously recognized in equity are reclassified to profit or loss.

Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive loss ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of financial instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held-for-trading or derivatives) or the Company has opted to measure them at FVTPL.

RED METAL RESOURCES LTD.
NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the Years Ended January 31, 2024, 2023 and 2022
(Expressed in Canadian Dollars)

The following table shows the classification of financial assets and financial liabilities:

Financial assets/liabilities	Classification
Cash	FVTPL
Accounts payable	Amortized cost
Accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Notes payable	Amortized cost

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) FVTOCI; or (iii) FVTPL. The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

All financial assets not classified and measured at amortized cost or FVTOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income or loss.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to initial recognition and how changes in value are recorded.

Financial liabilities

Financial liabilities are designated as either: (i) FVTPL; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to initial recognition and how changes in value are recorded. Accounts payable are classified under other financial liabilities and carried on the consolidated statements of financial position at amortized cost.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss. The Company does not have any derivative financial assets and liabilities as at the year ends presented.

Exploration and evaluation assets

Exploration and evaluation assets comprise of the costs of acquiring these assets, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying options. Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred. Further acquisition costs incurred once the Company has obtained the legal rights to explore an area are capitalized.

Costs associated with exploration and evaluation activities as well as property taxes payable to maintain good standing of the exploration and evaluation assets are expensed as period costs. Government tax credits received are recorded as a reduction to the exploration and evaluation expenditures for the reporting period.

From time to time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As such options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded at the time of the agreement. Option payments are recorded as exploration expenditure or recoveries when the payments are made or received.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditures on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Although the Company has taken steps that it considers adequate to verify title to exploration and evaluation assets which it has an interest in, these procedures do not guarantee the Company's title.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of the assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

As at January 31, 2024, 2023, and 2022, the Company had not recognized any provisions for restoration and environmental obligations.

Equipment

Equipment is recorded at cost. Cost includes expenditures that are directly attributable to the acquisition of the asset. This includes the purchase price, any other costs directly attributable to bringing the assets to a working condition for intended use and the costs of dismantling and removing the items and restoring the site on which they are located.

Equipment is depreciated over its estimated useful life. Costs for normal repairs and maintenance that do not extend economic life or improve service potential are expensed as incurred. Costs of improvements that extend economic life or improve service potential are capitalized and depreciated over the estimated remaining useful life.

The Company commences recording depreciation when the assets are in a working condition ready for use. The Company's equipment consists of trucks that are being used in the Company's exploration programs, which are being depreciated using the declining balance method at 30%.

Impairment of assets

The carrying amount of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income (loss) or equity is recognized in other comprehensive income (loss) or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issuance of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash are valued based on their fair value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the issue date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Share purchase warrants issued on a standalone basis are recognized at the fair value using the Black-Scholes Option Pricing Model at the date of issue. The value is initially recorded as a part of reserves in equity at the recognized fair value. Upon exercise of the share purchase warrants, the previously recognized fair value of the warrants exercised is reallocated to share capital from reserves. The proceeds generated from the payment of the exercise price are also allocated to share capital.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair values of the instruments are determined using the Black-Scholes Option Pricing Model. The number of the instruments expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the instruments granted shall be based on the number of the instruments that eventually vest.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Because the Company incurred net losses, the effect of dilutive instruments would be anti-dilutive and therefore diluted loss per share equals basic loss per share.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements in conformity with IFRS requires management to make assumptions and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. These financial statements include estimates which, by their nature, are uncertain. These assumptions and associated estimates are based on historical experience and other factors that are considered to be relevant. The current market conditions introduce additional uncertainties, risks and complexities in management's determination of the estimates and assumptions used to prepare the Company's financial results. As volatility in financial markets is an evolving situation, management cannot reasonably estimate the length or severity of the impact on the Company. As such, actual results may differ from estimates and the effect of such differences may be material. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- classification/allocation of expenses as exploration and evaluation expenditures;
- classification and measurement of the Company's financial assets and liabilities;
- determination that the Company is able to continue as a going concern; and
- determination whether there have been any events or changes in circumstances that indicate the impairment of the Company's exploration and evaluations assets.

Key sources of estimation uncertainty include the following:

- the carrying value and recoverability of exploration and evaluation assets;
- recoverability and measurement of deferred tax assets;
- provisions for restoration and environmental obligations and contingent liabilities; and
- measurement of share-based transactions.

5. FINANCIAL INSTRUMENTS AND RISKS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels at the fair value hierarchy are:

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Level 1 — quoted prices in active markets for identical assets and liabilities.

Level 2 — observable inputs other than quoted prices in active markets for identical assets and liabilities.

Level 3 — unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

The Company has classified its cash as measured at fair value in the statement of financial position, using level 1 inputs.

Categories of financial instruments

As at:	January 31, 2024	January 31, 2023
Financial assets:		
FVTPL		
Cash	\$ 25,699	\$ 20,776
Financial liabilities:		
Amortized cost		
Accounts payable	\$ 173,954	\$ 106,517
Accrued liabilities	\$ 51,893	\$ 76,869
Due to related parties	\$ 600,223	\$ 443,071
Notes payable	\$ 2,561,691	\$ 2,202,540

Assets and liabilities measured at fair value on a recurring basis:

As at January 31, 2024	Level 1	Level 2	Level 3	Total
Cash	\$ 25,699	\$ -	\$ -	\$ 25,699

Accounts payable, accrued liabilities, and due to related parties approximate their fair value due to the short-term nature of these instruments.

Risk management

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. Management, the Board of Directors, and the Audit Committee monitor risk management activities and review the adequacy of such activities.

Credit risk:

Credit risk is the risk of potential loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash, which is held with a high-credit quality financial institutions in Canada and in Chile. As such, the Company's credit risk exposure is minimal.

Market risk:

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices.

i. Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has minimal interest rate risk as it has no interest accumulating financial assets that may become susceptible to interest rate fluctuations.

ii. Currency risk:

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has offices in Canada and Chile, and holds cash in Canadian, United States, and Chilean Peso currencies. A significant change in the currency exchange rates between the Canadian dollar relative to US dollar and Chilean Peso could have an effect on the Company's results of operations, financial position, and/or cash flows. At January 31, 2024, the Company had no hedging agreements in place with respect to foreign exchange rates. As the majority of the

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transactions of the Company are denominated in CAD and Chilean Peso currencies, movements in the foreign exchange rates are not expected to have a material impact on the consolidated statements of comprehensive loss.

iii. Equity price risk:

Equity price risk is the risk that the fair value of equity/securities decreases as a result of changes in the levels of equity indices and the value of individual stocks. The Company is not exposed to equity price risk as it does not have any investments in marketable securities.

Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, considering its anticipated cash flows. Historically, the Company's sources of funding have been through equity financings and loans from the Company's management and its major shareholder. The Company's access to financing is uncertain, and there can be no assurance of continued access to significant debt or equity funding.

The following table details the remaining contractual maturities of the Company's financial liabilities as of January 31, 2024:

	Within 1 year	1-5 years	5+ years
Accounts payable and accrued liabilities	\$ 225,847	\$ -	\$ -
Amounts due to related parties	\$ 600,223	\$ -	\$ -
Loans payable	\$ 2,561,691	\$ -	\$ -
Withholding taxes payable	\$ -	\$ -	\$ 138,568
	\$ 3,387,761	\$ -	\$ 138,568

6. EXPLORATION AND EVALUATION ASSETS

As of January 31, 2024, and 2023, the Company's interest in exploration and evaluation assets consisted of three active copper-gold projects on two properties, namely the Farellón and Perth Projects both located on the Carrizal Property, and the Mateo Project located on the Mateo Property. The Company capitalizes acquisition costs incurred on the Company's exploration and evaluation properties; the costs associated with exploration and drilling programs as well as property tax payments are expensed as period costs in the period they are incurred. Following tables present, as of January 31, 2024 and 2023 acquisition costs associated with each property:

Exploration and evaluation assets at January 31, 2024

	January 31, 2023	Effect of foreign currency translation	January 31, 2024
Farellón Project			
Farellón	\$ 452,048	\$ (57,627)	\$ 394,421
Quina	174,237	(22,212)	152,025
Exeter	176,966	(22,560)	154,406
Total costs	\$ 803,251	\$ (102,399)	\$ 700,852

Exploration and evaluation assets at January 31, 2023

	January 31, 2022	Changes during the year	Effect of foreign currency translation	January 31, 2023
Farellón Project				
Farellón	\$ 432,389	\$ -	\$ 19,659	\$ 452,048
Quina	166,660	-	7,577	174,237
Exeter	169,270	-	7,696	176,966
Sub-total, Farellón Project	768,319	-	34,932	803,251
Perth Project ⁽¹⁾	53,454	(55,885)	2,431	-
Total costs	\$ 821,773	\$ (55,885)	\$ 37,363	\$ 803,251

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(1) As at January 31, 2023, the Company assessed its mineral properties for impairment in accordance with IFRS Accounting Standard 36. Since the Company has no immediate plans to explore or develop its Perth Project included within Carrizal Property, the Company impaired the Perth Property to \$Nil.

During the years ended January 31, 2024, 2023, and 2022 the Company incurred the following costs associated with the exploration activities on its mineral properties:

Exploration costs for the year ended January 31, 2024

	Farellón Project	Perth Project	Mateo Project	Total Costs
Property taxes paid	\$ 10,301	\$ 23,879	\$ 2,018	\$ 36,198
Assay costs	192	-	-	192
Camp costs (including meals and travel)	1,430	-	-	1,430
Total exploration costs	\$ 11,923	\$ 23,879	\$ 2,018	\$ 37,820

Exploration costs for the year ended January 31, 2023

	Farellón Project	Perth Project	Mateo Project	Total Costs
Property taxes paid	\$ 8,440	\$ 19,596	\$ 1,656	\$ 29,692
Geology	82,931	-	-	82,931
Drilling	409,741	-	-	409,741
Equipment used	11,950	-	-	11,950
Camp costs (including meals and travel)	53,470	-	-	53,470
Assay costs	58,433	-	-	58,433
Value added tax on exploration costs	103,732	-	-	103,732
Total exploration costs	\$ 728,697	\$ 19,596	\$ 1,656	\$ 749,949

Exploration costs for the year ended January 31, 2022

	Farellón Project	Perth Project	Mateo Project	Total Costs
Property taxes paid	\$ 24,321	\$ 52,151	\$ 10,716	\$ 87,188
Geology	27,509	-	-	27,509
Drilling	150,222	-	-	150,222
Equipment used	5,754	-	-	5,754
Camp costs (including meals and travel)	30,938	-	-	30,938
Total exploration costs	\$ 238,744	\$ 52,151	\$ 10,716	\$ 301,611

In addition to the costs listed in the tables above, during the years ended January 31, 2024, 2023, and 2022 the Company incurred \$5,438, \$4,957, and \$6,058 in regulatory fees associated with claim maintenance, respectively. These fees are included in the mineral exploration costs in the consolidated statements of comprehensive loss.

7. EQUIPMENT

Changes in equipment cost, depreciation and net book value of the equipment at January 31, 2024 and 2023 are as follows:

Cost	Equipment
Balance at January 31, 2022	\$ 49,021
Additions	55,572
Effect of foreign currency translation	4,755
Balance at January 31, 2023	109,348
Effect of foreign currency translation	(13,939)
Balance at January 31, 2024	\$ 95,409

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Accumulated depreciation		
Balance at January 31, 2022	\$	26,384
Additions		18,918
Effect of foreign currency translation		3,093
Balance at January 31, 2023		48,395
Additions		15,797
Effect of foreign currency translation		(7,718)
Balance at January 31, 2024	\$	56,474
Net carrying amounts		
Balance, January 31, 2023	\$	60,953
Balance, January 31, 2024	\$	38,935

8. PREPAIDS AND OTHER RECEIVABLES

Prepays and other receivables consisted of the following as at January 31, 2024 and 2023:

	January 31, 2024	January 31, 2023
GST receivable	\$ 2,352	\$ 4,578
Prepaid expenses for general and administrative fees	73,572	122,137
Total prepaids and other receivables	\$ 75,924	\$ 126,715

9. WITHHOLDING TAXES PAYABLE

As at January 31, 2024 and 2023, the Company had \$138,568 and \$158,814 in Chilean withholding taxes payable, respectively.

10. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value (the “Shares”).

The Company did not issue its common shares during the year ended January 31, 2024.

Share consolidation

On May 23, 2024, the Company completed a share consolidation (reverse stock split) on the basis of one new share for every three old shares. As a result of the share consolidation, the number of issued and outstanding ordinary shares was reduced from 54,866,625 to 18,288,861 shares. The share consolidation did not change the proportionate ownership interest of any shareholder or the total equity attributable to the Company's shareholders. All references to share and per share amounts in the financial statements and accompanying notes have been retrospectively adjusted to reflect the share consolidation as if it had occurred at the beginning of the earliest period presented.

Common shares issued during the year ended January 31, 2023:

On May 16, 2022, the Company issued 1,102,888 units at a price of \$0.45 per unit (each a “Unit”) for gross proceeds of \$496,300 (the “2023 Offering”), of which \$35,000 was associated with debt the Company converted to Units. Each Unit consisted of one common share and one common share purchase warrant (the “Warrant”). Each Warrant entitles the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.90 per common share, if exercised on or before May 16, 2023, and at a price of \$1.80, if exercised between May 16, 2023, and on or before May 16, 2024. The Warrants were assigned \$0.015 per warrant share value based on the residual method, as the fair market value of the Shares was below the offering price.

In connection with the 2023 Offering, the Company incurred \$3,987 in regulatory fees, paid cash commissions aggregating \$30,314, and issued 67,363 finders’ warrants (the “Finders’ Warrants”) valued at \$25,076. The Finders’

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Warrants are subject to the same terms and conditions as the Warrants purchased by other subscribers in the 2023 Offering. The Company used Black-Scholes Option Pricing Model to determine the value of the Finders' Warrants. The following assumptions were used:

Expected life of the Finders' Warrants	2 years
Risk-free interest rate	2.64%
Expected dividend yield	Nil
Expected share price volatility	242%
Fair value at the date of transaction	\$0.435

Common stock issued during the year ended January 31, 2022:

On May 14, 2021, the Company issued 9,803 shares of its common stock to a consultant for investor relations services. The Shares were issued pursuant to an independent contractors services agreement whereby the Company agreed to a US\$5,000 monthly fee payable to a consultant during a three-month period commencing on April 14, 2021. At the discretion of the Company, the cash fee could have been paid in common shares of the Company at a deemed price of \$0.618 (US\$0.51) (per share for a total of 9,803 shares per month). At the time of the share issuance, the fair market value of the shares was \$1.23 (US\$1.02), therefore the Company recognized \$12,117 as part of its investor relation fees.

On May 17, 2021, the Company closed a non-brokered private placement by issuing 1,283,222 units at a price of \$0.45 per unit (each a "2022 Unit") for gross proceeds of \$577,450 (the "2022 Offering"). Each 2022 Unit consisted of one common share and one common share purchase warrant (the "2022 Warrant"). Each 2022 Warrant entitles the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.60 per common share for a period of 24 months from the date of issue. The 2022 Warrants are subject to an acceleration clause in the event that the common shares are listed on a recognized stock exchange and trade at a price of \$0.90 or greater for 10 consecutive trading days, in which event the Company may notify warrant holders that the 2022 Warrants must be exercised within a period of 30 days. In case the 2022 Warrant holders do not exercise them within the accelerated 30-day period, the 2022 Warrants will expire automatically. The 2022 Warrants were assigned \$Nil value based on the residual method, as the fair market value of the Shares was above the offering price.

In connection with the 2022 Offering, the Company paid cash commissions aggregating \$22,239 and issued 49,770 Finders' Warrants valued at \$58,273. The Finders' Warrants are subject to the same terms and conditions as the 2022 Warrants purchased by other subscribers in the 2022 Offering. The Company used Black-Scholes Option Pricing Model to determine the value of the broker warrants. The following assumptions were used:

Expected Life of the Finders' Warrants	2 years
Risk-Free Interest Rate	0.16%
Expected Dividend Yield	Nil
Expected Stock Price Volatility	255%
Fair Value at the date of transaction	\$1.35

On June 15, 2021, the Company closed a non-brokered private placement by issuing 2,153,624 subscription receipts (each a "Subscription Receipt") at a price of \$0.45 per Subscription Receipt for aggregate gross proceeds of \$969,131 (the "SR Offering").

Each Subscription Receipt automatically entitled the holder thereof, without payment of any additional consideration and without further action on the part of the holder, to acquire one Subscription Receipt Unit (an "SR Unit"). Each SR Unit consisted of one common share and one common share purchase warrant of the Company (each, an "SR Warrant"). Each SR Warrant entitles the holder to purchase an additional common share of the Company at a price of \$0.90 per common share, if exercised during the first year following the release from escrow, and at a price of \$1.80, if exercised during the second year following the release from escrow. The SR Warrants were assigned \$Nil value based on the residual method, as the fair market value of the Shares was above the offering price.

Until the escrow release conditions (including the listing of the Company's common shares on a recognized stock exchange in Canada) were met in full, the Subscription Receipts, and the proceeds of the SR Offering were held in trust by an escrow agent appointed by the Company.

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On November 18, 2021, the Company received a receipt for a final non-offering prospectus with the B.C. Securities Commission after which, having satisfied the escrow release conditions, the escrowed funds were released to the Company effective November 22, 2021, and an aggregate of 2,153,624 Subscription Receipts were automatically converted, without any further consideration, into 2,153,624 common shares of the Company and 2,153,624 SR Warrants.

In connection with the closing of the SR Offering, the Company paid certain registered investment dealers a total of \$39,261 and issued 76,130 warrants to the finders valued at \$92,653 (the “Broker SR Warrants”).

The Broker SR Warrants are subject to the same terms and conditions as the SR Warrants purchased by other subscribers in the SR Offering. The Company used Black-Scholes Option Pricing Model to determine the value of the Broker SR Warrants. The following assumptions were used:

Expected life of the Broker SR Warrants	2 years
Risk-free interest rate	1.04%
Expected dividend yield	Nil
Expected stock price volatility	265%
Fair value at the date of transaction	\$1.29

Warrants

The changes in the number of warrants outstanding during the years ended January 31, 2024 and 2023, are as follows:

	Year ended January 31, 2024		Year ended January 31, 2023	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning	4,732,996	\$ 1.14	3,562,745	\$ 1.08
Warrants issued	-	n/a	1,170,251	\$ 1.35
Warrants expired	(2,279,523)	\$ 1.77	-	n/a
Warrants outstanding, ending	2,453,473	\$ 1.17	4,732,996	\$ 1.14

Details of warrants outstanding as at January 31, 2024, are as follows:

Number of warrants exercisable	Grant date	Exercise price and expiry date
1,283,222 ⁽¹⁾	May 17, 2021	\$0.60 expiring on May 17, 2024, as extended on May 2, 2022
1,102,888 ⁽¹⁾	May 16, 2022	\$1.80 expiring on May 16, 2024
67,363 ⁽¹⁾	May 16, 2022	\$1.80 expiring on May 16, 2024
2,453,473		

(1) These warrants expired unexercised subsequent to January 31, 2024.

At January 31, 2024, the weighted average life of the warrants was 0.29 years.

Options

The Company adopted an incentive stock option plan (the “Option Plan”) which provides that the Board of Directors of the Company may, from time to time, at their discretion and in accordance with the CSE requirements, grant stock options to directors, officers and technical consultants for up to 10% of the issued and outstanding common shares of the Company. Such options are exercisable for a period of up to ten years from the date of grant. Exercise price and vesting terms are determined at the time of grant by the Board of Directors.

On November 24, 2021, the Company’s board of directors granted 583,333 incentive stock options to its directors, officers, and consultants. The stock options are exercisable at a price of \$0.75 per share for a period of five years expiring on November 24, 2026. The options to acquire up to 566,667 shares vested immediately upon grant, and the

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Company recognized \$330,425 as share-based compensation associated with these options. The fair value of these stock options was estimated using the Black-Scholes Option Pricing Model using the following assumptions:

	November 24, 2021
Expected life	5 years
Risk-free interest rate	1.56%
Expected dividend yield	Nil
Expected stock price volatility	186%
Fair value at the date of grant	\$0.60

The option to acquire up to 16,666 shares issued to a consultant for investor relation services vested over a period of 12 months at a rate of 4,167 options per quarter beginning on February 24, 2022. During the year ended January 31, 2023, the Company recognized \$2,393 as share-based compensation associated with these options (2022 - \$4,770), which was included as part of consulting fees in the consolidated statement of comprehensive loss. The fair value of these stock options was estimated using the Black-Scholes Option Pricing Model using the following assumptions:

	January 31, 2023
Expected life	4-5 years
Risk-free interest rate	1.52% – 3.27%
Expected dividend yield	Nil
Expected stock price volatility	195% - 243%
Fair value at the date of grant	\$0.21 - \$0.654

The changes in the number of options outstanding during the years ended January 31, 2024 and 2023, are as follows:

	Year ended January 31, 2024		Year ended January 31, 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning	573,333	\$ 0.75	583,333	\$ 0.75
Options expired	(16,666)	\$ 0.75	(10,000)	\$ 0.75
Options outstanding, ending	556,667	\$ 0.75	573,333	\$ 0.75

Details of options outstanding as at January 31, 2024, are as follows:

Number of options exercisable	Grant date	Exercise price and expiry date
556,667	November 24, 2021	\$0.75 expiring on November 24, 2026
556,667		

Recovery of Short-Swing Profits

During the year ended January 31, 2022, the Company received \$9,977 related to the recovery of short-swing profits under Section 16(b) of the Securities Exchange Act of 1934, as amended. The Company did not have similar transactions during the years ended January 31, 2024 and 2023.

11. FORGIVENESS OF DEBT

During the year ended January 31, 2022, the Company's legal counsel agreed to forgive \$13,667 the Company owed for services. In addition, the Company recorded \$191 as forgiveness of debt associated with reversal of an old debt which exceeded the statute of limitations as promulgated under Chilean Laws.

The Company did not have similar transactions during the years ended January 31, 2024 and 2023.

12. RELATED-PARTY TRANSACTIONS

Related parties include the directors, officers, key management personnel, close family members and entities controlled by these individuals. Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company as a whole.

Transactions with Related Parties

During the years ended January 31, 2024, 2023, and 2022, the Company incurred the following expenses with related parties:

	Years ended January 31,		
	2024	2023	2022
Consulting fees to a company owned by an officer and director	\$ 60,000	\$ 60,000	\$ 59,141
Consulting fees to a company controlled by officers and directors	45,000	60,000	60,070
Consulting fees paid or accrued to a company controlled by VP of Finance	-	7,120	24,036
Mineral exploration and general administrative expenses to a company controlled by officers and directors	5,400	99,984	42,760
Legal fees paid to a company controlled by a director	28,372	22,316	37,036
Rent fees accrued to a company controlled by officers and directors	-	-	9,034
Stock-based compensation for options to acquire up to 463,333 Shares issued to directors and officers	-	-	270,170
Total transactions with related parties	\$ 138,772	\$ 249,420	\$ 502,247

On January 31, 2022, a company controlled by directors agreed to forgive a total of \$16,925 the Company owed on account of office rent fees. The forgiveness of debt was recorded as part of share-based reserves. The Company did not have similar transactions during the years ended January 31, 2024 and 2023.

Amounts due to Related Parties

The following amounts were due to related parties as at:

	January 31, 2024	January 31, 2023
Due to a company owned by an officer and director ^(a)	\$ 158,831	\$ 95,814
Due to a company controlled by officers and directors ^(a)	155,803	147,261
Due to a company controlled by officers and directors ^(a)	203,450	156,200
Due to the Chief Executive Officer ("CEO") ^{(a), (b)}	68,159	39,123
Due to the Chief Financial Officer ("CFO") ^{(a), (b)}	1,340	1,335
Due to a major shareholder ^{(a), (b)}	3,349	3,338
Due to a company controlled by a director ^(a)	9,291	-
Total due to related parties	\$ 600,223	\$ 443,071

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

(b) On July 29, 2020, Polymet entered into mining royalty agreements (the "NSR Agreements") with the Company's CEO, CFO, and the major shareholder (the "Purchasers") to sell net smelter returns (the "NSR") on its mineral concessions. NSR range from 0.3% to 1.25% depending on particular concession and the Purchaser. The Company's CEO agreed to acquire the NSR for \$2,003 (US\$1,500), CFO agreed to acquire the NSR for \$1,335 (US\$1,000), and the major shareholder agreed to acquire the NSR for \$3,338 (US\$2,500).

The NSR will be paid quarterly once commercial exploitation begins and will be paid on gold, silver, copper and cobalt sales. If, within two years, the Company does not commence commercial exploitation of the mineral properties, an annual payment of \$10,000 per purchaser will be paid.

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Pursuant to Chilean law, the NSR agreements will come in force only when registered against the land title in Chile. Due to temporary safety restrictions associated with COVID-19 pandemic, the registration of the NSR Agreements has been deferred, therefore the payments made by the CEO, CFO, and the major shareholder have been recorded as advances on the books of the Company and will be applied towards the NSR Agreements, once they are fully legalized.

The following amounts were due under the notes payable the Company issued to related parties:

	January 31, 2024	January 31, 2023
Note payable to CEO	\$ 1,325,624	\$ 1,376,629
Note payable to CFO	17,664	16,253
Note payable to a company controlled by officers and directors	200,240	184,897
Note payable to a company controlled by officers and directors	340,611	-
Note payable to a major shareholder	677,552	624,761
Total notes payable to related parties	\$ 2,561,691	\$ 2,202,540

The above notes payable to related parties accumulate interest at a rate of 8% per annum and are unsecured.

During the year ended January 31, 2024, the Company accrued \$189,926 (January 31, 2023 - \$162,724, January 31, 2022 - \$118,144) in interest expense on the notes payable to related parties.

13. SEGMENTED INFORMATION

The Company has one operating segment, the exploration of mineral properties, and two geographical segments with all current exploration activities being conducted in Chile. All of the Company's equipment and exploration and evaluation assets are located in Chile as follows:

	January 31, 2024	January 31, 2023
Equipment	\$ 38,935	\$ 60,953
Exploration and evaluation assets	700,852	803,251
	\$ 739,787	\$ 864,204

14. INCOME TAXES

A reconciliation of income taxes at statutory rate is as follows:

	Year ended January 31, 2024	2023	2022
Net loss before tax	\$ (637,809)	\$ (1,769,501)	\$ (1,622,000)
Statutory income tax rate	27%	27%	27%
Expected income tax recovery at statutory income tax rates	(173,000)	(478,000)	(438,000)
Non-deductible expenditures	31	646	90,924
Other	(132,752)	(78,026)	(136,333)
Adjustment to prior year provisions versus statutory tax returns	108,721	91,380	39,409
Change in valuation allowance	197,000	464,000	444,000
Income tax recovery	\$ -	\$ -	\$ -

The Company's deferred tax assets and liabilities are comprised of the following:

	Year ended January 31, 2024	2023	2022
Deferred tax assets (liabilities):			
Federal loss carryforwards	\$ 3,669,000	\$ 3,108,000	\$ 2,626,000
Mineral properties	40,000	40,000	38,000
Share issue costs	5,000	8,000	9,000
	3,714,000	3,156,000	2,673,000
Valuation allowance	(3,714,000)	(3,156,000)	(2,673,000)
Net deferred tax asset	\$ -	\$ -	\$ -

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The Company has approximately \$2,118,000 in net operating loss carry forwards in Canada that may be offset against future taxable income, which may be used to reduce future taxable income and expire in the year 2044. The Company also has approximately \$6,446,000 of Chilean tax losses. The Chilean tax losses can be carried forward indefinitely. The Company has approximately \$6,463,000 in United States net operating loss carry forwards, \$2,196,000 of which expire in 2037. The remaining balance of \$4,267,000 will never expire but its utilization is limited to 80% of taxable income in any future year.

15. Capital Management

The Company manages its capital, consisting of share and working capital, in a manner consistent with the risk characteristic of the assets it holds. All sources of financing are analyzed by management and approved by the Board of Directors. The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern and to support the exploration and development of its exploration and evaluation assets and to sustain future development of its business. The Company is meeting its objective of managing capital through preparing short-term and long-term cash flow analysis to ensure an adequate amount of liquidity. The Company is not subject to any externally imposed capital restrictions. There were no changes in the Company's approach to capital management during the period.

16. SUBSEQUENT EVENTS*Related Party Notes and Advances:*

Subsequent to January 31, 2024, the Company entered into a loan agreement with Ms. Caitlin Jeffs, the Company's director and former CEO and President, for a total of \$40,033, and into a number of loan agreements with Fairtide Ventures, an entity controlled by Ms. Jeffs, for a total of \$61,740. These loans accumulate interest at a rate of 8% per annum, are unsecured, and payable on demand. In addition, Ms. Caitlin Jeffs advanced to the Company further \$3,500; this advance does not bear any interest and is payable on demand.

Restructuring of Certain Debt with Related Parties:

Subsequent to January 31, 2024, The Company restructured certain debt (the "Restructuring") in the amount of \$1,911,451 (the "Debt") owed to its related parties, whereby the creditors agreed to forgive a total of \$145,847 in interest accrued on the notes payable, and to restructure repayment of remaining balance of \$1,765,604 over a period of 60 months in installment payments every six months, commencing on the date that is six months from the date of the Debt Agreements, being May 9, 2024.

In addition, the Company was also notified that \$450,000 owed under the notes payable with related parties have been reassigned to new directors and officers of the Company, who joined the management team on May 10, 2024. The reassigned amount bears no interest and is payable on demand.