SECURITIES & EXCHANGE COMMISSION EDGAR FILING

RED METAL RESOURCES, LTD.

Form: 10-Q

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

FORM 10-Q

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

For the quarterly period ended: **July 31, 2018**

[ ] 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	**20-2138504**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

278 Bay Street, Suite 102, Thunder Bay, ON P7B 1R8
(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. [X] 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). [X] Yes [ ] No

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

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [ ]	Smaller Reporting Company [X]
	Emerging Growth Company [ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). [ ] Yes [X] 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 September 14, 2018, the number of shares of the registrant's common stock outstanding was 37,504,588.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	July 31, 2018 (Unaudited)	January 31, 2018
ASSETS		
Current assets		
Cash	$ 9,748	$ 2,392
Prepaids and other receivables	10,956	7,034
Total current assets	20,704	9,426
Equipment, net	1,594	1,966
Unproved mineral properties	703,982	694,616
Total assets	$ 726,280	$ 706,008
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	$ 218,980	$ 387,961
Accrued liabilities	118,352	179,239
Due to related parties	-	1,196,798
Notes payable	27,090	34,384
Notes payable to related parties	-	1,218,375
Total current liabilities	364,422	3,016,757
Long-term notes payable to related parties	479,995	-
Total liabilities	844,417	3,016,757
Stockholders' deficit		
Common stock, $0.001 par value, authorized 500,000,000, 37,504,588 and 35,004,588 issued and outstanding at July 31, 2018 and January 31, 2018, respectively	37,504	35,004
Additional paid-in capital	8,968,677	6,803,833
Deficit	(9,148,001)	(9,129,238)
Accumulated other comprehensive income (loss)	23,683	(20,348)
Total stockholders' deficit	(118,137)	(2,310,749)
Total liabilities and stockholders' deficit	$ 726,280	$ 706,008

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 July 31, 2018	Three Months Ended July 31, 2017	Six Months Ended July 31, 2018	Six Months Ended July 31, 2017
Operating expenses:				
Amortization	$ 130	$ 171	$ 275	$ 353
Consulting fees	15,000	15,000	30,000	30,000
General and administrative	11,199	15,247	22,956	31,546
Mineral exploration costs	1,875	578	12,405	1,022
Professional fees	7,883	2,591	15,502	3,616
Rent	2,580	2,481	5,329	5,006
Regulatory	1,824	4,430	4,476	5,557
Salaries, wages and benefits	18,189	17,289	37,298	34,862
	(58,680)	(57,787)	(128,241)	(111,962)
Other items:				
Foreign exchange gain (loss)	186	(46)	3,827	(42)
Extinguishment of debt	162,723	-	162,723	-
Interest on current debt	(29,138)	(25,197)	(57,072)	(47,779)
Net royalty loss	-	(493)	-	-
Net income (loss)	75,091	(83,523)	(18,763)	(159,783)
Unrealized foreign exchange gain (loss)	(9,104)	(95,289)	44,031	(53,890)
Comprehensive income (loss)	$ 65,987	$ (178,812)	$ 25,268	$ (213,673)
Net income (loss) per share - basic and diluted	$ 0.00	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of shares outstanding - basic and diluted	36,413,428	34,647,445	36,413,428	34,647,445

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					
	Number of Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income / (Loss)	Total
Balance at January 31, 2017	34,647,445	$ 34,647	$ 6,779,190	$ (8,835,401)	$ 26,153	$ (1,995,411)
Net loss for the six months ended July 31, 2017	-	-	-	(159,783)	-	(159,783)
Foreign exchange translation	-	-	-	-	(53,890)	(53,890)
Balance at July 31, 2017	34,647,445	34,647	6,779,190	(8,995,184)	(27,737)	(2,209,084)
Stock issued for mineral property	357,143	357	24,643	-	-	25,000
Net loss for the six months ended January 31, 2018	-	-	-	(134,054)	-	(134,054)
Foreign exchange translation	-	-	-	-	7,389	7,389
Balance at January 31, 2018	35,004,588	35,004	6,803,833	(9,129,238)	(20,348)	(2,310,749)
Stock issued for cash	2,500,000	2,500	185,000	-	-	187,500
Extinguishment of related party debt	-	-	1,979,844	-	-	1,979,844
Net loss for the six months ended July 31, 2018	-	-	-	(18,763)	-	(18,763)
Foreign exchange translation	-	-	-	-	44,031	44,031
Balance at July 31, 2018	37,504,588	$ 37,504	$ 8,968,677	$ (9,148,001)	$ 23,683	$ (118,137)

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 Six Months Ended July 31, 2018	2017
Cash flows used in operating activities:		
Net loss	$ (18,763)	$ (159,783)
Adjustments to reconcile net loss to net cash used in operating activities:		
Accrued interest on related party notes payable	48,377	38,927
Accrued interest on related party payables	7,259	7,060
Accrued interest on notes payable	1,359	1,611
Amortization	275	353
Extinguishment of debt	(162,723)	-
Changes in operating assets and liabilities:		
Prepaids and other receivables	(4,341)	(673)
Accounts payable	723	28,701
Accrued liabilities	(55,122)	(6,064)
Due to related parties	34,223	35,006
Repayment of interest accrued on notes payable	(4,646)	-
Net cash used in operating activities	(153,379)	(54,862)
Cash flows used in investing activities:		
Acquisition of unproved mineral properties	(47,977)	(28,008)
Net cash used in investing activities	(47,977)	(28,008)
Cash flows provided by financing activities:		
Cash received for notes payable to related parties	26,034	88,392
Issuance of common stock for private placement	187,500	-
Cash paid for notes payable	(2,130)	-
Net cash provided by financing activities	211,404	88,392
Effects of foreign currency exchange	(2,692)	(1,075)
Increase in cash	7,356	4,447
Cash, beginning	2,392	7,679
Cash, ending	$ 9,748	$ 12,126
Supplemental disclosures:		
Cash paid for:		
Income tax	$ -	$ -
Interest	$ 4,646	$ -

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

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 the 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, 2018, 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 six months ended July 31, 2018, are not necessarily indicative of the results that may be expected for the year ending January 31, 2019.

NOTE 2 - RELATED-PARTY TRANSACTIONS

The following amounts were due to related parties as at:

	July 31, 2018	January 31, 2018
Due to a company owned by an officer (a)	$ --	$ 699,882
Due to a company controlled by directors (b)	--	371,303
Due to a company controlled by a major shareholder (a)	--	85,906
Due to a major shareholder (a)	--	39,707
Total due to related parties	$ --	$ 1,196,798

(a) Amounts were unsecured, due on demand and bore no interest.
(b) Amounts were unsecured, due on demand and bore interest at 10%.

During the six-month period ended July 31, 2018, the Company accrued $7,259 (July 31, 2017 - $7,060) in interest expense on trade accounts payable with related parties.

During the quarter ended July 31, 2018, debt owing by the Company to related parties of $1,206,055 was forgiven. The gain on the extinguishment of debt was recorded in additional paid-in capital. The details of debt forgiveness are as follows:

	July 31, 2018
Amounts due for services:	
Debt forgiven by the company owned by an officer	$ 721,947
Debt forgiven by the company controlled by directors	361,163
Debt forgiven by the company controlled by a major shareholder	85,374
Debt forgiven by the major shareholder	37,571
Total debt forgiven by related parties	$ 1,206,055

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

	July 31, 2018	January 31, 2018
Note payable to the Chief Executive Officer ("CEO") (c)	$ 372,323	$ 478,355
Note payable to the Chief Financial Officer ("CFO") (c)	8,500	13,724
Note payable to a major shareholder (c)	--	569,064
Note payable to a company controlled by directors (c)	99,172	157,232
Total notes payable to related parties (d)	$ 479,995	$ 1,218,375

(c) Amounts are unsecured and bear interest at 8%.
(d) As at July 31, 2018, the debt holders agreed to extend the repayment period until July 31, 2021; as such, the full amount due under the notes payable was reclassified to long-term notes payable.

During the six-month period ended July 31, 2018, the Company accrued $48,377 (July 31, 2017 - $38,927) in interest expense on the notes payable to related parties.

During the quarter ended July 31, 2018, debt owing by the Company to related parties under the demand notes payable of $773,789 was forgiven. The gain on the extinguishment of debt was recorded in additional paid-in capital. The details of forgiveness of the notes payable are as follows:

	July 31, 2018	
Amounts due for	**Principal**	**Accrued Interest**
Accrued interest on Note payable to the CEO	$ --	$ 127,675
Accrued interest on Note payable to the CFO	--	5,777
Note payable including accrued interest to a major shareholder (c)	456,369	128,666
Accrued interest on Note payable to the company controlled by directors	--	55,302
Total notes payable to related parties (d)	$ 456,369	$ 317,420

Transactions with Related Parties

During the six-month periods ended July 31, 2018 and 2017, the Company incurred the following expenses with related parties:

	July 31, 2018	July 31, 2017
Consulting fees paid or accrued to a company owned by the CFO	$ 30,000	$ 30,000
Rent fees paid or accrued to a company controlled by a major shareholder	$ 5,329	$ 5,006

NOTE 3 - UNPROVED MINERAL PROPERTIES

Following are the schedules of the Company's unproved mineral properties as at July 31, 2018:

Mineral Claims	January 31, 2018	Acquisition fees and property taxes paid	Effect of foreign currency translation	July 31, 2018
Farellon Project				
Farellon Alto 1-8	$ 443,027	$ 10,635	$ (24,386)	$ 429,276
Quina	117,145	1,962	(6,407)	112,700
Exeter	92,741	26,837	(5,196)	114,382
	652,913	39,434	(35,989)	656,358
Perth Project	41,703	8,543	(2,622)	47,624
Total Costs	$ 694,616	$ 47,977	$ (38,611)	$ 703,982

NOTE 4- COMMON STOCK

On April 20, 2018, the Company issued 2,500,000 units of the Company's common stock at a price of $0.075 per unit for total proceeds of $187,500. Each unit consisted of one common share of the Company and one share purchase warrant entitling a holder to purchase one additional common share for a period of two years after closing at an exercise price of $0.1875 per share. The Company may accelerate the expiration date of the warrants if the daily volume weighted average share price of the Company's common shares equals to or is greater than CAD$0.30 as posted on Canadian Securities Exchange, or USD$0.225 as posted on OTC Link alternative trading system (or such other stock exchange as the Company's common shares are then trading on) for ten consecutive trading days.

Warrants

At July 31, 2018, the Company had 2,500,000 warrants issued and exercisable. Each warrant entitles its holder to purchase one common share for a period of two years expiring on April 20, 2020, at an exercise price of $0.1875 per share, subject to acceleration clause as described above.

NOTE 5 - SUBSEQUENT EVENT

Subsequent to July 31, 2018, the Company entered into a lease agreement (the "Lease Agreement") with Mr. Lucas Godoy Ocayo (the "Lessee") to lease out its Farellon Alto 1-8 property (the "Property") in exchange for a 15% royalty on gross smelter returns of Cobalt extracted from the Property and a 10% royalty on gross smelter returns received from all other minerals extracted from the Property. The Lease Agreement is subject to minimum royalty payments of $1,500 per month, which the Lessee will be required to make once a three-month grace period is over. The Lease Agreement is for a period of three years and is renewable automatically for additional three-year consecutive periods. Based on the Lease Agreement, the Lessee is responsible for the exploitation arrangements such as camp costs, road repairs, permits, and man power.

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, 2018. 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 two employees 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.

Entry into a Lease Agreement for Farellon Alto 1-8

On August 22, 2018, we entered into a lease agreement (the “Lease Agreement”) with Mr. Lucas Godoy Ocayo (the “Lessee”) to lease out our Farellon Alto 1-8 property (the “Property”) in exchange for a 15% royalty on gross smelter returns of Cobalt extracted from the Property and a 10% royalty on gross smelter returns received from all other minerals extracted from the Property. The Lease Agreement is subject to minimum royalty payments of $1,500, which the Lessee will be required to make once a three-month grace period is over. The Lease Agreement is for a period of three years and is renewable automatically for additional three-year consecutive periods. Based on the Lease Agreement, the Lessee is responsible for the exploitation arrangements such as camp costs, road repairs, permits, and is also responsible for supplying man power to carry out the exploration and exploitation program on the Property.

Debt Restructuring

During the three-month period ended July 31, 2018, we finalized negotiations with our related parties and other arms-length debt holders, who agreed to restructure the debt we owed to them as at July 31, 2018. As a result of these negotiations, we recorded $162,723 in extinguishment of debt by arms-length debt holders, of which $38,211 was associated with reversal of old debt which exceeded the statute of limitations; reduced the debt to our related parties by $1,979,844, and extended the repayment of the $479,995 owed to our related parties until July 31, 2021, with all other terms remaining substantially unchanged.

Results of Operations

SUMMARY OF FINANCIAL CONDITION

Table 1 summarizes and compares our financial condition at July 31, 2018, to the year ended January 31, 2018.

Table 1: Comparison of financial condition

	July 31, 2018	January 31, 2018
Working capital deficit	$ (343,718)	$ (3,007,331)
Current assets	$ 20,704	$ 9,426
Unproved mineral properties	$ 703,982	$ 694,616
Total current liabilities	$ 364,422	$ 3,016,757
Total long-term liabilities	$ 479,995	$ -
Common stock and additional paid in capital	$ 9,006,181	$ 6,838,837
Accumulated other comprehensive income (loss)	$ 23,683	$ (20,348)
Deficit	$ (9,148,001)	$ (9,129,238)

Selected Financial Results

THREE AND SIX MONTHS ENDED JULY 31, 2018 AND 2017

Our operating results for the three and six months ended July 31, 2018 and 2017, and the changes in the operating results between those periods are summarized in Table 2:

Table 2: Summary of operating results

	Three Months Ended		Percentage Increase / (Decrease)	Six Months Ended		Percentage Increase / (Decrease)
	July 31, 2018	July 31, 2017		July 31, 2018	July 31, 2017	
Operating expenses	$ (58,680)	$ (57,787)	1.5%	$ (128,241)	$ (111,962)	14.5%
Other items:						
Foreign exchange gain (loss)	186	(46)	(504.3)%	3,827	(42)	9,211.9%
Forgiveness of debt	162,723	-	n/a	162,723	-	n/a
Interest on current debt	(29,138)	(25,197)	15.6%	(57,072)	(47,779)	19.4%
Net royalty income (loss)	-	(493)	(100.0)%	-	-	(0.0)%
Net income (loss)	75,091	(83,523)	189.9%	(18,763)	(159,783)	88.3%
Unrealized foreign exchange gain (loss)	(9,104)	(95,289)	(90.4)%	44,031	(53,890)	(181.7)%
Comprehensive income (loss)	$ 65,987	$ (178,812)	136.9%	$ 25,268	$ (213,673)	111.8%

Revenue. We did not generate any revenue during the three and six months ended July 31, 2018 and 2017. 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 six months ended July 31, 2018 and 2017, and the changes between those periods are summarized in Table 3.

Table 3: Detailed changes in operating expenses

	Three Months Ended			Six Months Ended		
	July 31, 2018	July 31, 2017	Percentage Increase / (Decrease)	July 31, 2018	July 31, 2017	Percentage Increase / (Decrease)
Operating expenses						
Amortization	$ 130	$ 171	(24.0)%	$ 275	$ 353	(22.1)%
Consulting fees	15,000	15,000	0.0%	30,000	30,000	0.0%
General and administrative	11,199	15,247	(26.5)%	22,956	31,546	(27.2)%
Mineral exploration costs	1,875	578	224.4%	12,405	1,022	1,113.8%
Professional fees	7,883	2,591	204.2%	15,502	3,616	328.7%
Rent	2,580	2,481	4.0%	5,329	5,006	6.5%
Regulatory	1,824	4,430	(58.8)%	4,476	5,557	(19.5)%
Salaries, wages and benefits	18,189	17,289	5.2%	37,298	34,862	7.0%
Total operating expenses	$ 58,680	$ 57,787	1.5%	$ 128,241	$ 111,962	14.5%

Our operating expenses increased by $893, or 1.5%, from $57,787 for the three-month period ended July 31, 2017 to $58,680 for the three-month period ended July 31, 2018. Since we kept our operating activities at low level the change in operating expenses during the three-month period ended July 31, 2018, was associated mainly with an increase in professional fees, which amounted to $7,883, an increase of $5,292 as compared to the three months ended July 31, 2017, which was followed by $1,875 in mineral exploration costs, which were $1,297 higher than our costs associated with mineral exploration for the three months ended July 31, 2017. All other operating expenses stayed relatively stable as compared to the operating expenses we incurred during the Fiscal 2018 comparative period.

During the six-month period ended July 31, 2018, our operating expenses increased by 14.5% to $128,241 from $111,962 for the six months ended July 31, 2017.

The most significant year-to-date changes in our operating expenses were as follows;

- Our mineral and exploration expenses increased by $11,383, or 1,113.8%; from $1,022 we incurred during the six-month period ended July 31, 2017, to $12,405 we incurred during the six-month period ended July 31, 2018. The higher mineral exploration expenses during the six-month period ended July 31, 2018, were associated with the payment of 2017/18 and 2018/19 property taxes and late payment fees for the claims that comprise our Mateo Property and for the Cecil claim, which is included in our Farellon Property; these claims were impaired during our Fiscal 2016, however, we retain ownership of these claims.
- Our professional fees increased by $11,886, or 328.7%, from $3,616 we incurred during the six-month period ended July 31, 2017, to $15,502 we incurred during the six-month period ended July 31, 2018. The change was caused by reclassification of some of our vendor payables from administrative fees to professional fees.
- Our general and administrative expenses decreased by 27.2%, or $8,590 to $22,956 during the six-month period ended July 31, 2018, as compared to $31,546 we incurred in general and administrative expenses during the comparative period ended July 31, 2017. The decrease was associated mostly with reduced administrative fees which decreased due to reclassification of some of our vendor payables to professional fees.
- During the six-month period ended July 31, 2018, our salaries paid to the staff employed through our Chilean subsidiary increased by 7.0% to $37,298 from $34,862 we incurred during the six-month period ended July 31, 2017. The increase was associated with a statutory increase to salary levels imposed by Chilean government, as well as with fluctuation of foreign exchange rates between Chilean Peso and the US dollar.

Other items. To continue our operations we were required to incur additional debt with our debt holders. Our notes payable carry 8% interest, which resulted in $57,072 in interest we accrued during the six-month period ended July 31, 2018, an increase of $9,293 as compared to $47,779 in interest we accrued during the six-month period ended July 31, 2017.

During the second quarter of our Fiscal 2019, we finalized negotiations with several arms-length debt holders, who agreed to forgive, partially or in full, the debt we owed to them. As a result of these negotiations, we recorded $124,512 in extinguishment of debt by arms-length debt holders. In addition, the extinguishment of debt included $38,211 associated with reversal of old debt which exceeded the statute of limitation.

Comprehensive loss. Our comprehensive income for the three-month period ended July 31, 2018, was $65,987 as compared to the comprehensive loss of $178,812 we recorded for the three-month period ended July 31, 2017. During the three-month period ended July 31, 2018, the comprehensive loss included $9,104 loss associated with the foreign exchange translation of the carried balances denominated in other than our functional currencies. During the comparative three-month period ended July 31, 2017, the comprehensive loss included $95,289 loss associated with the foreign exchange translation of the carried balances denominated in other than our functional currencies.

Our comprehensive income for the six-month period ended July 31, 2018, was $25,268 as compared to the comprehensive loss of $213,673 we recorded for the six-month period ended July 31, 2017. During the six-month period ended July 31, 2018, the comprehensive loss included $44,031 gain associated with the foreign exchange translation of the carried balances denominated in other than our functional currencies. During the comparative six-month period ended July 31, 2017, the comprehensive loss included $53,890 loss associated with the foreign exchange translation of the carried balances denominated in other than our functional currencies.

Liquidity and Capital Resources

Table 4: Working capital

	July 31, 2018	January 31, 2018	Percentage Increase / (Decrease)
Current assets	$ 20,704	$ 9,426	119.6%
Current liabilities	364,422	3,016,757	(87.9)%
Working capital deficit	$ (343,718)	$ (3,007,331)	(88.6)%

As of July 31, 2018, we had a cash balance of $9,748, our working capital was represented by a deficit of $343,718 and cash used in operations totaled $153,379 for the period then ended.

We did not generate sufficient cash flows from our operating activities to satisfy our cash requirements for the six-month period ended July 31, 2018. 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 5 summarizes our sources and uses of cash for the six months ended July 31, 2018 and 2017.

Table 5: Summary of sources and uses of cash

	July 31,	
	2018	2017
Net cash used in operating activities	$ (153,379)	$ (54,862)
Net cash used in investing activities	(47,977)	(28,008)
Net cash provided by financing activities	211,404	88,392
Effects of foreign currency exchange	(2,692)	(1,075)
Net increase in cash	$ 7,356	$ 4,447

Net cash used in operating activities

During the six months ended July 31, 2018, we used net cash of $153,379 in operating activities. We used $124,216 to cover our cash operating costs $4,341 to increase our prepaid expenses and other receivables, $55,122 to decrease our accrued liabilities and $4,646 to pay back accrue interest on a non-related party loan. These uses of cash were offset by increases in accounts payable of $723, and by increase to the amounts we owed to our related parties of $34,223.

During the six months ended July 31, 2017, we used net cash of $54,862 in operating activities. We used $111,832 to cover our cash operating costs, $6,064 to decrease our accrued liabilities, and $673 to increase our prepaid expenses and other receivables. These uses of cash were offset by increases in accounts payable and amounts due to related parties of $28,701 and $35,006, respectively.

Certain non-cash changes included in the net loss for the period

During the six months ended July 31, 2018, our outstanding notes payable to related parties resulted in accrual of $48,377 in interest, and our notes payable to non-related party accumulated $1,359 in interest. In addition, we recorded $7,259 in interest associated with unpaid trade accounts payable with related parties, and $275 in amortization.

During the second quarter of our Fiscal 2019, we finalized negotiations with several arms-length debt holders, who agreed to forgive, partially or in full, the debt we owed to them. As a result of these negotiations, we recorded $124,512 in extinguishment of debt by arms-length debt holders. In addition, the extinguishment of debt included $38,211 associated with reversal of old debt which exceeded the statute of limitation.

During the six months ended July 31, 2017, our outstanding notes payable to related parties resulted in accrual of $38,927 in interest, and our notes payable to non-related party accumulated $1,611 in interest. In addition, we recorded $7,060 in interest associated with unpaid trade accounts payable with related parties, and $353 in amortization of equipment we use for mineral exploration.

Net cash used in investing activities

During the six months ended July 31, 2018, we spent $22,977 paying 2017/18 mineral property taxes which remained unpaid during our Fiscal 2018, and 2018/19 the mineral property taxes on exploration claims comprising our Perth and Farellon Properties. In addition, we used $25,000 to make the forth option payment pursuant to our option agreement to acquire the Exeter claim.

During the six months ended July 31, 2017, we spent $3,008 paying 2017/18 mineral property taxes on several exploration claims within our Perth and Farellon Properties, and $25,000 to make the third option payment pursuant to our option agreement to acquire the Exeter claim.

Net cash provided by financing activities

During the six months ended July 31, 2018, we received $187,500 on subscription to 2,500,000 units of our common stock at $0.075 per unit.

During the six months ended July 31, 2018, we borrowed $895 and $25,139 (CAD$32,036) from our CEO. The loans are unsecured, payable on demand and bear interest at 8% per annum, compounded monthly.

During the three-month period ended July 31, 2018, we finalized negotiations with our related parties who agreed to restructure the debt we owed to them as at July 31, 2018. As a result of these negotiations, our related parties agreed to forgive us the debt totaling $1,979,844, which was comprised of $456,369 in principal under the notes payable we issued to Mr. Jeffs, our major shareholder, $317,420 in interest accrued on the notes payable we issued to Mr. Jeffs, Ms. Jeffs, our CEO, Fladgate Exploration Consulting Corporation ("Fladgate"), the Company of which Ms. Jeffs and Mr. Thompson are principals, and Mr. da Costa, our CFO. In addition, our related parties also agreed to forgive a total of $1,206,055 we owed them on account of services they have provided to the Company. Remaining $479,995 in notes payable we issued to Ms. Jeffs, Fladgate, and Mr. da Costa, have been amended to extend the repayment period to no less than three years, or July 31, 2021; all other terms of the notes payable remained substantially unchanged.

During the six months ended July 31, 2017, we borrowed $13,000 and $19,580 (CAD$26,000) from our significant shareholder, and $3,195 and $52,617 (CAD$70,426) from our CEO. 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 July 31, 2018, we had a working capital deficit of $343,718 and accumulated losses of $9,148,001. 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 6: Active properties

		Hectares	
Property	**Percentage, type of claim**	**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	
		1,234	1,234
Perth			
Perth 1 al 36 claim	100%, mensura	109	
Lancelot I 1 al 27 claim	100%, mensura in process	300	
Lancelot II	100%, pedimento	200	
Merlin I	100%, pedimento	300	
Rey Arturo 1 al 29 claim	100%, mensura in process	300	
Galahad I	100%, pedimento	300	
Percival	100%, pedimento	300	
Tristan II	100%, pedimento	300	
Camelot	100%, pedimento	300	
		2,409	
Overlapped claims [a]		(109)	2,300
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, 10A, 10B, 12, 13 claims	100%, mensura in process	861	
		1,653	
Overlapped claims [a]		(469)	1,184
			4,718

[a] Certain pedimento and mensura in process 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).

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

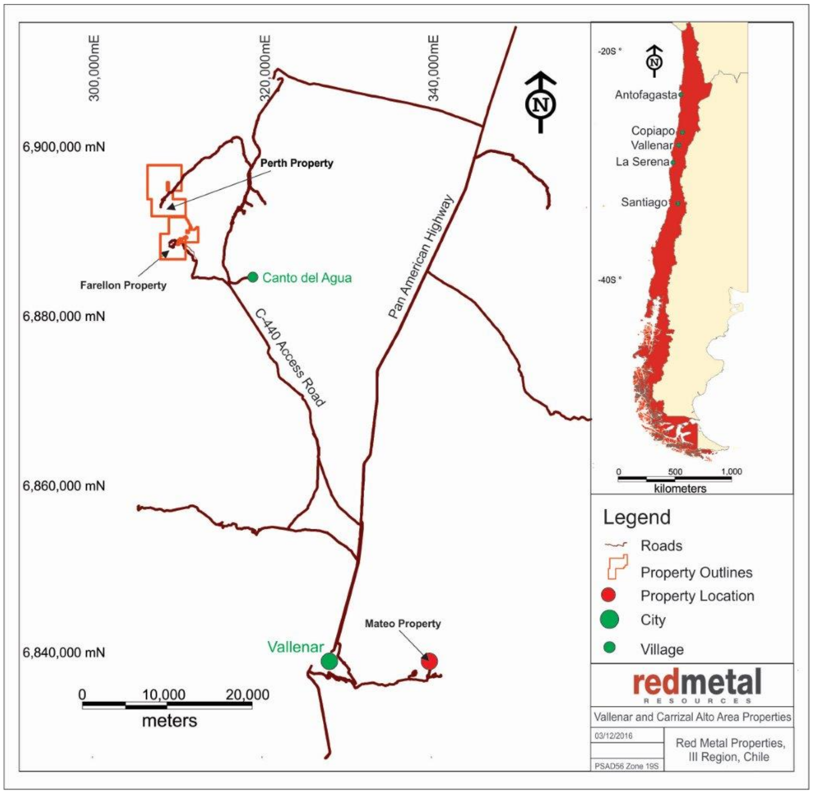

Figure 1: Location and access to active properties.

Farellon Property. Entry into a Lease Agreement for Farellon Alto 1-8

On August 22, 2018, we entered into a lease agreement (the "Lease Agreement") with Mr. Lucas Godoy Ocayo (the "Lessee") to lease out our Farellon Alto 1-8 property (the "Property") in exchange for a 15% royalty on gross smelter returns of Cobalt extracted from the Property and a 10% royalty on gross smelter returns received from all other minerals extracted from the Property. The Lease Agreement is subject to minimum monthly royalty payments of $1,500, which the Lessee will be required to start making as of November 22, 2018, onwards, once a three-month grace period is over. The Lease Agreement is for a period of three years and is renewable automatically for additional three-year consecutive periods. Based on the Lease Agreement, the Lessee is responsible for the exploitation arrangements such as camp costs, road repairs, permits, and is also responsible for supplying man power to carry out the exploration and exploitation program on the Property.

As of the date of this Quarterly Report on Form 10-Q, the Lessee started work on repairing access to the mine and preparing the infrastructure and setting up the camp for the planned work on the Property.

Farellon Property. 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 clam (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	Shares Issued
Upon execution of the option agreement ("Execution date") (paid)	$	25,000	500,000
12 months subsequent to the Execution date (paid)		25,000	833,333
24 months subsequent to the Execution date (paid)		25,000	357,143
36 months subsequent to the Execution date (paid)		25,000	357,143
48 months subsequent to the Execution date		50,000	n/a
Total	$	150,000	2,047,619

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

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

Farellon Property. 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 (paid)		25,000
On or before May 12, 2018 (paid)		25,000
On or before May 12, 2019		50,000
Total	$	150,000

All of the above payments shall be made only if the Company wishes to keep the option agreement in force and finally to exercise the option to purchase.

In addition to the option payments, the Company agreed to pay a 1.5% NSR royalty on the Exeter Claim, which the Company may buy out for a one-time payment of $750,000 any time after acquiring 100% of the Exeter Claim. Should the Company choose to mine the Exeter Claim prior to acquiring the option, the Company 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 July 31, 2018.

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 once exploitation begins 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

On April 20, 2018, we issued 2,500,000 units of our common stock at a price of $0.075 per unit for total proceeds of $187,500. Each unit consisted of one common share and one share purchase warrant entitling a holder to purchase one additional common share for a period of two years after closing at an exercise price of $0.1875 per share. We may accelerate the expiration date of the warrants if the daily volume weighted average share price of our common shares equals to or is greater than CAD$0.30 as posted on Canadian Securities Exchange, or USD$0.225 as posted on OTC Link alternative trading system (or such other stock exchange as the Company's common shares are then trading on) for 10 consecutive trading days. The units were issued pursuant to the provisions of Regulation S of the U.S. Securities Act of 1933 (the "U.S. Securities Act.")

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 $26,034 from related parties. The loans are unsecured, due on demand, with interest payable at a rate of 8% per annum.

During the three-month period ended July 31, 2018, we finalized negotiations with our related parties and other arms-length debt holders, who agreed to restructure the debt we owed to them as at July 31, 2018. As a result of these negotiations, we recorded $162,723 in extinguishment of debt by arms-length debt holders, reduced the debt to our related parties by $1,979,844, and extended the repayment of the $479,995 owed to our related parties until July 31, 2021, with all other terms remaining substantially unchanged.

Challenges and Risks

Aside from the royalties we expect to receive from minerals extracted from our Farellon Alto 1-8 claim, which we leased to an arms-length party on August 22, 2018, for a three-year term, which, royalty payments, cannot be readily estimated, we do not anticipate generating any revenue over the next twelve months, therefore, we plan to fund our operations through any combination of equity or debt financing from the sale of our securities, private loans, joint ventures or through the sale of part interest in our mineral properties. Although we have succeeded in raising funds as we needed them, we cannot assure you that this will continue in the future. Many things, including, but not limited to, a downturn in the state of 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 additional 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 July 31, 2018, we owed approximately $479,995 to related parties under the three-year notes payable, which will become repayable on or after July 31, 2021. In addition to the long-term debt, we had $364,422 in current liabilities, which are due to be payable within next 12 months. We do not have the funds to pay all of our current liabilities, and as such, we may decide to offer some vendors to convert the amounts we owe them into 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 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

Since we rely on sales of our securities and loans to continue our operations any uncertainty in the equity markets can have a detrimental impact on our operations. Current trends in the industry and uncertainty that exists in equity markets have resulted in less capital available to us and less appetite for risk by investors. Furthermore, we have found that locating other mineral exploration companies with available funds who are willing to engage in risky ventures such as the exploration of our properties has become very difficult. If we are unable to raise additional capital, we may not be able to develop our properties or continue our operations.

Off-Balance Sheet Arrangements

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

Related-Party Transactions

During the six-month period ended July 31, 2018, 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 period ended July 31, 2018, we entered into negotiations with Mr. Jeffs to restructure the debt we owed to him. As a result of these negotiations, Mr. Jeffs agreed to forgive the debt the Company owed to him as at July 31, 2018. The total amount forgiven was $622,607 and consisted of $456,369 in principal under the notes payable we issued to Mr. Jeffs, $128,666 in interest accrued on these notes payable, and $37,572 we owed Mr. Jeffs for services. Other than the debt rescheduling, we did not have any new transactions with Mr. Jeffs during the quarter ended July 31, 2018, and up to the date of the filing of this Quarterly Report on Form 10-Q.

Loans from Caitlin L. Jeffs

During the six-month period ended July 31, 2018, we borrowed from Caitlin L. Jeffs, our Chief Executive Officer, Secretary and a member of our Board of Directors, $895 and $25,139 (CAD$32,036). The loans are subject to 8% interest compounded monthly, are unsecured and due on demand.

At July 31, 2018, as part of the debt restructuring initiative, Ms. Jeffs agreed to forgive $127,674 in interest accrued on the demand notes payable the Company issued to Ms. Jeffs. Furthermore, Ms. Jeffs agreed to extend the repayment of principal under the notes payable for a three-year period commencing on July 31, 2018.

Subsequent to July 31, 2018, Ms. Jeffs lent the Company $38,503 (CAD$50,000) for working capital. The loan is subject to 8% interest compounded monthly, is unsecured and due on August 28, 2021.

Loan from John da Costa

At July 31, 2018, as part of the debt restructuring initiative, Mr. da Costa agreed to forgive $5,777 in interest accrued on the demand note payable the Company issued to Mr. da Costa. Furthermore, Mr. da Costa agreed to extend the repayment of principal under the note payable for a three-year period commencing on July 31, 2018.

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 six-month period ended July 31, 2018, we accrued $30,000 to Da Costa Management Corp. for services provided by them.

At July 31, 2018, as part of the debt restructuring initiative, Da Costa Management Corp. agreed to forgive $721,947 the Company accrued for the services provided by Da Costa management Corp.

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 six-month period ended July 31, 2018, we did not have any transactions with Fladgate, except for $7,259 in interest we accrued on unpaid invoices.

At July 31, 2018, as part of the debt restructuring initiative, Fladgate agreed to forgive $361,163 the Company owed for the services provided by Fladgate, of which $215,067 was interest accrued on unpaid invoices, which accumulated interest at 10% simple interest. Furthermore, Fladgate agreed to forgive $55,302 in interest accrued on the demand notes payable the Company issued to Fladgate and to extend the repayment of principal under the notes payable for a three-year period commencing on July 31, 2018.

Transactions with Minera Farellon Limitada

We pay Minera Farellon Limitada ("Minera Farellon") for rental of our Chilean office used by our Subsidiary, Minera Polymet SpA. During the six-month period ended July 31, 2018, we accrued $5,329 in rental fees.

At July 31, 2018, as part of the debt restructuring initiative, Minera Farellon agreed to forgive $85,374 the Company owed Minera Farellon for the rental of our Chilean office and for non-interest bearing advances received.

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.

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, 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 assessment, 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 14, 2018.

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

On April 20, 2018, the Company issued 2,500,000 units of the Company's common stock at a price of $0.075 per unit for total proceeds of $187,500. Each unit consisted of one common share of the Company and one share purchase warrant entitling a holder to purchase one additional common share for a period of two years after closing at an exercise price of $0.1875 per share. The Company may accelerate the expiration date of the warrants if the daily volume weighted average share price of the Company's common shares equals to or is greater than CAD$0.30 as posted on Canadian Securities Exchange, or USD$0.225 as posted on OTC Link alternative trading system (or such other stock exchange as the Company's common shares are then trading on) for ten consecutive trading days. The units 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
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	Red Metal Resources Ltd. 2011 Equity Incentive Plan [8]
10.2	Memorandum of Understanding between Minera Polymet Limitada and David Marcus Mitchel [3]
10.3	Irrevocable Purchase Option Contract for Mining Property Quina 1-56 in Spanish [4]
10.4	Irrevocable Purchase Option Contract for Mining Property Quina 1-56, English translation [4]
10.5	Irrevocable Purchase Option Contract for Mining Property Exeter 1-54 in Spanish [5]
10.6	Irrevocable Purchase Option Contract for Mining Property Exeter 1-54, English translation [5]
10.7	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.[6]
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 in Spanish.[6]
10.9	Letter of Intent between Red Metal Resources Ltd. and TomaGold Corporation dated for reference September 16, 2016 [7]
10.10	Letter of Intent between Red Metal Resources Ltd. and Power Americas Minerals Corp. dated for reference February 28, 2017 [9]
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 July 31, 2018, formatted in XBRL: (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 June 4, 2014.

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

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

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

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

[8] Incorporated by reference from the registrant's registration statement on Form S-8 filed with the Securities and Exchange Commission on September 23, 2011.

[9] Incorporated by reference from the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 6, 2017.

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.

Dated: September 14, 2018

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

Certification by Chief Executive Officer/President pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934

I, Caitlin Jeffs, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Red Metal Resources Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

September 14, 2018

/s/ Caitlin Jeffs
Caitlin Jeffs, Chief Executive Officer and President
(Principal Executive Officer)

Certification by Chief Financial Officer pursuant to
Rule 13a-14(a) of the Securities Exchange Act of 1934

I, Joao (John) da Costa, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Red Metal Resources Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principals;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

September 14, 2018

/s/ Joao (John) da Costa
Joao (John) da Costa, Chief Financial Officer
(Principal Financial and Accounting Officer)

CERTIFICATION PURSUANT TO
18 U.S.C. 1350

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsection (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) each of the undersigned officers of Red Metal Resources Ltd. (the “Company”) does hereby certify, to such officer’s knowledge, that:

(a) The Quarterly Report on Form 10-Q for the period ended July 31, 2018, (the “Report”) of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: September 14, 2018

/s/ Caitlin Jeffs
Caitlin Jeffs, Chief Executive Officer and President
(Principal Executive Officer)

/s/ Joao (John) da Costa
Joao (John) da Costa, Chief Financial Officer
(Principal Financial and Accounting Officer)