

# **Red Metal Limited**

ACN 103 367 684

## **NOTICE OF GENERAL MEETING**

– and –

### **PROXY FORM**

**DATE AND TIME OF MEETING:**

27 May 2019 at 11.00am AEDT

**VENUE:**

Level 15, 323 Castlereagh Street,  
Sydney NSW 2000, Australia

**These documents should be read in their entirety. If shareholders are in any doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor.**

# NOTICE OF MEETING

**NOTICE IS HEREBY GIVEN** that a General Meeting (“Meeting”) of the members of Red Metal Limited ACN 103 367 684 (“Red Metal” or “the Company”) will be held on Monday, 27 May 2019 at 11.00am AEDT at Level 15, 323 Castlereagh Street, Sydney NSW 2000, Australia.

The enclosed Explanatory Memorandum accompanies and forms part of this Notice of Meeting.

## AGENDA

### ORDINARY BUSINESS

#### 1. Resolution 1 – Approval for the Issue of Director Options to Mr Russell Barwick

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 10.11 and all other purposes, the Directors be authorised to issue up to a maximum of 500,000 Director Options to Mr Russell Barwick or his nominee, the details of which are set out in the accompanying Explanatory Memorandum.”*

***Voting Exclusion applies – refer below.***

#### 2. Resolution 2 – Approval for the Issue of Director Options to Mr Robert Rutherford

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 10.11 and all other purposes, the Directors be authorised to issue up to a maximum of 1,000,000 Director Options to Mr Robert Rutherford or his nominee, the details of which are set out in the accompanying Explanatory Memorandum.”*

***Voting Exclusion applies – refer below.***

#### 3. Resolution 3 – Approval for the Issue of Director Options to Mr Joshua Pitt

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 10.11 and all other purposes, the Directors be authorised to issue up to a maximum of 500,000 Director Options to Mr Joshua Pitt or his nominee, the details of which are set out in the accompanying Explanatory Memorandum.”*

***Voting Exclusion applies – refer below.***

### GENERAL BUSINESS

4. To transact any other business which may lawfully be brought forward.

### VOTING EXCLUSIONS

In respect of Resolutions 1, 2 and 3, a vote must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such a member.

However, a person (the **Voter**) described above may vote on this Resolution as a proxy vote if the vote is not cast on behalf of a person described above and either:

- (a) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution;  
or
- (b) the Voter is the Chair of the Meeting and the appointment of the Chair as proxy:
- (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

In respect of Resolution 1, the Company will disregard any votes cast in favour of Resolution 1 by Mr Russell Barwick or any of his associates. However the Company need not disregard a vote if:

- (i) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (ii) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In respect of Resolution 2, the Company will disregard any votes cast in favour of Resolution 2 by Mr Robert Rutherford or any of his associates. However the Company need not disregard a vote if:

- (i) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (ii) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In respect of Resolution 3, the Company will disregard any votes cast in favour on Resolution 3 by Mr Joshua Pitt or any of his associates. However the Company need not disregard a vote if:

- (i) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (ii) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## PROXIES

In accordance with section 249L of the Corporations Act 2001, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with section 249X(3) of the Corporations Act 2001, each proxy may exercise half of the votes.

In accordance with section 250BA of the Corporations Act 2001, the Company specifies the following information for the purposes of receipt of proxy appointments:

By mail to:                   LEVEL 15, 323 CASTLEREAGH STREET  
                                  SYDNEY, NSW, 2000 AUSTRALIA

By facsimile to:           (61 2) 9281 5747

Each member entitled to vote at the Meeting has the right to appoint a proxy to attend and vote at the Meeting on his behalf. The member may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion. The instrument appointing the proxy must be received by the Company at the address specified above **at least 48 hours before the time notified for the Meeting. Members who do not plan to attend the Meeting are encouraged to complete and return a proxy form.**

**The Meeting Chairman intends to vote all undirected proxies in favour of the (relevant) resolution(s). The proxy form expressly authorises the Chair to exercise undirected proxies in favour of remuneration related resolutions (Resolutions 1, 2 and 3).**

In accordance with regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that ordinary shares held as at 7.00pm (AEDT) on 25 May 2019 will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time.

BY ORDER OF THE BOARD

Patrick Flint  
Company Secretary  
17 April 2019

**EXPLANATORY MEMORANDUM**

**1. INTRODUCTION**

This Explanatory Memorandum has been prepared for the information of shareholders of Red Metal Limited (“**Red Metal**” or the “**Company**”) in connection with the business to be conducted at a General Meeting (“**Meeting**”) to be held on Monday, 27 May 2019 at 11.00am AEDT at Level 15, 323 Castlereagh Street, Sydney NSW 2000, Australia.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting.

**2. RESOLUTIONS 1, 2 AND 3 - Issue of Options to Directors**

Shareholder approval is being sought for the issue of options to the following directors:

<b>Director</b>	<b>Position</b>	<b>Options 1<sup>st</sup> Tranche</b>	<b>Options 2<sup>nd</sup> Tranche</b>	<b>Total</b>
Mr R Barwick	Chairman	250,000	250,000	500,000
Mr R Rutherford	Managing Director	500,000	500,000	1,000,000
Mr J Pitt	Non-executive Director	250,000	250,000	500,000
Total		1,000,000	1,000,000	2,000,000

The Director Options are proposed to be issued in two tranches;

- the first tranche Director Options vest from the date of issue, are exercisable at a 25% premium (rounded up to the nearest cent) to the five day volume weighted average price (“**VWAP**”) on the day of issue and will expire on 26 May 2022.
- the second tranche Director Options vest 12 months after the date of issue, are exercisable at a 25% premium (rounded up to the nearest cent) to the VWAP on the day of issue and will expire on 26 May 2022.

The purpose of the issue of options is to provide Messrs Barwick, Rutherford and Pitt an incentive for future services. The issue of options as part of the remuneration packages of directors is an established practice of junior public listed companies and, in the case of the Company, has the benefit of conserving cash whilst properly rewarding each of the Directors. Note that the Directors were previously issued incentive options, after receipt of shareholder approval and that have not either expired or been exercised, in November 2016 (options expire 13 November 2019) and November 2017 (options expire 12 November 2020) – refer Section E below.

It is also noted that shareholders approved the issue of a total of 2,000,000 options (2018 Options) to Messrs Barwick, Rutherford and Pitt (on similar terms and conditions as those proposed under Resolutions 1, 2 and 3) at the Company’s most recent Annual General Meeting (AGM) held on 29 November 2018. ASX Listing Rule 10.13 required that the 2018 Options be issued no later than 1 month after the date of the AGM. Due to various factors including the negotiating of the Greenfields Discovery Alliance agreement with OZ Minerals Limited, the Directors did not consider it appropriate to issue the 2018 Options within the required timeframe, and as a result the authority to issue those options expired and the 2018 Options were not issued.

Whilst the Directors to whom the Director Options are to be issued do not make a recommendation as they each have a personal interest in the proposed issue, they believe that the quantum of Director Options together with the cash fees to which they are entitled are reasonable in the context of the size and complexity of the Company’s activities and also by comparison to other similar sized junior explorers.

**(A) Requirement for Shareholder Approval**

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX’s opinion, such that approval should be obtained. If approval for the issue of the Director Options is obtained under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

The proposed Resolutions 1, 2 and 3, if passed, will allow the Company to issue the Director Options and the Company seeks to obtain member approval in accordance with the requirements of ASX Listing Rule 10.11. Accordingly, information required under the Listing Rules as well as information that will properly enable shareholders to consider Resolutions 1, 2 and 3 is presented below.

*Technical information required by ASX Listing Rule 10.13:*

- (a) the Director Options will be issued to Mr Russell Barwick, Mr Robert Rutherford and Mr Joshua Pitt and they are related parties by virtue of being Directors;
- (b) the maximum number of Director Options to be granted to the Directors (or their nominees) is 2,000,000;
- (c) the Director Options will be issued to the Directors (or their nominees) no later than 1 month after the date of the Meeting.
- (d) the Director Options are being issued for nil cash consideration and thus no funds will be raised by the Company in granting the options.
- (e) the terms and conditions of the Director Options are set out in Schedule 1.
- (f) the proceeds from the exercise of the Director Options will be used for working capital purposes.

The Company considers the proposed issue of Director Options is reasonable remuneration (i) for a company of the size and nature of the Company and (ii) which, given that the Company has other preferred uses for its available cash, is an appropriate alternative for providing incentives to the Directors.

**(B) Potential Benefits – Issue of Director Options**

If the Director Options are issued pursuant to the proposed Resolutions 1, 2 and 3, the Company considers the following benefits arise:

- (i) Messrs Barwick, Rutherford and Pitt will have a vested interest in the affairs of the Company, as the holders of Director Options and as shareholders upon exercise of the Director Options, particularly as the Director Options are not transferable.
- (ii) The issue of the Director Options to Messrs Barwick, Rutherford and Pitt is a non-cash form of remuneration, thus conserving the Company's cash reserves. The issue enables the Company to provide its Directors with reward for services provided and/or as an incentive for future services they will provide to the Company to further progress the Company in a cost-effective manner, as opposed to other forms of remuneration, such as cash.
- (iii) The exercise of the Directors Options will provide working capital for the Company. The options are exercisable at a 25% premium (rounded up to the nearest cent) to the VWAP on the day of issue. Based on the VWAP of \$0.098 on 8 April 2019, the exercise price would be \$0.13. If all of the Directors Options proposed to be issued to Messrs Barwick, Rutherford and Pitt are ultimately exercised, based on an exercise price of \$0.13, an amount of \$260,000 would be raised.

**(C) Potential Costs – Issue of Director Options**

The Director Options are to be granted for nil consideration and thus no funds will be raised by the Company in granting those options.

The potential cost to the Company of the issue of an aggregate of 2,000,000 Director Options to Messrs Barwick, Rutherford and Pitt is that there will be a dilution of the issued share capital of the Company if the Director Options are exercised. Based on 212,258,409 ordinary shares presently on issue, the exercise of the proposed Director Options (2 million) would have a dilution effect of approximately 0.94% (with a corresponding increase in cash reserves – see (B)(iii) above).

The price of the Company's shares quoted on the ASX over the past 12 months has ranged from a low of 8.6 cents on 16 January 2019 to a high of 15.5 cents on 19 June 2018, with a closing price of 10.0 cents on 8 April 2019, the date immediately prior to the date on which this Explanatory Memorandum was prepared.

Accounting standard AASB 2 "Share Based Payments" requires that these payments shall be measured at the more readily determinable fair value of the equity instrument. Under the accounting standards this amount will be expensed in the Income Statement – ie the value attributed to the Director Options (See Section D below) will be expensed in the profit and loss account of the Company. Where the grant date and the vesting date are different the

total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

#### **(D) Valuation of Director Options**

The Company does not have any ASX quoted options with identical or similar terms and conditions as these proposed Director Options and as such there is no comparable market value. Each Director Option grants the holder a right to be allotted one Share upon exercise of the Director Option and payment of the exercise price of the Director Option. Accordingly, the Director Options arguably have a value at the date of their grant. The Director Options may acquire future value dependent upon the extent to which the market value of Shares exceeds the exercise price of the Director Options during the term of the Director Options.

As a general proposition, options to subscribe for ordinary fully paid shares in a company have value. Various factors impact upon the value of options including things such as:

- (i) the period outstanding before the expiry date of the options;
- (ii) the exercise price of the options relative to the underlying price or value of the securities into which they may be converted;
- (iii) the proportion of the issued capital as expanded consequent upon exercise represented by the shares issued upon exercise (ie whether or not the shares that might be acquired upon exercise of the options represent a controlling or other significant interest);
- (iv) the value of the shares into which the options may be converted; and
- (v) whether or not the options are listed (ie readily capable of being liquidated).

There are various formulae which can be applied to determining the theoretical value of options (including the formula known as the Black-Scholes Model option valuation formula).

The Company has estimated the value of the Director Options using the Black-Scholes Model, which is the most widely used and recognised model for pricing options. The value of an option calculated by the Black-Scholes Model is a function of the relationship between a number of variables, being the share price, the exercise price, the time to expiry, the risk-free interest rate and the volatility of the Company's underlying share price.

Inherent in the application of the Black-Scholes Model are a number of inputs, some of which must be assumed. The data relied upon in applying the Black-Scholes Model in the present case were as follows:

- (i) the exercise price for the Directors Options is a 25% premium to the five day VWAP on the day of issue (rounded up to the nearest cent). Based on the VWAP of \$0.098 on 8 April 2019 the exercise price used for the purposes of the Black-Scholes Model is \$0.13;
- (ii) length of period prior to conversion being 3 years. For the purposes of the analysis it was assumed that the Director Options would not be exercised any earlier than the expiration date, being 26 May 2022;
- (iii) the Company has not forecast any future dividend payments. For the purposes of the analysis, it was assumed that the Company's share price is "ex-dividend";
- (iv) the risk free rate used for the purposes of the analysis is the Reserve Bank of Australia cash rate as at 8 April 2019 being 1.5%;
- (v) a volatility measure of 85%; and
- (vi) the valuation of the Company's share price being 10.0 cents, being the value of the Company's share price as at 8 April 2019.

Using the Black-Scholes Model and the assumed data outlined above, the directors have valued the Director Options as at 8 April 2019 at 4.9 cents each.

Using this analysis (4.9 cents attributed to each Director Option), the total value of the proposed Director Options to be granted to each of Messrs Barwick, Rutherford and Pitt is as follows:

	<b>Number of Director Options</b>	<b>Total Value of Director Options</b>
Mr Barwick	500,000	\$24,500
Mr Rutherford	1,000,000	\$49,000
Mr Pitt	500,000	\$24,500
<b>TOTAL</b>	<b>2,000,000</b>	<b>\$98,000</b>

#### **(E) Related Parties' Existing Interest**

Excluding the Director Options the subject of Resolutions 1, 2 and 3, the current interests of Messrs Barwick, Rutherford and Pitt (and entities associated with them) in the Company's securities are as follows:

<b>Director</b>	<b>Shares</b>	<b>Options (Note 1)</b>	<b>Options (Note 2)</b>
Mr Barwick	4,800,000	500,000	500,000
Mr Rutherford	12,361,878	1,000,000	1,000,000
Mr Pitt	17,807,622	500,000	500,000

Note 1 – These options were granted in November 2017 to Messrs Barwick, Rutherford and Pitt, and are exercisable at 20 cents each on or before 12 November 2020.

Note 2 – These options were granted in November 2016 to Messrs Barwick, Rutherford and Pitt, and are exercisable at 14 cents each on or before 13 November 2019.

#### **(F) Directors' Emoluments**

Other than the Director Options, the directors' current remuneration is as follows:

<b>Director</b>	<b>Position</b>	<b>Annual Remuneration</b>
Mr Barwick (Note 2)	Non - Executive Chairman	\$48,000
Mr Rutherford (Note 1)	Managing Director	\$251,800
Mr Pitt (Note 2)	Non - Executive Director	\$24,000

Note 1 – Mr Rutherford's total fixed remuneration (inclusive of statutory superannuation) increased from \$239,810 to \$251,800 effective 1 January 2019. Mr Rutherford's salary had previously been unchanged since 2013. Based on available data the adjusted fixed remuneration is in line with industry data. In addition, the Board has resolved to award Mr Rutherford a cash bonus of \$120,000 (inclusive of statutory superannuation) in recognition of his commitment and efforts over the previous 5 years (no other cash bonuses were awarded during this period) and in particular in recognition of Mr Rutherford's leading role in securing the Greenfields Discovery Alliance agreement (Agreement) with OZ Minerals Ltd in January 2019. The payment of the bonus is contingent upon the Company receiving \$1.2 million in cash payments pursuant to the Agreement.

Note 2 – Non-executive director fees have been unchanged since 2003.

#### **(G) Directors' Recommendation**

Messrs Barwick, Rutherford and Pitt express no opinion and make no recommendation in respect of the resolutions that apply specifically to them. Otherwise, each of the Directors recommend that shareholders approve Resolutions 1, 2 and 3 for the reasons set out in this Explanatory Memorandum, including:

- (i) Messrs Barwick, Rutherford and Pitt will have a vested interest in the affairs of the Company, as existing shareholders and the holders of the Director Options; and
- (ii) The issue of Director Options to Messrs Barwick, Rutherford and Pitt is a non-cash form of remuneration, thus conserving the Company's cash reserves. The issue enables the Company to provide its Directors with reward for services provided and provide an incentive with respect to future services they will provide to the Company to further progress the Company,

and on the basis that, in their opinion, the proposed issue of Director Options is fair and reasonable having regard to the terms of the Director Options.



## **(H) Other Information**

No stamp duty will be payable in respect of the grant of the Director Options. No GST will be payable by the Company in respect of the grant of the Director Options (or if it is then it will be recoverable as an input credit). Payroll tax at normal rates may be payable in the future by the Company, subject to the exercise of the Director Options.

Subject to receipt of shareholder approval, the options will be granted no later than a month after the Meeting.

Other than the information above and otherwise set out in this Explanatory Memorandum, the directors believe that there is no other information known to the Company or its directors that will be reasonably required by shareholders to make a decision in relation to the proposed Resolutions 1, 2 and 3.

## **GLOSSARY**

**General Meeting** or **Meeting** means the meeting convened by the notice.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Closely Related Party** of a member of the Key Management Personnel means:

- a) a spouse or child of the member;
- b) a child of the member's spouse;
- c) a dependent of the member or the member's spouse;
- d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- e) a company the member controls; or
- f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

**Company** means Red Metal Limited (ACN 103 367 684).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** mean the current directors of the Company.

**AEDT** means Australian Eastern Standard Daylight Savings Time as observed in Sydney, New South Wales.

**Explanatory Memorandum** means the explanatory memorandum accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Notice** or **Notice of Meeting** means this notice of general meeting including the Explanatory Memorandum and the Proxy Form.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

## SCHEDULE 1

### Terms of issue applicable to Director Options to be issued under Resolutions 1, 2 and 3

*The Director Options entitle the holder to subscribe for Shares on the following terms:*

- 1) Each Director Option entitles the holder to subscribe for and be allotted one fully paid ordinary share in the Company upon payment of the exercise price. The exercise price shall be a 25% premium (rounded up to the nearest cent) to the five day volume weighted average price on the day of issue.
- 2) The Director Options vest as follows;
  - First (1<sup>st</sup>) Tranche of 1,000,000 Director Options – from the date of issue.
  - Second (2<sup>nd</sup>) Tranche of 1,000,000 Director Options – 12 months from the date of issue.
- 3) Each Option will expire at 5:00 pm (AEDT) on 26 May 2022 (Expiry Date).
- 4) Shares will be allotted and issued pursuant to the exercise of Director Options not more than 10 business days after receipt of a properly executed notice of exercise and payment of the requisite application moneys.
- 5) The Director Options are not transferable except to an offeror under a takeover offer or under a scheme of arrangement proposed by the Company, or except with the consent of the Directors of the Company in circumstances where the proposed transfer is to an entity wholly owned and controlled by the optionholder.
- 6) All Shares issued upon exercise of the Director Options will rank pari passu in all respects with the Company's then existing fully paid ordinary shares. The Company will apply for Official Quotation by the ASX of all Shares issued upon exercise of the Director Options.
- 7) There are no participating rights or entitlements inherent in the Director Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Director Options. However, the Company will send a notice to each holder of Director Options at least nine business days before the record date for any proposed pro-rata issue of capital. This will give optionholders the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.
- 8) There is no right to a change in the exercise price of the Director Options or to the number of Shares over which the Director Options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the Director Options.
- 9) In the event of any reorganisation of the issued capital of the Company on or prior to the Expiry Date, the rights of an optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.

**Completed Proxy can be lodged:**

BY MAIL: **Level 15, 323 Castlereagh Street,  
Sydney NSW 2000**

BY FAX: **(61 2) 9281 5747**

For your vote to be effective, the completed proxy form must be received by 11.00am (Sydney time),  
Saturday 25 May 2019

## How to complete the Proxy Form

### 1 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

### 2 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### 3 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

(b) return both forms together.

### 4 Signing Instructions

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, all of the security holders should sign.

**Power of Attorney:** to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

### Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above no later than 48 hours before the time of the General Meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

**STEP 1****APPOINTMENT OF PROXY**

I/We being a member/s of Red Metal Limited and entitled to attend and vote hereby appoint

The Chairman  
of the Meeting  
(mark with an "X")

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding your own name) you are appointing as your proxy.

Or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Red Metal Limited to be held on 27 May 2019 and at any adjournment of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 2 and 3 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 2 and 3 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 2 and 3 by marking the appropriate box below under **VOTING DIRECTIONS (STEP 2)**.

**STEP 2****VOTING DIRECTIONS TO YOUR PROXY**

PLEASE MARK  TO INDICATE YOUR DIRECTIONS

For      Against      Abstain\*

Resolution 1 – Approval of Issue of Director Options to Mr Russell Barwick

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Resolution 2 – Approval of Issue of Director Options to Mr Robert Rutherford

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Resolution 3 – Approval of Issue of Director Options to Mr Joshua Pitt

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**The Chairman of the Meeting intends to vote all available proxies in favour of each item of business**

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**SIGN**

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and  
Sole Company Secretary  
Dated: \_\_\_/\_\_\_/2019

Securityholder 2

Director

Securityholder 3

Director/Company Secretary