

The image features a vertical split background. The left half is dark grey with a pattern of concentric, wavy white lines. The right half is solid red with a pattern of concentric, wavy white lines. The logo 'red metal limited' is positioned in the upper left quadrant, with 'red metal' in a large, bold, lowercase font and 'limited' in a smaller, lowercase font below it.

red metal
limited

2021 ANNUAL REPORT

CORPORATE DIRECTORY

Directors

Russell Christopher Barwick
Robert Alexander Rutherford
Joshua Norman Pitt

(Non-Executive Chairman)
(Managing Director)
(Non-Executive Director)

Company Secretary

Patrick John Flint

Administration and Registered Office

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Auditors

HLB Mann Judd (NSW Partnership)
Level 19, 207 Kent Street
Sydney NSW 2000 Australia

Stock Exchange Listing

Australian Securities Exchange (Code: RDM)

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CHAIRMAN'S LETTER

The mineral exploration sector continued to be impacted by the Covid-19 virus during the 2021 financial year. On the ground field exploration activities were impacted by travel restrictions across State borders and around remote areas with local communities. In particular Red Metal has been concerned that we not impact any of our related indigenous communities where Covid could have a devastating effect.

During the year however, metal prices continued their strong resurgence and spending on mineral exploration in Australia surged to an eight-year high on the basis of an expected global recovery from the pandemic. We look forward to the ongoing vaccination rollout programs which should see the end to lockdowns across Australia and the return to largely unrestricted people movement and commerce generally.

Despite the Covid restrictions, Red Metal was active on the ground during the year, including completing its planned drilling campaigns at Mt Skipper and Three Ways and carrying out extensive geophysical surveys at Lawn Hill and more recently at Yarrie and Pardoo. A total of \$4.27million in direct exploration funding was expended under both the "Greenfields Discovery Alliance" by Oz Minerals Limited, and by Red Metal directly on its 100% owned projects.


The next financial year will be another active year under the Alliance with proof-of-concept drill tests of two standout magnetic targets on the Gulf project, and interpretation and ground follow-up of targets from the recently flown airborne electromagnetic survey over the Yarrie project in the presently very active Paterson province.

Red Metal will also continue to advance the Company's 100% owned projects in financial year 2022. The Company has recently completed an airborne electromagnetic survey over the Pardoo project and is planning innovative ground geophysical surveys for large copper-gold breccia systems on the Corkwood, Pernatty Lagoon and Gidyea projects. Preparations are also underway for future drill tests on a range of copper-gold and nickel target types on the Nullarbor, Corkwood, Pernatty, Callabonna, Pardoo and Gidyea projects.

Red Metal's experienced exploration team continues to explore to high environmental standards and have maintained good relations with landholders and local community groups particularly in the interactions and discussions with indigenous people associated with our projects.

On behalf of the shareholders and your Board, I would like thank Rob Rutherford and his staff for their continued efforts advancing the Company's projects at such a difficult time.

Thank you also to all our shareholders for your continuing support.



Russell C. Barwick
Chairman

OPERATIONS REVIEW

A strong equity market driven by buoyant commodity prices and several new discoveries including Winu, Havieron, Oak Dam, Hemi and Julimar stimulated an Australia-wide resurgence in exploration activity. Red Metal's small but dedicated exploration team managed to deliver another very active year despite progress being tempered by Covid-related travel restrictions and a shortage of experienced drilling and geophysical contractors.

Our exploration team focussed its efforts on advancing "Greenfields Discovery Alliance" (Alliance) projects on which a total of \$2.9 million in direct exploration funding was expended during the year. This brought the total expenditure by the Alliance to over \$6 million since inception. Oz Minerals Limited (Oz Minerals) is providing at least \$8 million in direct exploration funding under the Alliance and can earn a 51% interest in the selected projects. Under the Alliance terms, OZ Minerals has also paid Red Metal \$1.8 million in option fee cash payments.

Field work this year was again impacted by Covid-19 travel restrictions however, drill campaigns were completed on the Mount Skipper and Three Ways projects and an extensive magnetotelluric survey was carried out at Lawn Hill. Land access agreements were secured for the Gulf project which will allow proof-of-concept drill tests of two standout magnetic targets in the coming year. The Yarrie project tenements were granted and a regionally extensive airborne geophysical survey completed with the planning of follow up ground work programs for next year initiated.

Independent of our Alliance arrangements, Red Metal also maintains a strong project generation endeavour seeking to secure and advance its own projects. Summaries of the Alliance projects and Red Metal's own non-Alliance projects are detailed below.



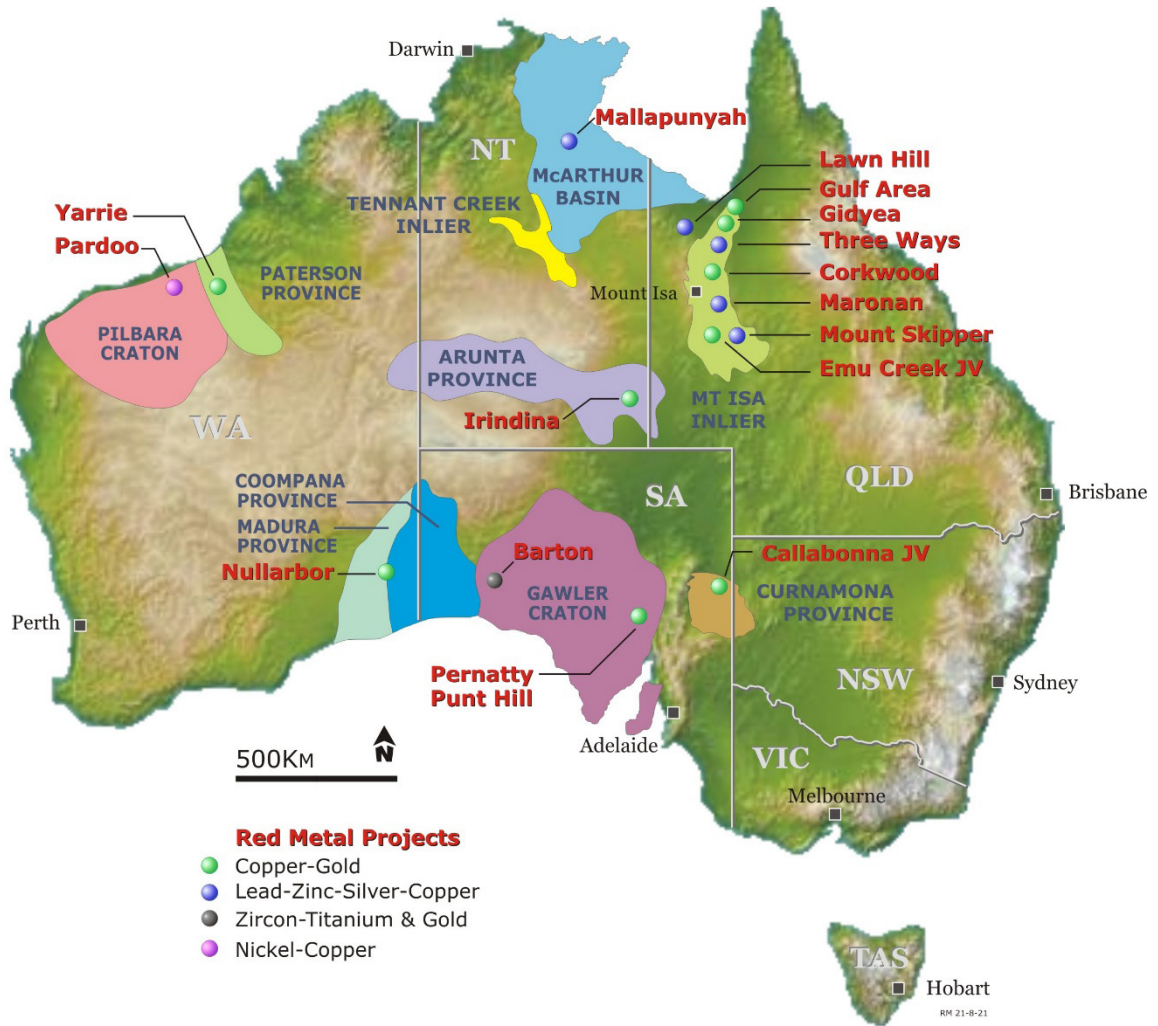
CORPORATE

Maronan Metals Spin Out: Silver-Lead & Copper-Gold

Red Metal is advancing the Maronan Project through the proposed spin out and listing on the ASX of Red Metal's wholly owned subsidiary, Maronan Metals Limited (MMA). MMA will be a new ASX listed company singularly focused on the exploration and development of the advanced Maronan deposit. In April 2021 the Company's shareholders approved the spinout in conjunction with a \$30 million capital raising. The Company's team is drafting the prospectus and is engaged with potential cornerstone investors. A prospectus will be lodged upon final approval by the Red Metal Board in consultation with the Lead Manager.

Mount Isa Inlier QLD

REVIEW OF OPERATIONS



[Figure 1] Red Metal project locations.

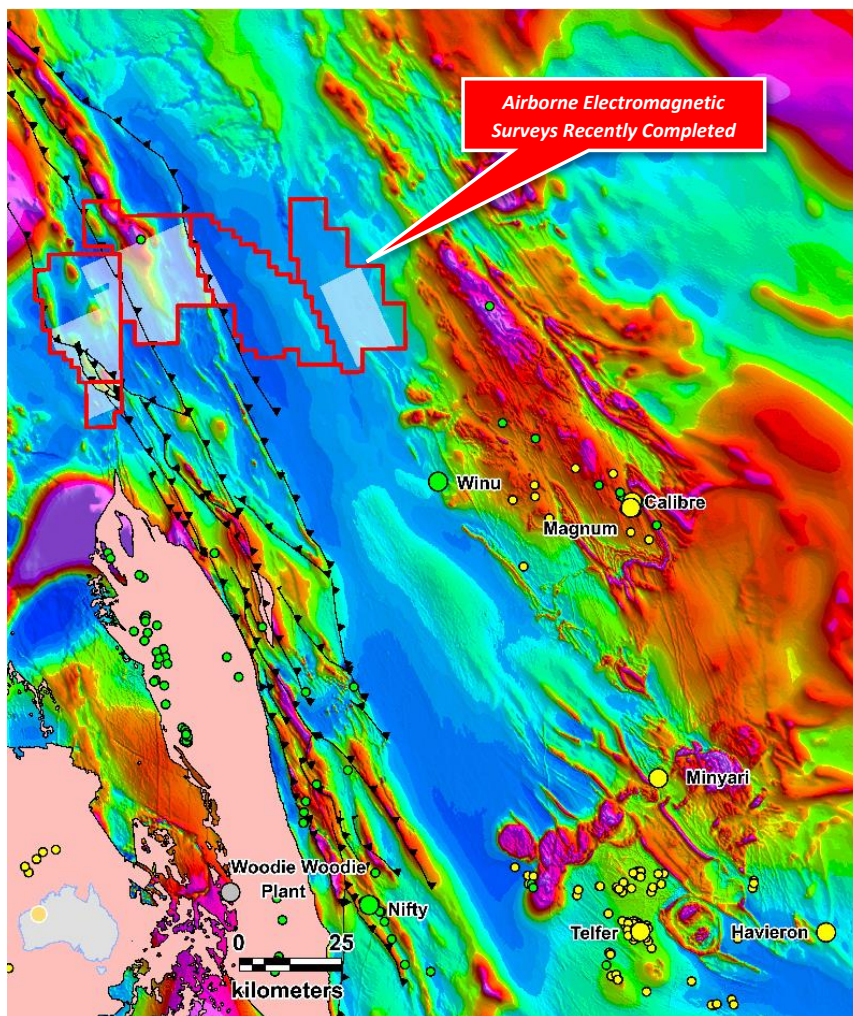
GREENFIELDS DISCOVERY ALLIANCE WITH OZ MINERALS

Yarrie Project: Copper-Cobalt, Copper-Gold

Paterson Province WA

The Paterson Province which is home to the tier one Telfer gold mine and large Nifty copper mine has come into renewed prominence with several recent discoveries including those at Winu by Rio Tinto, at Haverion by Newcrest and at Minyari by Antipa. Red Metal had applied for the Yarrie tenements before the announcement of these discoveries and the pegging rush which followed ensuring that the Alliance had prime entry to this exciting, yet under-explored, copper and gold province.

The tenements were granted early in 2021 and an airborne electromagnetic survey was promptly flown over much of the project. Processing of this new data is underway and ground follow-up with drilling planned for the 2022 field season.



[Figure 2] Paterson Province Yarrie Project: Magnetic imagery overlain by the recently flown airborne electro-magnetic survey area (frosted white) showing the Nifty mine, Telfer mine, new Winu and Haverion discoveries and Red Metal's Yarrie tenements (red line). Note the exposed basement terrain of older Archaean rocks (buff coloured polygon).

REVIEW OF OPERATIONS

Gulf Project: Copper-Gold

Mount Isa Inlier QLD

Several standout geophysical anomalies are being targeted at this project within an underexplored extension of the Cloncurry terrain. The Alliance believes these likely reflect large Iron Oxide Copper-Gold (IOCG) breccia systems (Figure 3 and Figure 4) capable of hosting significant copper-gold mineralization. Proof-of-concept drill tests of two of these standout magnetic targets on the Gibson's Tank tenement will commence shortly (Figure 4).

Three Ways Project: Copper-Cobalt-Gold & Zinc

Mount Isa Inlier QLD

The Alliance is using deep penetrating electrical geophysical surveying to identify new, previously unrecognised copper and zinc target opportunities located some 130 kilometres along trend from the Dugald River zinc-lead-silver mine (Figure 3 and Figure 4).

Recently completed proof-of-concept drill tests of three targets defined by high conductivity successfully intersected stratigraphic sulphides that explained the anomalies. Although no significant base metal mineralisation was encountered, the surveying confirmed that modern electrical geophysical techniques can clearly identify sulphide mineralisation in basement rocks located below 240 metres of highly conductive, younger sedimentary cover. Follow-up surveying on more structurally controlled targets prospective for copper and gold mineralisation is being considered.

Lawn Hill Project: Zinc-Lead-Silver & Copper-Cobalt

Mount Isa Inlier QLD

This regional project targets a range of zinc and possibly copper deposit styles in the vicinity of the giant Century zinc-lead-silver deposit (Figure 3).

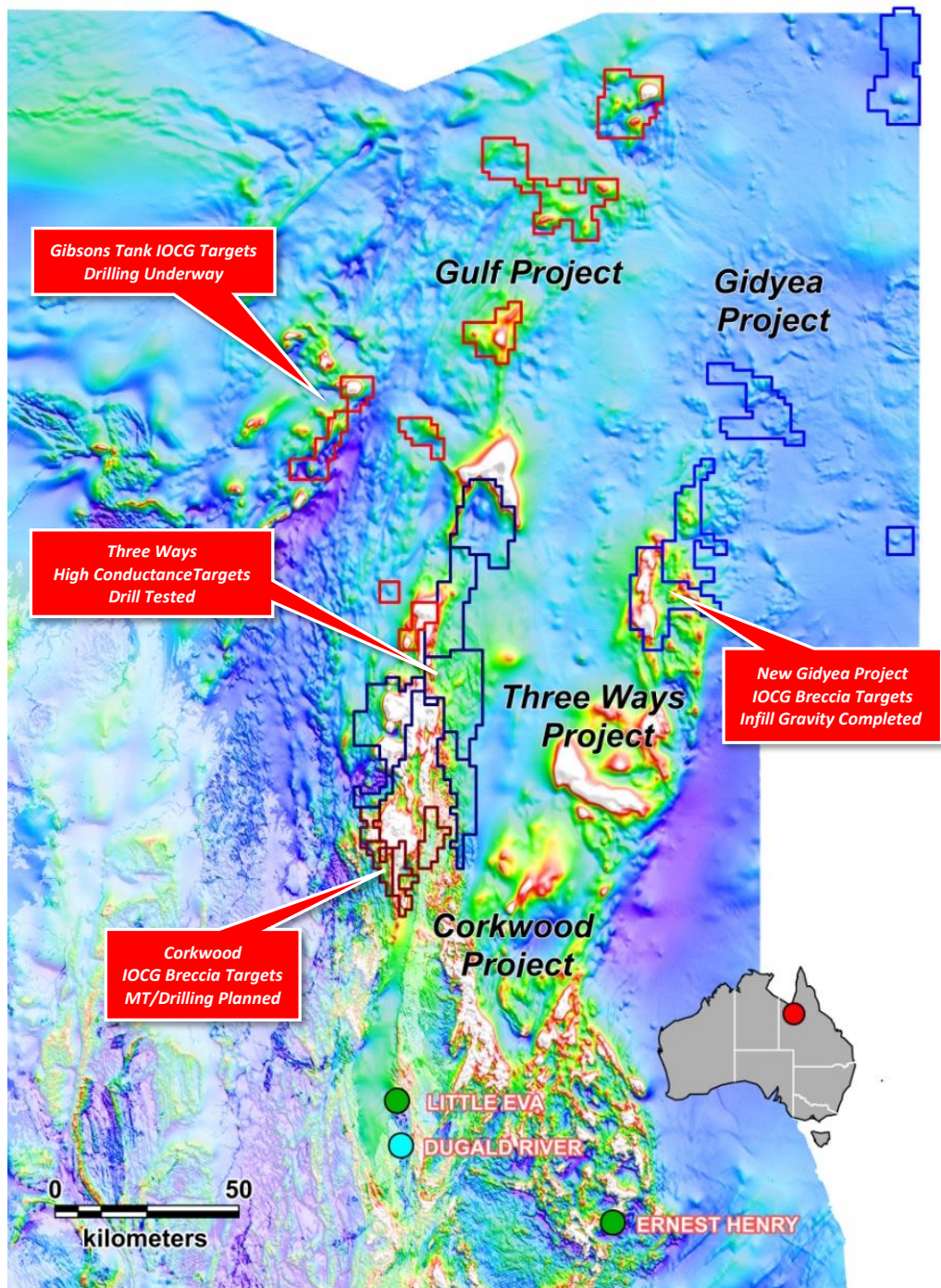
With added funding support from the Queensland Geological Survey, the Alliance has been trialling the use of deep penetrating, magnetotelluric surveying to map prospective stratigraphy of potential target regions. Giant stratiform deposits like McArthur River and Century or large sediment-hosted copper replacement or breccia style deposits are the key targets. To date, a total 237 magnetotelluric stations have been collected as part of this project. Processing and interpretation of this data has enabled the Alliance to cost effectively rank target areas for more detailed follow-up or relinquishment. Tenement reductions and new target area selection are ongoing.





[Figure 3] Northwest Queensland and Northern Territory: Major deposits and Red Metal tenement locations.

REVIEW OF OPERATIONS



[Figure 4] Three Ways (dark blue), Gulf (red), Gidyea (blue) and Corkwood (brown) Projects: Total magnetic intensity image highlighting regional project locations. Regions of exposed or outcropping geology highlighted as white translucent areas.

RED METAL FUNDED PROJECTS

Maronan Project: Silver-Lead & Copper-Gold

Mount Isa Inlier QLD

Maronan is a large base and precious metal deposit in the proven Mount Isa terrain of Northwest Queensland. With over 100 million ounces of contained silver, the Maronan deposit is one of the largest undeveloped silver resources in Australia (Figure 3).

Maronan has JORC 2012 compliant Inferred Resources of 30.8Mt @ 6.5% lead with 106 g/t silver (using a 3% lead cut-off grade) plus 11Mt @ 1.6% copper with 0.8 g/t gold (using a 1.0% copper cut-off grade). Refer to Red Metal ASX announcement lodged 27 October 2015 for details on the resource.

Mining studies taking into account the deposits exceptional metallurgical recovery, soft ore, high silver credits and favourable geometry suggest any potential mining operation may be highly profitable.

Options for further development to drill-out the shallower inferred resources to higher confidence levels and test the deeper higher-grade concept plays are being reviewed.

This year a 2D seismic trial was completed over the Maronan deposit and the Company's team spent considerable time preparing the project's data base for the proposed listing of Maronan Metals Limited as a vehicle for the advancement of the project through pending drilling and feasibility studies.

Gidyea Project: Copper-Gold

Mount Isa Inlier QLD

This new project, like the Gulf project, targets several standout regional geophysical anomalies in an under explored extension of the Cloncurry terrain which offers scope for the discovery of large Iron Oxide Copper-Gold (IOCG) breccia systems (Figure 3 and Figure 4).

Infill gravity surveys and passive seismic traverses are being collected over key target areas. This new data when combined with the magnetic data will allow Red Metal to better interpret the basement geology and prioritise potential copper-gold targets for drill testing next field season.

Corkwood Project: Copper-Gold

Mount Isa Inlier QLD

The Corkwood project is situated about 100 kilometres northwest of Glencore's large Ernest Henry copper-gold mine and about 60 kilometres north of the advanced Little Eva copper-gold deposit (Figure 3 and Figure 4). Historic exploration drilling over the project has identified favourable porphyritic volcanic host rocks, alteration, trace-element geochemistry and low-grade copper and gold mineralisation typical of that observed in the halo surrounding the large Ernest Henry breccia deposit.

At the Jimmy's Creek prospect, the porphyritic volcanic units are brecciated and host wide zones of low-grade copper, gold and silver mineralisation: a good indicator of the potential for these styles of deposits elsewhere in the district. Better intercepts include 211 metres at 0.33% copper with 0.16 g/t gold and 153 metres at 0.41% copper with 0.1 g/t gold plus 10 g/t silver which included 32 metres at 1.16% copper with 0.3 g/t gold (refer Red Metal ASX announcement dated 21 March 2011).

Following the successful first trial of magnetotelluric surveying over the Jimmy's Creek breccia mineralisation, Red Metal was awarded a \$130,000 collaborative exploration grant by the Geological Survey of Queensland to trial the use of magnetotelluric surveying as a drill targeting tool for copper-gold mineralisation over the large Black Cat Bore magnetic complex. This work is scheduled to begin at the start of the 2022 field season.

REVIEW OF OPERATIONS

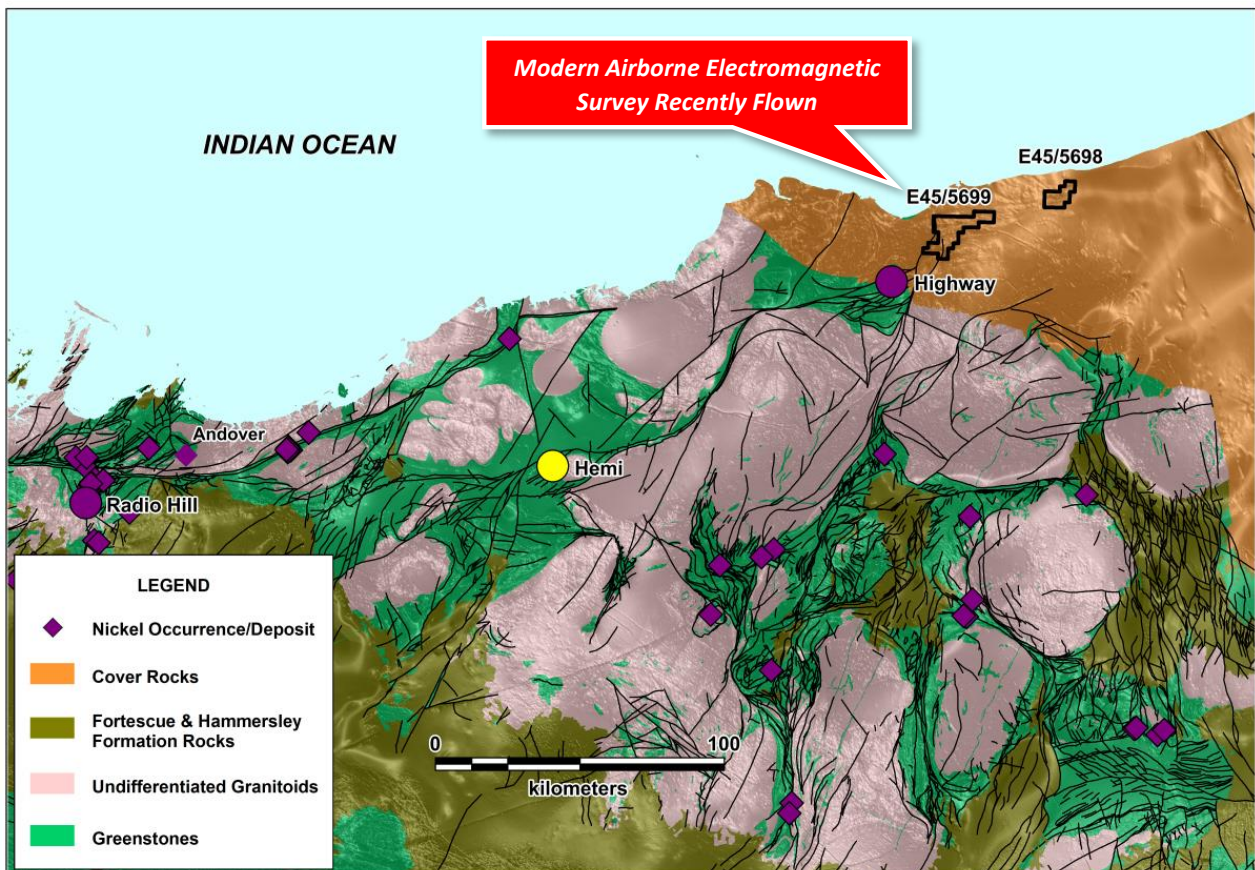
Pardoo Project: Nickel-Copper-PGE & Gold

Pilbara Craton WA

The Pardoo project targets magmatic nickel-copper and gold deposits along the northwest margin of the Pilbara Craton where it extends under younger sedimentary cover (Figure 5).

This project takes in several shallow covered magnetic targets located along strike from the known Highway nickel and copper deposit (50Mt @ 0.3% nickel and 0.13% copper). These previously untested targets lie along a broad, east northeast trending structural corridor which, on a crustal-scale, appears to encompass the Radio Hill, Mount Scholl, Ruth Well and Highway nickel-copper deposits, the Mundi Mundi PGE deposit as well as De Grey Mining's recent Hemi gold discovery. The project is well located within close proximity to the Great Northern Highway and about 100 kilometres from Port Hedland.

A modern airborne electromagnetic survey was recently completed over the project and processing and interpretation of the new data is in progress.



[Figure 5] Pardoo Project: Tenement locations on regional geology over greyscale magnetic image showing major structures with known nickel deposits and occurrences and the world class Hemi gold discovery.

Nullarbor Project: Nickel-Copper-PGE

Coompanna and Madura Provinces WA

The Nullarbor project covers a series of regionally significant gravity and magnetic targets considered prospective for magmatic nickel and/or copper sulphide mineralisation (Figure 1). Red Metal has been awarded an Exploration Incentive Scheme grant to drill test the T4 anomaly near the Forrest rail siding. Preparations are also underway to trial modern ground electromagnetic methods over other key targets in the region. Drilling is dependent on rig availability and is presently planned for late 2021.

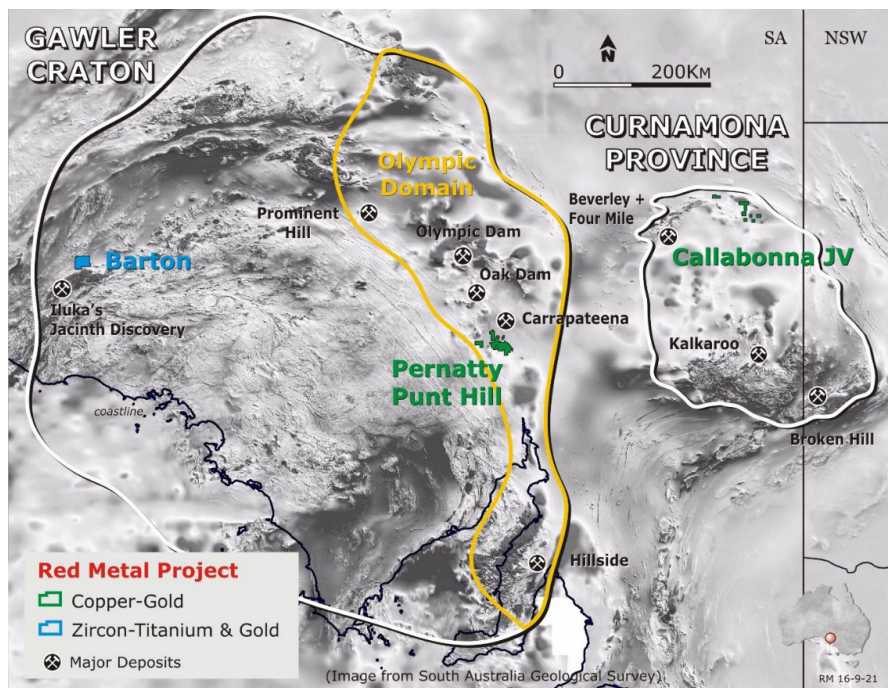
Punt Hill and Pernatty Lagoon Projects: Copper-Gold-Zinc

Gawler Craton SA

Red Metal’s Pernatty Lagoon and Punt Hill projects are located 30 kilometres south of OZ Minerals’ large Carrapateena copper-gold deposit and target magnetic skarn style deposits where the regional Iron Oxide Copper-Gold (IOCG) mineral systems invade carbonate host rock types (Figures 6 and 7).

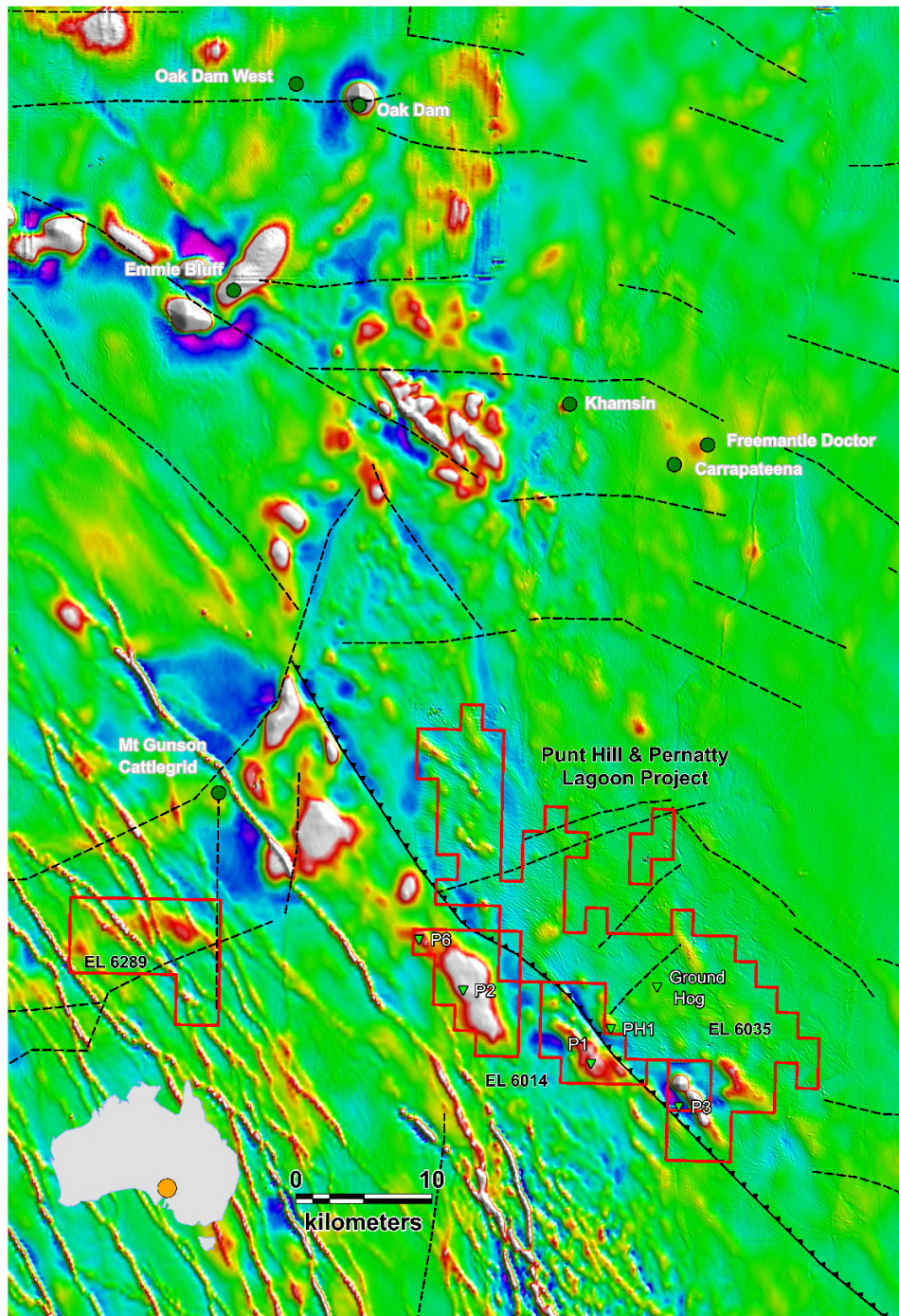
Interest in the Gawler Craton’s Olympic Domain has intensified following BHP’s announcement in November 2018 of a world class drill intercept of 438 metres grading 3.0% copper with 0.6 g/t gold at their historic Oak Dam West prospect. This and subsequent spectacular results reinforce the fertility of the Olympic Domain and the opportunity for other large high-grade discoveries in the province and demonstrated the risk of under drilling near miss targets.

Step out drilling adjacent to historic drill holes with encouraging near-miss geology and geochemistry lead to BHP’s discovery of the exciting Oak Dam West deposit and Red Metal’s technical team have identified several near-miss plays on the Punt Hill and Pernatty project which may well lead to success like that demonstrated by BHP at Oak Dam. Dependent upon Covid restrictions and crew availability, Red Metal are planning to trial a deep penetrating ground electromagnetic method over several targets this year.



[Figure 6] Red Metal South Australian Projects: Grey scale magnetic image with main project locations.

REVIEW OF OPERATIONS



[Figure 7] Punt Hill Project and Pernatty Lagoon Joint Venture Project: Total magnetic image showing the location of key targets on the Punt Hill and Pernatty Lagoon tenements and the nearby Carrapateena, Khamsin and Oak Dam copper and gold deposits.

OTHER PROJECTS

Some of Red Metal's other projects are briefly summarised below in Table 1.

[Table 1] Red Metal Limited: other projects.

Project	Description	Status
QUEENSLAND		
<u>Emu Creek JV</u> <i>Cu-Au & Pb-Zn-Ag</i>	Joint venture partner Chinova Resources Pty Ltd is seeking Iron Oxide Copper-Gold and Cannington style lead-zinc-silver within trucking distance of the Osborne Mine (Figure 3).	Ongoing prospect evaluation
<u>Mount Skipper</u> <i>Cu-Au</i>	Complex bulls-eye magnetic target. Anomaly partially tested by first drill holes. Remodelling in progress (Figure 3).	OZ withdrew this project from the Alliance
SOUTH AUSTRALIA		
<u>Callabonna JV</u> <i>Cu-Au</i>	Recognized potential for large Iron Oxide Copper-Gold deposits (IOCG) along the northern margin to the Curnamona Province. Several large magnetic and gravity targets in remote sand dune covered terrain remain to be tested for their copper-gold potential (Figure 6).	Additional gravity surveying and passive seismic surveying in preparation for drilling are planned.
<u>Barton</u> <i>Zircon, Titanium</i>	Large tonnage, low-grade heavy mineral sand deposit discovered in Eucla Basin near Iluka's Ambrosia zircon mine (Figure 6).	Seeking third party funding.
NORTHERN TERRITORY		
<u>Mallapunyah</u> <i>Cu-Co-Ag</i>	Application covers a blind, dome shaped structure of sandstone located adjacent to the deep-basin taping Mallapunyah fault offering potential for a large sediment-hosted copper-cobalt deposit (Figure 3).	Land and access discussions with the traditional landowners have recently resumed.
<u>Irindina</u> <i>Ni-Cu-Co</i>	This project is centred on a standout magnetic target considered prospective for magmatic nickel-copper sulphide mineralisation (Figure 3).	COVID-related travel restrictions have delayed a planned ground based electromagnetic survey

REVIEW OF OPERATIONS

SUMMARY OF MINERAL RESOURCE ESTIMATES

Reported according to JORC Category and Project / Deposit

Category	Project / Deposit	30 June 2021		30 June 2020	
		Tonnes (M)	Grade	Tonnes (M)	Grade
Inferred	Maronan Cut-off 3% lead	30.8	6.5% Lead, 106 g/t Silver	30.8	6.5% Lead, 106 g/t Silver
Inferred	Maronan Cut-off 1% copper	11.0	1.6% Copper, 0.8 g/t Gold	11.0	1.6% Copper, 0.8 g/t Gold
Inferred	Barton Cut-off 1% Heavy Mineral (HM)	285	1.9% HM	285	1.9% HM

Resource drilling is conducted by NQ and HQ diamond drilling. Drill hole positions are surveyed to high accuracy. Drilling is logged in detail for lithology, alteration, structure and mineralisation. Sampling is typically at 1 metre intervals (down to 0.4 metre or up to 1.5m based on geological controls) and samples are analysed at external recognised laboratories. QA/QC procedures are industry standard with certified standards, blanks and duplicate samples inserted into the sample stream. Mineral Resource estimates are prepared and reported by suitably qualified personnel or external consultants (Competent Person) in accordance with the JORC code and other industry standards.

There have been no material changes in Mineral Resources during the reporting period.

The above annual mineral resources statement is based on and fairly represents information and supporting documentation prepared by competent persons. The above annual mineral resources statement as a whole has been approved by Mr Robert Rutherford, who is a member of the Australian Institute of Geoscientists (AIG). Mr Rutherford is the Managing Director of the Company. Mr Rutherford has consented to the form and context in which the statement is presented in this report.

The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Mr Robert Rutherford, who is a member of the Australian Institute of Geoscientists (AIG). Mr Rutherford is the Managing Director of the Company. Mr Rutherford has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Rutherford consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results and estimates of Mineral Resources for the Barton Project is based on, and fairly represents, information and supporting documentation compiled by Mr Robert Rutherford, who is a member of the Australian Institute of Geoscientists (AIG). Mr Rutherford is the Managing Director of the Company. Mr Rutherford has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Rutherford consents to the form and context in which the Exploration Results and supporting information are presented in this report.

The information in this report that relates to Exploration Results and estimates of Mineral Resources for the Maronan Project was previously reported by the Company in compliance with JORC 2012 in various market releases with the last one being dated 27 September 2018. The Company confirms that it is not aware of any new information or data that materially affects the information included in those earlier market announcements and, in the case of the estimate of Mineral Resources all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.



CORPORATE POLICIES

Environmental and Sustainability Policy Statement

Red Metal is a responsible company which recognises and respects the environment and the values and rights of others in the environment.

Red Metal holds the opinion that industry can operate in harmony with minimal impact on the environment. Red Metal recognises that environmental performance is an important factor in its business performance and as a measure of professionalism.

Red Metal recognises that its activities can have environmental impact and that it has obligations to mitigate those for the benefit of all. As a minimum, the Company will comply with all applicable environmental obligations.

Red Metal commits to continually improving its environmental performance and responsibility through the education of its employees and contractors and the following initiatives:

- integrating environmental considerations into project planning and operations;
- implementing environmental controls and strategies to identify, minimise and avoid wherever possible environmental impact from our activities;
- monitoring relevant environmental parameters;
- auditing and reporting on environmental performance;
- preventing pollution by minimising emissions and the generation of waste;
- providing sufficient training and resources for effective environmental management;
- having open communication with communities and other stakeholders about environmental issues; and
- adopting programs which substantially improve the environment in the areas surrounding high impact areas.

Red Metal commits to being a proactive environmental manager, and through consultation with stakeholders and government ensuring that it remains a good corporate citizen.

Occupational Health and Safety Policy Statement

It is the philosophy of Red Metal that industry can operate efficiently and productively without causing injury or damage to people.

Red Metal recognises that the safety and health of its employees is of prime importance and is an essential part of the planning and control of its operations.

It is Company policy to work towards an accident free environment in which hazards are controlled or eliminated and safe working attitudes are promoted through consultation and participation at all levels of the workforce. A collective responsibility binds management and employees to achievement of these goals.

Our ability to prevent injuries and accidents is an important measure of our operational efficiency. Success in our safety endeavours is dependent upon the active involvement of every employee of the Company.

The directors present their report together with the financial report of the consolidated entity consisting of Red Metal Limited ("Red Metal" or "the Company") and the entities it controlled (together referred to as "the Group") for the financial year ended 30 June 2021 and the auditor's report thereon. Red Metal Limited is a listed public company, incorporated in and domiciled in Australia.

OFFICERS OF THE COMPANY

The directors of the Company at any time during or since the end of the financial year are as follows:

Russell Barwick
Dip Min Eng, FAusIMM, FAICD
Independent Non-Executive
Chairman
(Appointed 12 June 2003)

Russell Barwick is a mining engineer with over 40 years technical, managerial and corporate experience in various commodities. He initially worked for Bougainville Copper Limited (CRA), Pancontinental Mining Limited and CSR Ltd. Following this, Russell spent 17 years with Placer Dome Inc, occupying a number of key development, operational and corporate roles, culminating in being Managing Director of Placer Nuigini Ltd. He then served as Chief Executive Officer of Newcrest Mining Limited where he achieved strong market support. For the four year period up to the end of 2006 Russell was the Chief Operating Officer of Wheaton River Minerals and Goldcorp Inc., during which the quickly evolving company grew its market capitalisation from several hundred million dollars to \$22 billion and became the third largest gold company in the world by market capitalisation. He was subsequently the CEO of Canadian based Gammon Gold Inc, but resigned and returned to Australia for family reasons in 2008. Russell is also a director of Mount Gibson Iron Limited (since 2011), Lithium Power International Limited (since 2017) and Regis Resources Ltd (since 2020).

Robert Rutherford
BSc (Geol), Masters Econ Geol,
MAIG
Managing Director
(Appointed 13 January 2003)

Rob Rutherford is a geologist with over 30 years Australian and international exploration experience and has been involved in generative, feasibility and management roles in the copper, gold and basemetal exploration industry. He was formerly employed by Phelps Dodge Australasia Inc. for over 9 years where he was promoted to Australian Exploration Manager and internal expert on Iron-Oxide Copper-Gold hydrothermal systems and Sediment-Hosted copper deposits. Rob founded Red Metal Limited in 2003.

Joshua Pitt
BSc (Geol), MAusIMM, MAIG
Independent Non-Executive
Director
(Appointed 2 July 2003)

Joshua Pitt is a geologist with over 40 years experience in exploration and corporate management. He has had a successful career in providing seed capital and corporate services to new mining and exploration ventures. He is also Executive Chairman of Hampton Hill Mining NL (director since 1997) and Red Hill Iron Limited (director since 2005) and Non-executive Chairman of Traka Resources Ltd (director since 2003).

The Secretary of the Company at any time during or since the end of the financial year is:

Patrick Flint
BCom, MAICD
Company Secretary
(Appointed 12 June 2003)

Patrick Flint is an accountant with significant experience in the management and administration of publicly listed mineral exploration companies.

DIRECTORS' REPORT

DIRECTORS' MEETINGS

The number of meetings of the Company's directors and the number of meetings attended by each director during the year ended 30 June 2021 are:

	Number of meetings attended during period of office	Number of meetings held during period of office
Russell Barwick	6	6
Robert Rutherford	6	6
Joshua Pitt	6	6

There were six directors' meetings held during the period. The Company does not have an audit committee. Due to the small size of the board all matters that would be addressed by committees are dealt with by the full board of directors.

REMUNERATION REPORT - AUDITED

Remuneration policies

The Board is responsible for determining remuneration policies and packages applicable to the Board members and senior executives of the Company. Remuneration levels are competitively set to attract and retain appropriately qualified and experienced directors and senior executives. The broad remuneration policy is to ensure that the remuneration package properly reflects the person's duties and responsibilities and level of performance, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. Where necessary, independent advice on the appropriateness of remuneration packages is obtained. Remuneration packages include a mix of fixed remuneration and short and long-term performance-based incentives.

Fixed remuneration – Fixed remuneration consists of base remuneration and statutory superannuation entitlements. Remuneration levels are set by the board based on individual performance and the performance of the Company.

Performance-linked remuneration - Performance-linked remuneration includes both short-term and long-term incentives and is designed to reward directors and staff. The short-term incentive is provided in the form of cash, while the long-term incentive is provided as options over ordinary shares of the Company. The Board exercises discretion in determining the amount of short-term incentives paid and options issued. The total potential short term incentive available is set at a level so as to provide sufficient incentive to Directors and staff. Performance is measured by the efficiency and effectiveness of the design and implementation of the exploration programme, the enhancement of the Company's exploration portfolio and the success of the Company's exploration activities. Performance-based remuneration is not based on specific financial indicators such as earnings or dividends as the Company is at the exploration stage and during this period is expected to incur operating losses. A performance evaluation of senior staff was completed in December 2020 in accordance with performance measures. There is no separate profit-share plan.

Options have been issued to directors and staff as an incentive and in recognition of the fact that the fixed cash component of remuneration is comparatively modest. The ability to exercise the options is conditional on the holder remaining in the Company's employment. There are no other non-cash benefits available to directors or staff.

Voting and comments made at the Company's 2020 Annual General Meeting (AGM) – At the 2020 AGM, less than 3% of the votes received (excluding abstentions) did not support the adoption of the remuneration report for the year ended 30 June 2020. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

REMUNERATION REPORT (CONTINUED)*Service Agreements*

It is the Company's policy that service agreements for executive directors and senior staff are entered into prior to the commencement of employment, that the agreements be unlimited in term but capable of termination on between 3 and 6 months' notice and that the Company retains the right to terminate the contract immediately, by making payment equal to between 3 and 6 months' pay in lieu of notice. The service agreement outlines the components of remuneration paid to the executive directors and staff but does not prescribe how remuneration levels are modified year to year. Remuneration levels are reviewed each year to take account of changes in the scope of the role performed and changes in industry remuneration levels.

Mr Rutherford entered into an employment agreement with the Company on 8 September 2003 to be Managing Director of the Company. The duties are those as are customarily expected of a Managing Director and from time to time delegated by the Board. The agreement is terminable by either party on six months written notice. Mr Rutherford is paid an annual salary of \$251,800, including statutory superannuation. Mr Rutherford can also receive an annual bonus of up to 50% of the annual remuneration (excluding the statutory superannuation) upon the achievement of certain performance criteria (refer above).

Non-Executive Directors

Total aggregate fees payable to all non-executive directors, approved at a shareholders meeting held on 6 June 2003, is not to exceed \$150,000 per annum (excluding reimbursement of out of pocket expenses and securities issued with shareholder approval). Director's fees cover all main Board activities and membership of one committee (if required). Fees may also be paid to non-executive directors for additional consulting services provided to the Company. Directors' base fees are presently \$24,000 for each Director. The Chairman's base fee is \$48,000. Non-executive directors are entitled to receive options (subject to shareholder approval) as it is considered an appropriate method of providing sufficient reward whilst maintaining cash reserves.

Remuneration of Key Management Personnel

Details of the nature and amount of each major element of the remuneration of each director of the Company and the named officers of the Company are:

Name		Short-Term \$	Post-Employ- ment \$	Share-based Payments \$	Total \$	Proportion related to performance %
Directors		Salary / Fees	Super- annuation	Options (A)		
Non-executive						
Russell Barwick	2021	43,836	4,164	19,666	67,666	29.1
	2020	43,836	4,164	24,971	72,971	34.2
Joshua Pitt	2021	24,000	-	19,666	43,666	45.0
	2020	24,000	-	24,971	48,971	51.0
Executive						
Robert Rutherford	2021	229,954	21,846	39,332	291,132	13.5
	2020	229,954	21,846	49,944	301,744	16.6
<hr/>						
Totals	2021	297,790	26,010	78,664	402,464	
	2020	297,790	26,010	99,886	423,686	

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

Remuneration of Key Management Personnel (continued)

(A) The fair value of options is calculated at the date of grant using a Black-Scholes model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed above is the portion of the fair value of the options allocated to this reporting period. These options are the only element of the above remuneration that are performance based.

Options and rights over equity instruments granted as compensation

A total of 2 million options were issued to Mr Barwick (500,000 options), Mr Rutherford (1,000,000 options) and Mr Pitt (500,000 options) in November 2020. The options expire on 22 November 2023 and are exercisable at 14 cents in two equal tranches commencing from 23 November 2020 and 23 November 2021. The terms and conditions of each grant of incentive options to key management personnel affecting remuneration during the year are as follows:

	Options granted					Value yet to vest	
	Number	Date	% vested in year	Forfeited in year	Financial years in which grant vests	Min	Max
Russell Barwick	500,000	23 November 2020	50%	Nil	2021 / 2022	Nil	\$4,200
Robert Rutherford	1,000,000	23 November 2020	50%	Nil	2021 / 2022	Nil	\$8,400
Joshua Pitt	500,000	23 November 2020	50%	Nil	2021 / 2022	Nil	\$4,200

Assumptions used in valuing the options issued on 23 November 2020 are as follows:

Grant Date	Expiry Date	Fair value per option	Exercise price	Price of shares on grant date	Expected Volatility	Risk free interest rate	Dividend yield
23 November 2020	22 November 2023	4.2 cents	14 cents	12 cents	60%	0.10%	-

Each option entitles the holder to purchase one ordinary share in the Company. All options expire on the earlier of their expiry date or termination of the individual's employment (or cessation of directorship). The estimated value disclosed above is calculated at the date of grant using the Black-Scholes option pricing model.

A total of 2 million options (exercisable at 20 cents each) held by Mr Barwick (500,000 options), Mr Rutherford (1,000,000 options) and Mr Pitt (500,000 options) expired on 12 November 2020.

Other than the above, no options over unissued ordinary shares in Red Metal Limited were granted to, were forfeited by, or were exercised by key management personnel of the Company (as part of their remuneration).

REMUNERATION REPORT (CONTINUED)*Additional information*

The earnings of the Group for the five years to 30 June 2021 and the share price at financial year end are summarised below:

	2021	2020	2019	2018	2017
Profit / (Loss) before tax (\$)	(1,359,892)	258,713	(1,318,126)	(2,280,119)	(2,303,013)
Basic profit / (loss) per share (cents)	(0.6)	0.1	(0.6)	(1.1)	(1.1)
Share price at financial year end (cents)	13.5	9.2	8.9	13.5	13.5
Dividends (cents)	-	-	-	-	-

Shareholdings of key management personnel

The movement during the reporting period in the number of ordinary shares and options in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

30 June 2021 - Shares				
Name	Held at 1 July 2020	Purchases	Exercise of options	Held at 30 June 2021
Specified Directors				
Russell Barwick	4,800,000	-	-	4,800,000
Robert Rutherford	12,361,878	-	-	12,361,878
Joshua Pitt	17,807,622	-	-	17,807,622

30 June 2020 - Shares				
Name	Held at 1 July 2019	Purchases	Exercise of options	Held at 30 June 2020
Specified Directors				
Russell Barwick	4,800,000	-	-	4,800,000
Robert Rutherford	12,361,878	-	-	12,361,878
Joshua Pitt	17,807,622	-	-	17,807,622

No shares were granted to key management personnel during the reporting period as compensation.

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

Option holdings of key management personnel

30 June 2021 - Options

Name	Held at 1 July 2020	Granted (i)	Expired	Held at 30 June 2021	Total Vested and exercisable
Specified Directors					
Russell Barwick	1,500,000	500,000	(500,000)	1,500,000	1,250,000
Robert Rutherford	3,000,000	1,000,000	(1,000,000)	3,000,000	2,500,000
Joshua Pitt	1,500,000	500,000	(500,000)	1,500,000	1,250,000

30 June 2020 - Options

Name	Held at 1 July 2020	Granted	Expired	Held at 30 June 2020	Total Vested and exercisable
Specified Directors					
Russell Barwick	1,500,000	500,000	(500,000)	1,500,000	1,250,000
Robert Rutherford	3,000,000	1,000,000	(1,000,000)	3,000,000	2,500,000
Joshua Pitt	1,500,000	500,000	(500,000)	1,500,000	1,250,000

(i) Options granted in November 2020 – refer above.

UNISSUED SHARES UNDER OPTION

As at the date of this report there were 10,975,000 unissued ordinary shares under option. During the financial year 3,325,000 options to subscribe for ordinary shares were issued, no options were exercised and 3,375,000 options to subscribe for ordinary shares expired. Since the end of the financial year no options have been granted, and no options to subscribe for ordinary shares have been exercised or have expired. Further information in respect of these options is set out in Note 16 to the financial statements.

No option holder has any right under the options to participate in any other share issue of the Company or of any other entity.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year ended 30 June 2021 were the acquisition and exploration of mineral prospects in Australia.

RESULTS AND DIVIDENDS

The loss after tax for the year ended 30 June 2021 was \$1,359,892 (2020 Profit: \$258,713). No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the current financial year.

REVIEW OF OPERATIONS / OPERATING AND FINANCIAL REVIEW

The Company is primarily engaged in mineral exploration in Australia. A review of the Company's operations, including information on exploration activity and results thereof, financial position, strategies and projects of the Company during the year ended 30 June 2021 is provided in this Financial Report and, in particular, in the "Review of Operations" section immediately preceding this Directors' Report. The Company's financial position, financial performance and use of funds information for the financial year is provided in the financial statements that follow this Directors' Report.

The operations and financial results for the year have been influenced by the impacts of COVID-19. Staff have worked from home during lockdowns and periods of travel restrictions and have remained in good health. Whilst field exploration programs have been rescheduled as a result of certain travel restrictions, the Company is on track to complete the majority of its planned exploration program during the current field season. The Company has maintained relationships with joint venture partners, landowners, native title parties and other stakeholders.

It is not practical to quantify the exact financial impact of COVID-19, but changes in the current year's result that are directly or indirectly attributable to COVID-19 include increased information technology costs and reduced staff travel costs.

As an exploration entity, the Company has no operating revenue or earnings and consequently the Company's performance cannot be gauged by reference to those measures. Instead, the Directors' consider the Company's performance based on the success of exploration activity, acquisition of additional prospective mineral interests, joint venture arrangements over mineral interests and, in general, the value added to the Company's mineral portfolio during the course of the financial year.

DIRECTORS' REPORT

REVIEW OF OPERATIONS / OPERATING AND FINANCIAL REVIEW (Continued)

Whilst performance can be gauged by reference to market capitalisation, that measure is also subject to numerous external factors. These external factors can be specific to the Company, generic to the mining industry and generic to the stock market as a whole and the Board and management would only be able to control a small number of these factors.

The Company's business strategy for the financial year ahead and, in the foreseeable future, is to continue exploration activity on the Company's existing mineral projects (including through joint venture arrangements where appropriate), identify and assess new mineral project opportunities and review development strategies where individual projects have reached a stage that allows for such an assessment. Due to the inherent risky nature of the Company's activities, the Directors are unable to comment on the likely results or success of these strategies.

The Company's activities are subject to numerous risks, mostly outside the Board's and management's control. These risks can be specific to the Company, generic to the mining industry and generic to the stock market as a whole. The key risks, expressed in summary form, affecting the Company and its future performance include but are not limited to:

- geological and technical risk posed to exploration and commercial exploitation success;
- security of tenure including licence renewal, inability to obtain regulatory or landowner consents or approvals and native title issues;
- joint venture management;
- change in commodity prices and market conditions;
- environmental and occupational health and safety risks;
- Covid-19;
- government policy changes;
- retention of key staff;
- financial reporting and continuous disclosure obligations; and
- capital requirement and lack of future funding.

This is not an exhaustive list of risks faced by the Company or an investment in it. There are other risks generic to the stock market and the world economy as whole and other risks generic to the mining industry, all of which can impact on the Company.

EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the year.

LIKELY DEVELOPMENTS

The Company will continue its mineral exploration activities (subject to any restrictions that may apply in relation to the COVID-19 pandemic, as noted above) with the objective of finding mineralised resources. The Company will also consider the acquisition of further prospective exploration interests and where appropriate secure joint venture partners to assist in financing exploration activities. The Company also plans to advance the Maronan Project through the proposed spin out and listing on the ASX of Red Metal's wholly owned subsidiary, Maronan Metals Limited.

ENVIRONMENTAL LEGISLATION

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work. There have been no known breaches of environmental laws or permit conditions during the year.

DIRECTORS' INTERESTS

The relevant interest of each director in the shares, options or other instruments issued by the Company, as notified by the directors to the Australian Securities Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Red Metal Limited	
	Fully Paid ordinary shares	Options over ordinary shares
Russell Barwick	3,922,400	1,500,000
Robert Rutherford	12,153,753	3,000,000
Joshua Pitt	17,807,622	1,500,000

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company has agreed to indemnify the directors of the Company against all liabilities to another person that may arise from their position as directors of the Company, except where the liability arises out of conduct involving a lack of good faith.

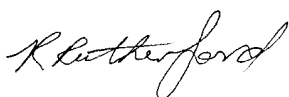
During the financial year the Company agreed to pay an annual insurance premium of \$13,026 in respect of directors' and officers' liability and legal expenses' insurance contracts, for directors and officers of the Company. The insurance premium relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome.
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty.

NON-AUDIT SERVICES AND AUDITOR INDEPENDENCE

During the year HLB Mann Judd provided taxation services to Red Metal Limited in addition to their statutory audit duties. Fees of \$6,300 were paid for the provision of taxation services. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in APES110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board. A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is included on page 27.

Signed in accordance with a resolution of directors.



Robert Rutherford
Managing Director
Sydney, 24 September 2021

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Red Metal Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of Red Metal Limited on behalf of the shareholders by whom they are elected and to whom they are accountable. The Company's governance approach aims to achieve exploration, development and financial success while meeting stakeholders' expectations of sound corporate governance practices by proactively determining and adopting the most appropriate corporate governance arrangements.

ASX Listing Rule 4.10.3 requires listed companies to disclose the extent to which they have followed the recommendations set by the ASX Corporate Governance Council during the reporting period. The Company has disclosed this information on its website at www.redmetal.com.au/AboutUs/CorporateGovernance. The Corporate Governance Statement is current as at 30 June 2021, and has been approved by the Board of Directors.

The Company's website at www.redmetal.com.au contains a corporate governance section that includes copies of the Company's corporate governance policies.

AUDITOR'S INDEPENDENCE DECLARATION

Red Metal Annual Report 2021



Auditor's Independence Declaration

To the directors of Red Metal Limited:

As lead auditor for the audit of the consolidated financial report of Red Metal Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

This declaration is in relation to Red Metal Limited and the entities it controlled during the period.

Sydney, NSW
24 September 2021

A handwritten signature in black ink, appearing to read 'K L Luong', written over a horizontal line.

K L Luong
Partner

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HLB Mann Judd (NSW Partnership) is a member of HLB International, the global advisory and accounting network.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR THE
YEAR ENDED 30 JUNE 2021**

	Notes	2021 \$	2020 \$
Revenues from continuing operations	2	3,366,528	4,021,759
Expenses from continuing operations			
Employee and consultant expenses (administration)		(625,512)	(660,303)
Exploration expenditure written off (including employee and consultant expenses)	12	(3,678,263)	(2,851,607)
Depreciation	3	(96,546)	(93,119)
Occupancy expenses		(16,908)	(18,478)
Other expenses from continuing operations		(309,191)	(139,539)
(Loss) / Profit before related income tax (expense) / benefit	3	(1,359,892)	258,713
Income tax (expense) / benefit	5	-	-
(Loss) / Profit for the year from continuing operations		(1,359,892)	258,713
Other comprehensive income		-	-
Total comprehensive (loss) / profit attributable to members of the Company		(1,359,892)	258,713
		Cents	Cents
Basic profit / (loss) per share	6	(0.56)	0.12
Diluted profit / (loss) per share	6	(0.56)	0.12

The above statement should be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

Red Metal Annual Report 2021

	Notes	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	8	2,492,507	1,338,885
Trade and other receivables	9	1,189,785	115,699
TOTAL CURRENT ASSETS		3,682,292	1,454,584
NON-CURRENT ASSETS			
Trade and other receivables	9	83,254	79,754
Property, plant and equipment	10	15,828	10,378
Right-of-use assets	11	135,268	225,447
Acquisition, exploration and evaluation expenditure	12	444,123	444,123
TOTAL NON-CURRENT ASSETS		678,473	759,702
TOTAL ASSETS		4,360,765	2,214,286
CURRENT LIABILITIES			
Trade and other payables	13	847,909	237,519
Lease liabilities	14	92,263	89,441
Employee benefits	15	149,364	115,688
TOTAL CURRENT LIABILITIES		1,089,536	442,648
NON-CURRENT LIABILITIES			
Lease liabilities	14	43,005	136,006
TOTAL NON-CURRENT LIABILITIES		43,005	136,006
TOTAL LIABILITIES		1,132,541	578,654
NET ASSETS		3,228,224	1,635,632
EQUITY			
Issued capital	16	36,352,443	33,537,693
Option reserve	17	2,784,669	2,646,935
Accumulated losses		(35,908,888)	(34,548,996)
TOTAL EQUITY		3,228,224	1,635,632

The above statement should be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash payments in the course of operations		(939,241)	(709,244)
Project management fees received		501,849	497,848
Insurance proceeds received		-	12,283
Government grants – cash boost		50,000	50,000
Interest paid		(5,605)	(8,341)
Other income received		43,720	18,940
Interest received		1,055	425
NET CASH (USED IN) OPERATING ACTIVITIES	20a	(348,222)	(138,089)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash payments for exploration and evaluation		(1,209,489)	(382,095)
Advances to joint venture		(60,552)	(154,500)
Repayment of advances to joint venture		59,131	382,945
Option fees received		-	600,000
Grants received		-	175,250
Bonds recovered		-	40,000
Payments for property, plant and equipment		(11,817)	(10,509)
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES		(1,222,727)	651,091
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(90,179)	(90,179)
Proceeds from issue of shares		3,000,000	-
Costs of issue of shares		(185,250)	-
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES		2,724,571	(90,179)
Net increase in cash and cash equivalents held		1,153,622	422,823
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,338,885	916,062
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8	2,492,507	1,338,885

The above statement should be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

Red Metal Annual Report 2021

	Issued Capital \$	Accumulated Losses \$	Option Reserve \$	Total Equity \$
Balance at 1 July 2019	33,537,693	(34,807,709)	2,463,032	1,193,016
Total comprehensive profit attributable to members of the Company	-	258,713	-	258,713
Cost of share-based payments	-	-	183,903	183,903
Balance at 30 June 2020	33,537,693	(34,548,996)	2,646,935	1,635,632
Balance at 1 July 2020	33,537,693	(34,548,996)	2,646,935	1,635,632
Total comprehensive loss attributable to members of the Company	-	(1,359,892)	-	(1,359,892)
Shares issued during the year	3,000,000	-	-	3,000,000
Share issue costs	(185,250)	-	-	(185,250)
Cost of share-based payments	-	-	137,734	137,734
Balance at 30 June 2021	36,352,443	(35,908,888)	2,784,669	3,228,224

The above statement should be read in conjunction with the accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of these financial statements are:

(a) Basis of Preparation

These consolidated general-purpose financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards and Interpretations and with other requirements of the law.

They have also been prepared on the basis of historical costs and, except where stated, do not take into account changing money values or fair values of non-current assets.

Unless otherwise stated, these accounting policies are consistent with those of the previous year.

The Company is a listed public company, incorporated and operating in Australia. The consolidated financial statements are for the Group consisting of Red Metal Limited and its subsidiaries.

The financial statements were authorised for issue on 24 September 2021. The Company has the power and authority to amend and reissue the financial statements.

The financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with Australian Accounting Standards ensures that the financial statements comply with International Financial Reporting Standards (IFRS).

(b) Adoption of new and revised standards

In the year ended 30 June 2021, the Company has reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to the Group and effective for the current annual reporting period. There is no material impact of the new and revised Standards and Interpretations on the Group.

The Directors have also reviewed all of the new and revised Standards that have been issued but are not yet effective for the year ended 30 June 2021. As a result of this review the Directors have determined that there is no material impact of the new and revised Standards and Interpretations that have been issued but are not yet effective on the Group and, therefore, no change is necessary to Group accounting policies.

(c) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue is capable of being reliably measured. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Reimbursement of Alliance expenditure

Alliance exploration activities are conducted by and expenditure incurred in the name of Red Metal Limited as the project manager, and funded directly by OZ Minerals. Reimbursement of Alliance exploration expenditure by OZ Minerals is recognised as revenue at the same time as the expenditure is incurred.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Grant income

Income from Government grants is recognised only when the conditions of the grant are satisfied.

(d) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(e) Taxation

Deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited to profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity. Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions for deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each balance date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

(f) Acquisition of Assets

All assets acquired, including property, plant and equipment and intangibles other than goodwill, are initially recorded at their cost of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity to the extent of proceeds received, otherwise they are expensed.

(g) Receivables

The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance.

(h) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 30 days.

(i) Acquisition, Exploration and Evaluation Expenditure

Acquisition costs of mining tenements are accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the Group's rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made. Each area of interest is also reviewed annually and acquisition costs written off to the extent that they will not be recoverable in the future. Exploration, evaluation and development costs of mining tenements are written off as incurred.

(j) Recoverable Amount of Assets and Impairment Testing

The Group assesses at each reporting date whether any objective indications of impairment are present. Where such an indicator exists, a formal assessment of recoverable amount is then made and where this is in excess of carrying amount, the asset is written down to its recoverable amount. Any resulting impairment loss is recognised immediately in profit or loss.

(k) Right-of-use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

(l) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Plant and equipment	25% to 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

(m) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows, including related on-costs, to be made for those benefits.

(n) Cash Equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(o) Earnings per Share

Basic earnings per share ("EPS") is calculated by dividing the net profit or loss by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated by dividing the net profit or loss by the weighted average number of ordinary shares and dilutive potential ordinary shares.

(p) Parent Entity Financial Information

The financial information for the parent entity, Red Metal Limited, disclosed in Note 25 has been prepared on the same basis as the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
2. REVENUE FROM CONTINUING OPERATIONS		
Revenue from operating activities:		
Interest – Other parties	1,055	425
Government grants	200,000	175,250
Project management fees	586,660	478,289
Alliance JV option fees	300,000	600,000
Insurance proceeds	-	12,283
Government grant - cash boost	-	100,000
Reimbursement of expenditure	-	238,306
Reimbursement of Alliance expenditure	2,217,493	2,398,266
Other income	61,320	18,940
Total revenue from ordinary activities	3,366,528	4,021,759

In January 2019 the Company entered into a multi-project option and joint venture agreement (Alliance JV Agreement) with OZ Minerals Limited (OZ Minerals). The Alliance JV Agreement provides OZ Minerals with an option to fund a series of mutually agreed, proof-of-concept work programs (with a total minimum commitment of \$8.05 million) on six of Red Metal's projects. Alliance exploration activities are conducted by and expenditure incurred in the name of Red Metal as the project manager, and funded directly by OZ Minerals. Alliance exploration expenditure is written off as incurred.

OZ Minerals is required to make initial cash payments to Red Metal of \$300,000 for each of the six nominated projects in the Alliance JV Agreement (subject to satisfactory conditions of grant and commencement of exploration activities). During the year ended 30 June 2021, a total of \$300,000 (2020: \$600,000; 2019 \$900,000) was recorded as revenue.

3. (LOSS) / PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX **(Loss) / Profit before income tax includes the following specific expenses**

<i>Exploration expenditure written off</i>		
Alliance expenditure	2,217,493	2,398,266
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	5,605	8,341
<i>Depreciation</i>		
Plant and equipment	6,367	2,940
Right-of-use assets	90,179	90,179
	96,546	93,119
<i>Employee benefits expense</i>		
Director salaries, fees and superannuation	323,800	323,800
Share-based payments expense	137,734	183,903
Employee salaries, fees and superannuation	339,872	196,942
	801,406	704,645

	2021 \$	2020 \$
4. AUDITOR'S REMUNERATION		
Assurance services:		
- Auditors of the company – HLB Mann Judd	31,439	26,552
Other services:		
- Auditors of the company – HLB Mann Judd, for taxation compliance services	6,300	12,176
5. INCOME TAX EXPENSE		
(a) Income tax benefit / (expense)		
Prima facie income tax benefit / (expense) calculated at 26% (2020: 27.5%) on the profit / (loss) from continuing operations:	353,572	(71,146)
(Increase) / decrease in income tax (expense) / benefit due to:		
Equity-based compensation	(35,811)	(50,573)
Other non-deductible items	(1,300)	(1,375)
Other non-assessable revenue	-	13,750
Utilisation of prior year tax losses	-	109,344
Deferred tax asset not brought to account	(316,461)	-
Income tax benefit / (expense) attributable to operating loss	-	-
(b) Deferred tax asset arising from income tax losses		
Income tax losses not brought to account at balance date as recovery of tax losses is not considered probable:		
Income tax losses	29,937,626	28,720,468
Potential tax benefit at 26% (2020: 27.5%)	7,783,783	7,898,129

6. EARNINGS PER SHARE*Classification of securities as ordinary shares*

The Company has only one category of ordinary shares included in basic earnings per share.

Classification of securities as potential ordinary shares – share options outstanding

The Company has granted share options in respect of a total of 10,975,000 ordinary shares. Options are considered to be potential ordinary shares. For the year ended 30 June 2021, as the Company was in a loss position, the options are anti-dilutive in nature, as their exercise would not result in a diluted earnings per share that shows an inferior view of earnings performance of the Company than is shown by basic earnings per share. The options have not been included in the determination of basic earnings per share in 2021.

Earnings reconciliation		
Profit / (Loss) for the year	(1,359,892)	258,713
	Number	Number
Weighted average number of shares used as the denominator	244,221,880	224,699,299

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
7. SEGMENT INFORMATION		
During the period the Group operated predominantly in the mining industry in Australia.		
8. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	2,492,507	1,338,885
9. TRADE AND OTHER RECEIVABLES		
Current		
Other debtors	1,189,785	115,699
Non-Current		
Sundry deposits	83,254	79,754
Other debtor amounts relate primarily to advances pursuant to the Alliance JV Agreement, option fees receivable and Government grants receivable. Interest is not charged in respect of these amounts. Collateral is not obtained and the amounts have repayment terms between 30 and 90 days. No amounts are in arrears.		
10. PROPERTY, PLANT AND EQUIPMENT		
<i>Plant and equipment</i>		
At cost	142,240	130,423
Less accumulated depreciation	(126,412)	(120,045)
	15,828	10,378
Reconciliation		
<i>Plant and equipment</i>		
Carrying amount at the beginning of the year	10,378	459
Additions	11,817	12,859
Depreciation	(6,367)	(2,940)
Carrying amount at the end of the year	15,828	10,378
11. RIGHT-OF-USE ASSETS		
Buildings – right-of-use	315,626	315,626
Less accumulated depreciation	(180,358)	(90,179)
	135,268	225,447
Reconciliation		
<i>Buildings</i>		
Carrying amount at beginning of the year		
Additions	225,447	315,626
Depreciation	(90,179)	(90,179)
Carrying amount at end of the year	135,268	225,447
The consolidated entity leases its head office under an agreement of three years.		

	2021 \$	2020 \$
12. ACQUISITION, EXPLORATION AND EVALUATION EXPENDITURE		
Costs carried forward in respect of areas of interest in exploration and/or evaluation phase:		
Balance at beginning of year	444,123	444,123
Acquisition and exploration costs incurred	3,678,263	2,851,607
Costs written-off	(3,678,263)	(2,851,607)
Total acquisition, exploration and evaluation expenditure	444,123	444,123
The ultimate recoupment of costs carried forward for acquisition, exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of the respective areas.		
13. TRADE AND OTHER PAYABLES		
Current		
Creditors and accruals	847,909	237,519
14. LEASE LIABILITIES		
Current	92,263	89,441
Non-Current	43,005	136,006
	135,268	225,447
Reconciliation		
At beginning of the year	225,447	-
Additions	-	315,626
Repayments	(90,179)	(90,179)
At end of the year	135,268	225,447
15. EMPLOYEE BENEFITS		
Current		
Annual leave	63,697	35,172
Long service leave	85,667	80,516
	149,364	115,688
16. ISSUED CAPITAL		
<i>Issued and paid-up share capital</i>		
245,591,743 (2020: 212,258,409) ordinary shares, fully paid	36,352,443	33,537,693
(a) Ordinary shares		
Shares issued:		
Balance at the beginning of the year	33,537,693	33,537,693
Issued for cash – share placement	3,000,000	-
Share issue costs	(185,250)	-
Balance at the end of the year	36,352,443	33,537,693

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

16. ISSUED CAPITAL (continued)

(b) Share Options

Exercise Period	Note	Exercise Price	Balance 1 July 2020 No.	Options Issued No.	Options Expired No.	Balance 30 June 2021 No.
On or before 12 November 2020	(i)	\$0.20	3,375,000	-	(3,375,000)	-
On or before 26 May 2022	(ii)	\$0.12	3,675,000	-	-	3,675,000
On or before 28 November 2022	(iii)	\$0.15	3,375,000	-	-	3,375,000
On or before 7 May 2023	(iv)	\$0.11	600,000	-	-	600,000
On or before 22 November 2023	(v)	\$0.14	-	3,325,000	-	3,325,000
			11,025,000	3,325,000	(3,375,000)	10,975,000

- (i) Incentive options issued to directors and technical and administration staff in November 2017 for \$Nil consideration. Options vested in two equal tranches commencing from November 2017 and November 2018. Options expired in November 2020.
- (ii) Incentive options issued to directors and technical and administration staff in May 2019 for \$Nil consideration. Options vested in two equal tranches commencing from May 2019 and May 2020.
- (iii) Incentive options issued to directors and technical and administration staff in November 2019 for \$Nil consideration. Options vest in two equal tranches commencing from November 2019 and November 2020.
- (iv) Incentive options issued to technical staff in May 2020 for \$Nil consideration. Options vest in two equal tranches commencing from July 2020 and July 2021.
- (v) Incentive options issued to directors and technical and administration staff in November 2020 for \$Nil consideration. Options vested in two equal tranches commencing from November 2020 and November 2021.

None of the options have any voting rights, any entitlement to dividends or any entitlement to the proceeds of liquidation in the event of a winding up.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents. As the Group is at the exploration phase it is expected to incur operating losses or small operating profits. The Group issues new shares to raise capital when required to fund its ongoing exploration programs and working capital.

	2021 \$	2020 \$
17. OPTION RESERVE		
Balance at the beginning of the year	2,646,935	2,463,032
Equity-based compensation	137,734	183,903
Balance at the end of the year	2,784,669	2,646,935

The reserve is used to recognise the value of incentive options issued to directors and staff as part of their total remuneration. The assumptions used with the Black-Scholes valuation model for the determination of the equity-based compensation for the options issued during the year are:

- Options issued on 23 November 2020 – exercise price of 14 cents, expiry date of 22 November 2023, 0.10% risk free rate, 60% volatility, 3 year expected life, and share price at grant date of 12 cents.

18. FINANCIAL INSTRUMENTS

Overview

The Group has exposure to the following risks from use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company through regular reviews of the risks.

(a) Credit risk exposures

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The credit risk on financial assets of the Group which have been recognised on the statement of financial position is the carrying amount. As the Group operates in the mining exploration sector, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables. The Group undertakes exploration and evaluation activities exclusively in Australia. At the statement of financial position date there were no significant concentrations of credit risk.

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	2021 \$	2020 \$
Financial Assets		
Cash and cash equivalents	2,492,507	1,338,885
Trade and other receivables	1,189,785	115,699
	3,682,292	1,454,584

None of the receivables were overdue at balance date.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

If the Group anticipates a need to raise additional capital in the next 12 months to meet forecasted operational activities, then the decision on how the Group will raise future capital will depend on market conditions existing at that time.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

18. FINANCIAL INSTRUMENTS (continued)

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency Risk

The Group is currently not exposed to currency risk.

(ii) Interest rate risk

The Group's exposure to the risk of changes in market interest rate relates primarily to the Group's cash and cash equivalents and lease liabilities. The Group leases office premises in Sydney, with the current lease maturing 31 December 2022 – refer note 14 for further information.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	2021 \$	2020 \$
<i>Fixed rate Instruments</i>		
Financial assets	-	-
Financial liabilities	(135,268)	(225,447)
	(135,268)	(225,447)
<i>Variable rate Instruments</i>		
Financial assets	2,492,507	1,338,885
Financial liabilities	-	-
	2,492,507	1,338,885

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates for the whole of the reporting period would have increased (decreased) equity and profit or loss by the amounts shown below, where interest is applicable. This analysis assumes that all other variables remain constant.

	Profit or (Loss)		Equity	
	100bp increase \$	100bp decrease \$	100bp increase \$	100bp decrease \$
<i>30 June 2021</i>				
Variable rate instruments	24,567	(24,567)	24,567	(24,567)
<i>30 June 2020</i>				
Variable rate instruments	10,104	(10,104)	10,104	(10,104)

(iii) Net fair values

Methods and assumptions used in determining net fair value.

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The Group has no financial assets where carrying amount exceeds net fair values at balance date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

19. COMMITMENTS

(a) Mineral exploration commitments

The Group holds exploration tenements in various Australian States. In order to maintain current rights of tenure to exploration tenements, the Group is required to comply with tenement obligations (including performing exploration work) specified by State Governments. Tenement obligations differ between States, with some States requiring strict compliance with annual exploration expenditure commitments, other States allowing flexibility if exploration expenditure commitments are not achieved, and other States setting activities-based work programs which are assessed over the life of the tenement (ie no set annual expenditure amount). Certain States also allow for the variation of tenement obligations. If tenement obligations are not met it may result in the tenement right of tenure being removed or the tenement area being reduced.

The commitments detailed below are an estimate of annual expenditure required to meet tenement obligations over the tenure period. Certain of these obligations are subject to renegotiation when application for renewed tenure is made. The commitments exceed planned exploration costs. The Group intends to comply with the required commitments over the tenure period on those tenements considered to be the most prospective and plans to relinquish or reduce the area (and thereby the expenditure commitment) of lower priority tenements. Any such relinquishment will have no effect on amounts capitalised included in note 12 as the Group has planned to undertake exploration work on the tenements to which these amounts relate. Refer also to Note 2, the Group has not recognised commitments pertaining to tenements which Oz Minerals are committed to fund under the Alliance JV Agreement. These obligations are not provided for in the financial report and are payable:

	2021 \$	2020 \$
Within one year	1,448,500	1,144,000
One year or later and no later than five years	15,855,500	1,572,500
	17,304,000	2,716,500

20. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of (loss) / profit from continuing operations after income tax to net cash used in operating activities

(Loss) / Profit from continuing operations after income tax	(1,359,892)	258,713
Add/(less) non-cash items:		
Depreciation	96,546	93,119
Share-based payments	137,734	183,903
Exploration expenditure write-off (excluding Alliance exploration expenditure)	1,460,770	453,341
Net cash provided by operating activities before change in assets and liabilities	335,158	989,076
Government grants, option fees received and reimbursement of exploration expenditure written off, classified as Investing Activities	-	(1,013,556)
Change in assets and liabilities:		
Increase in debtors	(558,726)	(74,126)
Decrease in payables	(124,654)	(39,483)
Net cash used in operating activities	(348,222)	(138,089)

(b) Non-cash financing and investing activities

- (i) In November 2020 the Company issued a total of 3,325,000 incentive options to directors, technical and administrative staff and consultants of the Company – refer note 16(b).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

21. INTEREST IN SUBSIDIARIES

The consolidated financial statements include the financial statements of Red Metal Limited and the subsidiaries listed in the following table. Red Metal Limited is the ultimate Australian parent entity and ultimate parent of the Group.

Entity	Country / Date of incorporation	Equity holding 2021 %	Equity holding 2020 %	Class of Shares
RM Potash	USA / January 2009	100	100	Ord
Maronan Metals Ltd	Australia / March 2012	100	100	Ord

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. RM Potash did not trade during the year and does not have any assets or liabilities.

In April 2019, as part of a corporate restructure, ownership of the Maronan Project was transferred to Maronan Metals Pty Ltd, a wholly owned subsidiary of Red Metal Limited. The company converted to a public company limited by shares on 15 January 2021. The purchase consideration amount of \$7,004,000 has been loaned to Maronan Metals Ltd, and the Company has advanced an additional loan of \$655,828 in order to fund exploration of the Maronan Project. A provision for \$7,538,797 has been raised to reduce the carrying value to the amount of the carrying value in the consolidated entity's accounts. The loan is unsecured, interest free and repayable by April 2029.

22. DIRECTORS AND EXECUTIVES DISCLOSURES

(a) Details of key management personnel

Directors

Russell Barwick (Chairman)
Robert Rutherford (Managing Director)
Joshua Pitt (Non-Executive Director)

There are no other persons within the Company who are classified as key management personnel.

(b) Key management personnel compensation

The key management personnel compensation included in "Employee and Consultant Expenses" and "Exploration Expenditure" is as follows:

	2021 \$	2020 \$
Short-term employee benefits	297,790	297,790
Share-based payments	78,665	99,886
Post-employment benefits	26,010	26,010
	402,465	423,686

Information regarding individual directors' compensation is provided in the Remuneration report on pages 18 to 22.

(c) Other transactions with the Group

No director has entered into a material contract (apart from employment) with the Company since 1 July 2020 and there were no other material contracts involving directors' interests existing at year end.

23. SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

24. CRITICAL ACCOUNTING JUDGEMENTS

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Exploration expenditure

The Board of Directors determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Directors' decision is made after considering the likelihood of finding commercially viable reserves.

25. PARENT ENTITY DISCLOSURES

(a) Summary financial information

Financial Position

	2021 \$	2020 \$
Assets		
Current assets	3,682,282	1,454,583
Non-current assets	678,474	759,703
Total assets	4,360,756	2,214,286
Liabilities		
Current liabilities	1,089,536	442,648
Non-current liabilities	43,005	136,006
Total liabilities	1,132,541	578,654
Net assets	3,228,215	1,635,632
Equity		
Issued capital	36,352,443	33,537,693
Option premium reserve	2,784,669	2,646,935
Accumulated losses	(35,908,897)	(34,548,996)
Total equity	3,228,215	1,635,632
Financial performance		
(Loss) / Profit for the year after income tax	(1,359,901)	258,713
Other comprehensive income / (loss)	-	-
Total comprehensive (loss) / profit	(1,359,901)	258,713

(b) Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

Red Metal Limited has not entered into any guarantees in relation to the debts of its subsidiaries.

(c) Contingent liabilities of the parent

The parent entity did not have any contingent liabilities as at 30 June 2021 or 30 June 2020.

DIRECTORS' DECLARATION

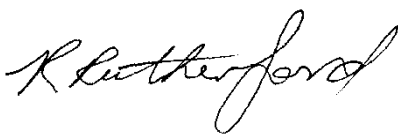
In the opinion of the directors of Red Metal Limited ("the Company"):

- (a) the financial statements and notes set out on pages 28 to 45 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2021 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) the remuneration report in the directors' report complies with the disclosure requirements of Section 300A of the Corporations Act 2001.

The notes to the financial statements include a statement of compliance with International Financial Reporting Standards.

The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2021.

Signed in accordance with a resolution of the directors.



Robert Rutherford
Managing Director
Dated at Sydney this 24th day of September 2021



Independent Auditor's Report to the Members of Red Metal Limited:

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Red Metal Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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INDEPENDENT AUDITOR'S REPORT



Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Valuation of Share Options	
<p>The company issued a number of share options to directors in Red Metal Limited.</p> <p>The company valued these options to assess their fair value.</p> <p>The key assumptions used in determining the fair value of the options are set out in Note 17 to the financial statements.</p> <p>We focused on this area as a key audit matter due to the judgement involved in assessing the fair value of the options.</p>	<p>We reviewed the valuations of the options, and the methodology used. We also reviewed the key assumptions in the valuation. We assessed whether the Group's disclosures met the requirements of various accounting standards.</p>

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's financial report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT



From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 22 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Red Metal Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink that reads 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

Sydney, NSW
24 September 2021

A handwritten signature in black ink that reads 'K L Luong'.

K L Luong
Partner

SHAREHOLDER INFORMATION

Red Metal Annual Report 2021

The shareholder information set out below was applicable as at 16 September 2021.

Substantial shareholders

An extract of the Company's register of substantial shareholders is set out below.

Shareholder	Number of Shares	Percentage
Perth Capital Pty Ltd	17,807,622	7.25%
Freeport-McMoran Australasia Inc	12,476,471	5.08%

Distribution of equity security holders

Size of Holding	Ordinary Shares	Options
1 to 1,000	85	-
1,001 to 5,000	352	-
5,001 to 10,000	401	-
10,001 to 100,000	1,203	1
100,001 and over	355	12
	2,396	13

The number of holdings comprising less than a marketable parcel was 347.

Unquoted equity securities

Class	Number
Options - exercisable at 12 cents on or before 26 May 2022	3,675,000
Options - exercisable at 15 cents on or before 28 November 2022	3,375,000
Options - exercisable at 11 cents on or before 7 May 2023	600,000
Options - exercisable at 14 cents on or before 22 November 2023	3,325,000

On-market buy-back

There is no current on-market buy-back.

SHAREHOLDER INFORMATION

Twenty Largest Shareholders as at 16 September 2021	Number of Shares	% Held
Perth Capital Pty Ltd	17,496,372	7.12
Freeport-McMoran Australasia Inc	12,476,471	5.08
Robert Alexander Rutherford	10,803,753	4.40
Jetosea Pty Ltd	8,529,109	3.47
Warrambo Holdings Pty Ltd	4,115,059	1.68
Sambor Trading Pty Ltd	3,524,259	1.44
SDG Nominees Pty Ltd (T J Strapp Super Fund A/C)	3,000,000	1.22
Arnold & Ruth Getz	2,950,000	1.20
Citicorp Nominees Pty Limited	2,943,375	1.20
Russell Barwick	2,841,000	1.16
Robert Geoffrey Page	2,609,723	1.06
BNP Paribas Nominees Pty Ltd (IB AU Noms)	2,508,020	1.02
Bluestar Management Pty Ltd	2,400,000	0.98
Xiaodan Wu	2,234,003	0.91
Radrob Pty Ltd	2,000,000	0.81
Nalmor Pty Ltd (John Chappell Super Fund A/C)	1,954,794	0.80
Xiaodan Wu (Sharada A/C)	1,786,000	0.73
Benjamin John Pauley	1,725,226	0.70
Robert Geoffrey & Angela Margaret Page (Page Group Super Fund A/C)	1,590,277	0.65
Sharon Anne Margaret Goad	1,558,125	0.63
	89,045,566	36.26

TENEMENT DIRECTORY

Red Metal Annual Report 2020

Granted Exploration Tenements held at 16 September 2021 are as follows:

Project	Tenement Reference	Company Interest %	Comment
Maronan	EPM 13368	100	
Corkwood	EPMs 13380, 26032, 26125, 27472, 27665, 27808	100	
Lawn Hill	EPMs 25902, 25905, 25985, 26157, 27179, 27224	100	Refer note 1
Gulf	EPMs 26434, 26436, 26654, 26655, 26656, 26657, 26672, 26674	100	Refer note 1
Gidyea	EPMs 27308, 27309, 27567, 27568, 26569	100	
Three Ways	EPMs 26941, 26943, 26947, 27371	100	Refer note 1
Mount Skipper	EPM 19232	100	
Chinova JV	EPM 15385	100	Refer note 2
Barton	EL 5888	100	
Callabonna JV	ELs 6204, 6318	51	Refer note 3
Pernatty Lagoon JV	EL 6014	90	Refer note 4
Punt Hill	EL 6035	100	
Birthday Well	EL 6289	100	
Irindina	EL 27266	100	
Nullarbor	ELs 69/ 3428, 3432, 3433, 3436, 3437, 3438, 3439, 3441, 3595, 3596, 3602, 3603	100	
Yarrie	ELs 45/ 5185, 5186, 5225, 5236, 5187	100	Refer note 1
Pardoo	ELs 45/ 5698, 5699	100	

Notes:

1. Greenfields Discovery Alliance Agreement between Red Metal (diluting to 49%) and OZ Exploration Pty Ltd (earning 51%).
2. Joint venture between Red Metal (diluting to 30%) and Chinova Resources (Osborne) Pty Ltd (earning 70%).
3. Joint venture between Red Metal (51%, earning 70%) and Variscan Mines Limited (49% diluting to 30%).
4. Joint venture between Red Metal (90%) and Havilah Resources NL (10%).

red metal
limited

ACN 103 367 684