

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Red Metal Limited (the “Company”) will be held on Thursday, 10 November 2011 at 11.00 am at The Oak Room, Swissotel, 8th Floor, 68 Market Street, Sydney, New South Wales.

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

AGENDA

ORDINARY BUSINESS

1. Financial Report for the Year Ended 30 June 2011

To receive and consider the financial report of the Company for the year ended 30th June 2011, together with the reports by the directors and auditors thereon.

To consider and, if thought fit, pass the following resolutions as ordinary resolutions.

2. Resolution 1 – Adoption of the Remuneration Report for the year ended 30 June 2011

“That the Directors’ Remuneration Report required by Section 300A of the Corporations Act, as contained in the Directors’ Report of the Company, for the year ended 30 June 2011 be adopted.”

3. Resolution 2 – Re-Election of a Director

“That Mr RC Barwick, being a Director of the Company, retiring by rotation in accordance with the Company’s Constitution, being eligible and offering himself for re-election, be appointed as a Director of the Company.”

4. Resolution 3 – Ratification of Prior Option Issue

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 1,325,000 Options, on the terms and conditions set out in the Explanatory Memorandum forming part of the Notice of this General Meeting.”

Voting Exclusion:

As ordinary resolutions, Resolutions 1 to 3 must be passed by more than 50 per cent of the votes cast by members entitled to vote on the resolution.

The Company will disregard any votes cast on Resolution 3 by a person who participated in the issue and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

No undirected proxies to the Chairman will be voted on Resolution 1 Adoption of Remuneration Report or Resolution 2 Re-election of Mr Barwick. Shareholders are encouraged to direct their proxy by marking the box in relation to the resolutions in the relevant section on the Proxy Form. The Chairman of the meeting intends to vote undirected proxies in favour of resolution 3.

PROXIES

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

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;

- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with section 249X (3) of the Corporations Act 2001, each proxy may exercise half of the votes.

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

Registered Office Level 15, 323 Castlereagh Street
Sydney NSW 2000

Facsimile Number: (61 2) 9281 5747

Postal Address Level 15, 323 Castlereagh Street
Sydney NSW 2000

Each member entitled to vote at the general meeting has the right to appoint a proxy to attend and vote at the meeting on his behalf. The member may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion. The instrument appointing the proxy must be received by the Company at the address specified above at least 48 hours before the time notified for the meeting (proxy forms can be lodged by facsimile).

In accordance with regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that ordinary shares held as at 5.00pm on 8 November 2011 will be taken, for the purposes of the general meeting, to be held by the persons who held them at that time.

BY ORDER OF THE BOARD

PJ Flint
Company Secretary
7 October 2011

RED METAL LIMITED
ACN 093 178 388
EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of shareholders of Red Metal Limited (the “**Company**”) in connection with the business to be conducted at the Annual General Meeting to be held on Thursday, 10 November 2011 at 11.00 am at The Oak Room, Swissotel, 8th Floor, 68 Market Street, Sydney, New South Wales.

This Explanatory Memorandum contains an explanation of, and information about, each of the resolutions to be considered at the Annual General Meeting. It is given to Red Metal Limited shareholders to help them determine how to vote on the matters set out in the accompanying Notice of Meeting.

Shareholders should read this Explanatory Memorandum in full, because individual sections may not give a comprehensive review of the proposals contemplated in this Explanatory Memorandum. This Explanatory Memorandum forms part of the accompanying Notice of Meeting and should be read with the Notice of Meeting.

Words or expressions used in the Notice of Meeting and in this Explanatory Memorandum are defined in the Glossary.

If you are in doubt about what to do in relation to the Notice of Meeting, you should consult your financial or other professional advisor.

2. FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

In accordance with the requirements of the Company’s Constitution and the Corporations Act, the 2011 Annual Report will be tabled at the annual general meeting. Shareholders will have the opportunity of discussing the Annual Report and making comments and raising queries in relation to the Annual Report.

Changes to legislation mean that companies are no longer required to mail out a hard copy of their annual report to shareholders. Shareholders can obtain a hard copy by contacting the Company. Alternatively, the annual report is available on the Company’s website at www.redmetal.com.au.

3. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT FOR THE YEAR ENDED 30 JUNE 2011

Consistent with the Corporations Act, the Company submits to shareholders for consideration and adoption by way of a non-binding resolution its Directors’ Remuneration Report for the year ended 30 June 2011. At the meeting there will be a reasonable opportunity for discussion of the report.

The Directors’ Remuneration Report is a distinct section of the annual Directors’ Report (included within the annual report), which deals with the remuneration of Directors and executives of the Company, if applicable.

The Directors’ Remuneration Report includes:

- an explanation of the Board’s policies in relation to the nature and level of remuneration of Directors and executives, if applicable;
- details of any element of the remuneration of Directors and executives that is dependent upon the satisfaction of a performance condition, if applicable;
- details of the total remuneration (as well as a categorised break-down of its components) of each Director of the Company and executives, if applicable.

The Directors recommend shareholders vote in favour of the resolution. No undirected proxies to the Chairman will be voted on the resolution.

4. RESOLUTION 2 – RE-ELECTION OF RUSSELL BARWICK AS A DIRECTOR

The Company's Constitution requires that one third of the directors retire from office at the Annual General Meeting and if they so desire offer themselves for re-election. The Director to retire from office is that person other than the Managing Director who has been longest in office since last re-elected.

5. RESOLUTION 3 - RATIFICATION OF PRIOR OPTION ISSUE

Background

In March 2011 the Company issued a total of 1,325,000 Options to staff and consultants of the Company in recognition of their efforts and as an incentive for future activities (**Staff Options**).

None of the parties that were issued Staff Options were related parties of the Company.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issue of the Staff Options, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Specific information required by ASX Listing Rule 7.5 with respect to Resolution 3

For the purposes of ASX Listing Rule 7.5, information is provided as follows:

- (a) The Staff Options were issued technical and administrative staff and consultants of the Company on 2 March 2011.
- (b) The Staff Options were not issued for cash consideration and no funds were raised from their issue. The Staff Options were issued in recognition of efforts to date and as an incentive for future activities.
- (c) The terms and conditions of the Staff Options are set out in Schedule 1 of this Explanatory Memorandum.

A voting exclusion statement is included in the Notice.

6. GLOSSARY

In the Notice and this Explanatory Memorandum the following expressions have the following meanings:

“ASX” means Australian Securities Exchange.

“ASX Listing Rules” or “Listing Rules” means the Listing Rules of the ASX.

“Board” means the Board of Directors of the Company.

“Business Day” means a day, other than a Saturday or Sunday, on which banks are open for general banking business in Sydney, New South Wales.

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

“Directors” means each of the Directors of the Company being Mr Russell Barwick, Mr Robert Rutherford and Mr Joshua Pitt.

“Explanatory Memorandum” means this Explanatory Memorandum.

“Meeting” and “Annual General Meeting” means the meeting convened by this Notice.

“Notice” means the notice of meeting that accompanies this Explanatory Memorandum.

“Options” means an option to acquire a Share on the terms and conditions set out in Schedule 1 (for the purposes of Resolution 3).

“Resolution” means a resolution referred to in the Notice.

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

“Shareholder” means a registered holder of Shares in the Company.

SCHEDULE 1

Terms of issue applicable to Options to be issued under Resolution 3

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

- 1) Each Option entitles the holder to subscribe for and be allotted one fully paid ordinary share in the Company upon payment of the exercise price of \$0.25 per share until 2 March 2014 (the Expiry Date).
- 2) The Options vest as follows;
 - First (1st) Tranche of 662,500 Options – 2 March 2011.
 - Second (2nd) Tranche of 662,500 Options – 2 March 2012.
- 3) The options will lapse upon the expiration of 60 days if the holder ceases to be an employee and/or consultant to the Company.
- 4) Shares will be allotted and issued pursuant to the exercise of Options not more than 10 business days after receipt of a properly executed notice of exercise and payment of the requisite application moneys.
- 5) The Options are not transferable except to an offeror under a takeover offer or under a scheme of arrangement proposed by the Company, or except with the consent of the Directors of the Company in circumstances where the proposed transfer is to an entity wholly owned and controlled by the optionholder.
- 6) All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing fully paid ordinary shares. The Company will apply for Official Quotation by the ASX of all Shares issued upon exercise of the Options.
- 7) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will send a notice to each holder of Options at least nine business days before the record date for any proposed pro-rata issue of capital. This will give optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- 8) There is no right to a change in the exercise price of the Options or to the number of Shares over which the Options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the Options.
- 9) In the event of any reorganisation of the issued capital of the Company on or prior to the Expiry Date, the rights of an optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.

PROXY FORM

APPOINTMENT OF PROXY

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

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

OR

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

Or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Red Metal Limited to be held on 10 November 2011 and at any adjournment of that meeting.

If you do **not** wish to direct your proxy how to vote, please place a mark in the box →→

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolutions and votes cast by him other than as proxy holder will be disregarded because of that interest. **No undirected proxies to the Chairman of the Meeting will be voted on Resolution 1 or Resolution 2. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 3.**

If you do not mark the above box and you have not directed your proxy how to vote in the boxes below, the Chairman of the Meeting will not cast your votes on the resolutions and your votes will not be counted in computing the required majority if a poll is called.

Voting directions to your proxy – please mark to indicate your directions

	For	Against	Abstain*
Resolution 1 – Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Mr RC Barwick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Ratification of Prior Option Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and
Sole Company Secretary

Director

Director/Company Secretary

Dated: ___/___/2011

How to complete the Proxy Form

1 Appointment of a Proxy

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

2 Votes on Items of Business

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

3 Appointment of a Second Proxy

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

To appoint a second proxy you must:

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

4 Signing Instructions

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

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

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

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

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

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

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 11.00 am on 8 November 2011. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

IN PERSON: Registered Office – Level 15, 323 Castlereagh Street, Sydney, New South Wales

BY MAIL: Registered Office - Level 15, 323 Castlereagh Street, Sydney, New South Wales

BY FAX (61 2) 9281 5747