

CHILE MINING

CONNECT SERIES

4 AUGUST 2017

Tim Beale, President & CEO
Revelo Resources



"Our portfolio consists of 26 projects and 40 targets, all of which are either drill-ready or close to it. To potential investors, we are offering multiple chances of success."

What motivated the transition from Iron Creek Capital to Revelo Resources?

In 2014, we decided it was a good time to capitalize on the new projects becoming available that were previously held by distressed companies and establish a significant land position in Chile. Staking meaningful claims in Chile can be quite difficult because most of

the prospective areas have already been staked by large mining companies who tend not to relinquish those claims. In 2014, we acquired five projects from Minera Fuego, a local exploration company, and we merged with Polar Star Mining and inherited eight projects from that company. In 2015, we acquired four projects from Altius Minerals and one from Teck. We currently have 26 early-stage projects with great potential totaling 300,000 hectares of ground. We are following the prospect generator model in which we look for partners to spend money on the projects and move them forward. Over the past three years, however, the market has been difficult and there was very little money being spent on greenfield exploration projects in Chile.

What are the mutual benefits of the recent transaction with Austral Gold?

In July 2017, Revelo signed a letter agreement to sell two projects, San Guillermo and Reprado, to Austral Gold, a small precious metal producer. The San Guillermo project surrounds Austral's new Amancaya mining project, which started production earlier this year. We had previously signed an option agreement with Austral Gold for San Guillermo in February 2016, and they had completed some drilling and were happy with the results. We subsequently agreed to sell them the property outright. Reprado lies along a trend to the north of San Guillermo and Amancaya, and that property was added to the deal. Austral wanted a bit more flexibility in their ability to explore and, eventually, develop the property. In exchange for the projects, we will receive 10 million shares of Austral Gold and we have also retained a royalty interest.

What is the nature of the deal you made with Hochschild?

In June 2017, Revelo signed a letter of agreement with Hochschild for the option and eventual sale of 100% of the Loro property. The option is for five years and Hochschild must invest \$13 million into the ground or complete 30,000 meters of drilling. There is a fairly significant cash payment of \$15 million at the end of the option, as well as smaller cash payments totaling \$5.3 million during the option period, and we will maintain a 1% NSR royalty if Loro does, in fact, go into production. Unlike many other option agreements in which the incoming party operates the exploration efforts, Revelo will operate the exploration program and retain a substantial amount of influence over the technical program.

With a portfolio of 26 projects, how do you determine which to focus on?

Over the past three years, we have done critical exploration work on each property in our portfolio. We have carried out geological mapping and reviewed each of the historical databases. Some projects are more advanced than others, and some have more historical data than others, but we have nonetheless been able to pinpoint where all of the targets are and produced clear exploration programs and budgets for each project. It is very

beneficial to provide prospective incoming parties with details of what needs to be done and how much it will cost. We have signed confidentiality agreements for our Montezuma project and several other projects in our portfolio. Some companies are actively looking into these projects and we hope this results in further deals in the coming months. Our past two deals have shown that we are flexible regarding the type of deal we can put together, but with Montezuma in particular, our goal would be to retain an interest in the project. We believe there is a very good chance of making discoveries with the projects we have, but the technical objective is to get the projects through the definitive drill test stage in order to achieve our discovery goals.

In your opinion, which projects have the most potential?

Our Montezuma copper-gold project is probably our flagship project, but we are also particularly excited about Loro, as it has all the characteristics of an epithermal precious metal vein prospect similar to Yamana Gold's El Peñón mine around 20 kilometers north. Loro is at a relatively low altitude and the exploration of it will be relatively straightforward. Regarding other copper projects, we are very excited about Morros Blancos, which is very close to our San Guillermo project. Morros Blancos has two very large hydrothermal alteration zones with very strong characteristics of the upper parts of porphyry copper systems. The Calvario and Mirador copper projects also have noteworthy potential. Each of our projects is exciting, but the aforementioned projects stand out from the rest. Our portfolio consists of 26 projects and 40 targets, all of which are either drill-ready or close to it. To potential investors, we are offering multiple chances of success.



[Visit Website](#)



This article was conducted by GBR as part of its research on the mining industry in Chile, which will be published in October 2017. If you wish to participate, please contact Imara Salas at isalas@gbreports.com.

PREVIOUS INTERVIEWS

JRI Ingenieria • Liebherr • Finning Chile • Chilean Copper Commission (Cochilco) • Institute of Mining Engineers of Chile • EY • LiCo Energy Metals • EY • Black & Veatch Chile • SONAMI