



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

APRIL 30, 2016 AND 2015

(Unaudited - Expressed in Canadian dollars)

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of Revelo Resources Corp. for the three months ended April 30, 2016 and 2015 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

REVELO RESOURCES CORP.

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - Expressed in Canadian dollars)

	April 30, 2016	January 31, 2016
ASSETS		
Current assets		
Cash	\$ 628,244	\$ 2,065,584
Receivables	63,294	60,714
Marketable securities (Note 3)	67,511	52,267
Prepaid expenses and deposits	26,565	35,366
Total current assets	785,614	2,213,931
Non-current assets		
Exploration and evaluation assets (Note 4)	4,981,614	5,131,847
Property and equipment (Note 6)	143,745	152,011
Total non-current assets	5,125,359	5,283,858
TOTAL ASSETS	5,910,973	7,497,789
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	163,227	259,677
Due to related parties (Note 8)	34,053	51,462
TOTAL LIABILITIES	197,280	311,139
EQUITY		
Share capital (Note 7)	22,103,977	22,103,977
Reserves	6,159,141	6,159,141
Deficit	(22,549,425)	(21,076,468)
TOTAL EQUITY	5,713,693	7,186,650
TOTAL LIABILITIES AND EQUITY	\$ 5,910,973	\$ 7,497,789

Nature of Operations and Ability to Continue as a Going Concern (Note 1)**Event after the Reporting Date (Note 13)**

These condensed consolidated interim financial statements were authorized for issuance by the Board of Directors on June 23, 2016.

Approved on behalf of the Board of Directors"Michael Winn" , Director"Timothy Beale" , Director

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

REVELO RESOURCES CORP.

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Comprehensive Income and Loss

(Unaudited - Expressed in Canadian dollars)

	Three months ended	
	April 30, 2016	April 30, 2015
EXPLORATION EXPENDITURES (Note 5)	\$ 1,100,486	\$ 915,426
GENERAL AND ADMINISTRATIVE EXPENSES		
Administration	18,952	27,289
Amortization (Note 6)	8,266	4,397
Consulting fees	19,000	29,025
Investor relations and shareholder information	10,764	32,888
Management compensation (Note 8)	171,274	166,961
Professional fees	13,640	37,330
Transfer agent and regulatory fees	9,836	7,815
Travel	8,743	20,469
Total general and administrative expenses	260,475	326,174
Loss from operations	(1,360,961)	(1,241,600)
Foreign exchange loss	(128,382)	(14,529)
Unrealized gain on marketable securities (Note 3)	15,244	-
Gain on sale of marketable securities (Note 3)	-	1,415,301
Interest income	1,142	5,175
Income (loss), and comprehensive Income (loss) for the period	\$ (1,472,957)	\$ 164,347
Basic and diluted loss per common share	\$ (0.01)	\$ 0.00
Weighted average number of common shares outstanding	100,185,694	91,409,921

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

REVELO RESOURCES CORP.

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian dollars)

	Three months ended	
	April 30, 2016	April 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (1,472,957)	\$ 164,347
Items not affecting cash:		
Amortization (Note 6)	8,266	4,397
Unrealized gain on marketable securities (Note 3)	(15,244)	-
Gain on sale of marketable securities (Note 3)	-	(1,415,301)
Changes in non-cash working capital items:		
Receivables	(2,580)	(61,204)
Prepaid expenses and deposits	8,801	(5,473)
Accounts payable and accrued liabilities	(96,450)	(116,435)
Due to related parties	(17,409)	9,903
Net cash used in operating activities	(1,587,573)	(1,419,766)
CASH FLOWS FROM INVESTING ACTIVITIES		
Option payments received (Note 4)	150,233	-
Proceeds from sale of marketable securities	-	2,157,705
Net cash provided by investing activities	150,233	2,157,705
Net change in cash during the period	(1,437,340)	737,939
Cash, beginning of period	2,065,584	2,327,870
Cash, end of period	\$ 628,244	\$ 3,065,809

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

REVELO RESOURCES CORP.

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited - Expressed in Canadian dollars)

	Number of					
	common shares	Share Capital	Reserves	Deficit	Total Equity	
Balance as at January 31, 2016	100,185,694	\$ 22,103,977	\$ 6,159,141	\$ (21,076,468)	\$ 7,186,650	
Net loss for the period	-	-	-	(1,472,957)	(1,472,957)	
Balance as at April 30, 2016	100,185,694	\$ 22,103,977	\$ 6,159,141	\$ (22,549,425)	\$ 5,713,693	

	Number of					
	common shares	Share Capital	Reserves	Deficit	Total Equity	
Balance as at January 31, 2015	91,409,921	\$ 21,279,146	\$ 5,769,888	\$ (19,164,634)	\$ 7,884,400	
Net income for the period	-	-	-	164,347	164,347	
Balance as at April 30, 2015	91,409,921	\$ 21,279,146	\$ 5,769,888	\$ (19,000,287)	\$ 8,048,747	

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

REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended April 30, 2016

(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Revelo Resources Corp. (the “Company” or “Revelo”), was incorporated on September 14, 2006, under the Business Corporations Act (Alberta) and continued into British Columbia on June 25, 2008. The Company’s head office address is Suite 501 – 543 Granville Street, Vancouver, BC V6C 1X8, Canada. Revelo is a publicly traded company, listed on the TSX Venture Exchange (“TSX-V”) under the trading symbol RVL. The Company’s principal business activities are the acquisition and exploration of mineral properties in Chile.

These condensed consolidated interim financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will be able to realize its assets, discharge its liabilities and continue in operation for the following twelve months.

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from the carrying values shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company’s continuing operations and the ability of the Company to meet mineral property and other commitments are dependent upon the ability of the Company to continue to raise additional equity or debt financing and to find joint venture partners. At the date of these consolidated financial statements, the Company has not identified a known body of commercial grade mineral on any of its properties.

At April 30, 2016, the Company has not achieved profitable operations and has accumulated losses since inception. With its current plans for the year and the budgets associated with those plans, in order to continue funding its administrative and exploration expenditures from the date of these condensed consolidated interim financial statements, the Company may need to obtain additional capital by either financing or selling one or more of its assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Basis of Measurement and Presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis using the accrual basis of accounting except for cash flow information. These condensed consolidated interim financial statements are presented in Canadian dollars (“CAD”), which is also the Company’s functional currency.

Basis of Consolidation

These condensed consolidated interim financial statements comprise the accounts of the parent company, and its subsidiaries, after the elimination of all material intercompany balances and transactions.

REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended April 30, 2016

(Unaudited - Expressed in Canadian dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsidiaries

Subsidiaries are all entities over which the Company has exposure to variable returns from its involvement and has the ability to use power over the investee to affect its returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

The accounts of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions are eliminated.

Significant Accounting Policies

The accounting policies applied by the Company in these unaudited condensed consolidated interim financial statements are consistent with those applied in its consolidated annual financial statements and related note disclosures as at and for the year ended January 31, 2016.

Accounting pronouncements not yet effective

IFRS 9, *Financial Instruments* ("IFRS 9"), addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. The new standard states that an entity choosing to measure a liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in the other comprehensive income or loss section of the entity's statement of comprehensive loss, rather than within profit or loss. Additionally, IFRS 9 includes revised guidance related to derecognition of financial instruments. IFRS 9 applies to financial statements for annual periods beginning on or after January 1, 2018, with early adoption permitted.

IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") supersedes IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers*, and SIC 31 *Revenue - Barter Transactions involving Advertising Services*. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

IFRS 16 *Leases* ("IFRS 16") specifies how an issuer will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less, or the underlying asset has an insignificant value. IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after January 1, 2019.

The Company is currently evaluating the impact of all the new standards on its consolidated financial statements.

REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended April 30, 2016

(Unaudited - Expressed in Canadian dollars)

3. MARKETABLE SECURITIES

As at April 30, 2016 and January 31, 2016, the Company had the following marketable securities:

	April 30, 2016	January 31, 2016
Cost	\$ 39,200	\$ 39,200
Accumulated unrealized gain	28,311	13,067
Fair value	\$ 67,511	\$ 52,267

During the three months ended April 30, 2015 the Company disposed of certain marketable securities for net proceeds of \$2,157,705 and recognized a gain on sale of \$1,415,301.

4. EXPLORATION AND EVALUATION ASSETS

	April 30, 2016	January 31, 2016
Las Pampas, Chile	\$ 851,722	\$ 851,722
Magallanes, Chile	12,888	12,888
T4, Chile	11,836	11,836
San Guillermo, Chile	89,847	240,080
Morros Blancos, Chile	80,030	80,030
Calvario, Chile	120,041	120,041
Mirador, Chile	120,042	120,042
Bronce Weste, Chile	80,028	80,028
San Valentino, Chile	120,041	120,041
Reina Hija, Chile	40,014	40,014
Montezuma, Chile	1,508,518	1,508,518
Los Azules, Chile	452,555	452,555
Block 2, Chile	75,000	75,000
Redondo-Veronica, Chile	25,000	25,000
Block 3 - Culebra, Chile	800,975	800,975
Block 4 - Anaconda, Chile	121,842	121,842
Limbo, Chile	75,426	75,426
Los Animas, Chile	75,426	75,426
Loro, Chile	31,550	31,550
Morsas, Chile	183,838	183,838
Reprado, Chile	104,995	104,995
Fair value	\$ 4,981,614	\$ 5,131,847

On February 8, 2016, the Company signed an Option and Sale Agreement with Guanaco Cia. Minera SpA, a wholly owned subsidiary of Austral Gold Limited ("Austral") whereby Austral will have the sole and exclusive option and right to acquire a 100% undivided interest in Revelo's San Guillermo project, located in Northern Chile, by paying Revelo a total of US\$ 2,650,000 over three years (of which US\$ 2,000,000 is an optional payment in year 3 to fully exercise the option), and spending US\$ 3,000,000 on exploration over the same three years.

REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended April 30, 2016

(Unaudited - Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (Continued)

During the three months ended April 30, 2016, the Company received a cash payment of \$69,794 (US\$ 50,000) upon signing of the agreement, and a further \$80,439 (CLP 41,117,772) as a repayment of prior year land maintenance fees incurred by the Company. The full amount of cash received has been credited against capitalized costs.

Revelo will retain a 0.5% NSR royalty on all metals produced from the project. For those areas subject to the underlying SQM royalty, Austral has the right to reduce the Revelo royalty in those areas only to 0.25%, by making a one-time cash payment to Revelo of US\$ 250,000.

REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended April 30, 2016

(Unaudited - Expressed in Canadian dollars)

5. EXPLORATION EXPENDITURES

During the three months ended April 30, 2016, the Company incurred the following exploration expenditures, including regional exploration and property investigation costs, which were expensed as incurred:

	San						Morros				Regional	
	Guillermo	Calvario	Las Pampas	Montezuma	Los Azules	Block 2	Blancos	Morsas	Loro	project	development	Total
Exploration field costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,765	\$ 53,541	\$ 4,183	\$ 15,612	\$ 15,153	\$	92,254
Legal and accounting	95	579	-	20,254	771	368	1,844	1,558	762	20,522		46,753
Office and administration	279	1,691	434	1,441	2,860	1,173	5,383	4,547	2,223	25,872		45,903
Property maintenance	5,030	30,278	159,195	3,258	40,069	19,285	47,725	75,211	-	339,876		719,927
Salaries and benefits	1,169	7,093	-	5,530	9,447	4,502	22,586	19,079	9,328	88,243		166,977
Travel	34	470	-	159	271	129	5,984	6,770	6,287	8,568		28,672
Net Expenditures	\$ 6,607	\$ 40,111	\$ 159,629	\$ 30,642	\$ 53,418	\$ 29,222	\$ 137,063	\$ 111,348	\$ 34,212	\$ 498,234	\$	1,100,486

During the three months ended April 30, 2015, the Company incurred the following exploration expenditures, including regional exploration and property investigation costs, which were expensed as incurred:

	San					Redondo				Regional	
	Guillermo	Calvario	Mirador	Los Azules	Veronica	Block 3	Block 4	development	project	development	Total
Exploration field costs	\$ 1,847	\$ 5,313	\$ 50,230	\$ 14,567	\$ 1,614	\$ 1,531	\$ 1,333	\$ (22,735)	\$	\$	53,700
Legal and accounting	9,578	2,117	4,520	9,591	9,415	8,932	7,776	13,468			65,397
Office and administration	8,575	1,895	4,046	4,299	6,858	6,507	5,664	8,719			46,563
Property maintenance	136,586	30,248	25,379	32,432	85,178	80,802	70,342	120,660			581,627
Salaries and benefits	39,105	8,385	15,526	4,611	8,719	8,271	7,201	45,108			136,926
Travel	2,889	1,274	12,866	5,703	1,592	1,510	1,315	4,064			31,213
Net Expenditures	\$ 198,580	\$ 49,232	\$ 112,567	\$ 71,203	\$ 113,376	\$ 107,553	\$ 93,631	\$ 169,284	\$	\$	915,426

Revelo's option and joint venture partners either pay directly, or reimburse to Revelo, property maintenance costs on their respective projects.

REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended April 30, 2016

(Unaudited - Expressed in Canadian dollars)

6. PROPERTY AND EQUIPMENT

	Field equipment	Furniture and equipment	Computer equipment	Vehicles	Leasehold improvements	Total
Cost						
As at April 30, 2016 and January 31, 2016	\$ 102,905	\$ 24,514	\$ 21,838	\$ 111,263	\$ 29,617	\$ 290,137
Accumulated amortization						
As at January 31, 2016	70,242	15,479	17,224	5,564	29,617	138,126
Additions	1,633	452	618	5,563	-	8,266
As at April 30, 2016	71,875	15,931	17,842	11,127	29,617	146,392
Net book value						
As at January 31, 2016	\$ 32,663	\$ 9,035	\$ 4,614	\$ 105,699	\$ -	\$ 152,011
As at April 30, 2016	\$ 31,030	\$ 8,583	\$ 3,996	\$ 100,136	\$ -	\$ 143,745

7. EQUITY

Authorized

As at April 30, 2016, the authorized share capital of the Company was an unlimited number of common shares and preferred shares without par value.

Share Capital

For the three months ended April 30, 2016 and 2015, the Company had no changes to its share capital

Stock Options

The changes in stock options outstanding are as follows:

	Number of Options	Weighted Average Exercise Price
Balance as at January 31, 2016	6,694,250	\$ 0.64
Expired	(1,301,750)	0.91
Balance as at April 30, 2016	5,392,500	\$ 0.58
Exercisable as at April 30, 2016	5,392,500	\$ 0.58

REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended April 30, 2016

(Unaudited - Expressed in Canadian dollars)

7. EQUITY (Continued)

Stock Options (Continued)

The following table summarizes the stock options outstanding and exercisable at April 30, 2016:

Date Granted	Expiry Date	Exercise Price	Number Outstanding	Number Exercisable
July 23, 2014	July 23, 2019	\$ 0.25	2,740,000	2,740,000
December 16, 2014	December 31, 2017	2.88	227,500	227,500
December 16, 2014	December 31, 2017	1.92	325,000	325,000
December 16, 2014	December 31, 2017	0.77	650,000	650,000
December 16, 2014	July 23, 2018	0.69	650,000	650,000
May 5, 2015	May 5, 2020	0.25	800,000	800,000
Total			5,392,500	5,392,500

The weighted average remaining life of the stock options exercisable is 2.88 years (January 31, 2016 – 2.97 years).

Share Purchase Warrants

There were no changes in share purchase warrants outstanding during the three months ended April 30, 2016.

The following table summarizes the share purchase warrants outstanding and exercisable at April 30, 2016:

Date Issued	Expiry Date	Exercise Price	Number Outstanding
April 17, 2014	April 17, 2019	(1)	28,460,790
July 3, 2015	July 3, 2018	0.20	5,000,000
December 15, 2015	December 15, 2017	0.20	1,000,000
Total			33,460,790

(1) Exercise price of \$0.31 until April 17, 2017 and \$0.42 until April 17, 2019

The weighted average remaining life of the share purchase warrants outstanding and exercisable is 2.90 years (January 31, 2016 – 3.06 years).

Share-based Payments

During the three months ended April 30, 2016 and 2015, the Company did not grant any stock options resulting in no share-based payments being recognized for the three months ended April 30, 2016 and 2015.

REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended April 30, 2016

(Unaudited - Expressed in Canadian dollars)

8. RELATED PARTY TRANSACTIONS AND BALANCES

The Company entered into the following transactions with key management personnel. The aggregate value of these transactions and outstanding balances are as follows:

	Three months ended	
	April 30, 2016	April 30, 2015
Management		
Management fees	\$ 167,289	\$ 164,561
Directors		
Directors' fees	19,000	18,000
	\$ 186,289	\$ 182,561

Amounts due to related parties as of April 30, 2016 and January 31, 2016 are as follows:

Related party liabilities	Items or services	April 30, 2016	January 31, 2016
Seabord Services Corp.	Management fees and advances	\$ 11,812	\$ 10,244
President	Compensation and reimbursable expenses	3,833	23,218
Various directors	Directors' fees	12,000	18,000
		\$ 27,645	\$ 51,462

Seabord Services Corp. ("Seabord") is a management services company controlled by a director of the Company. Seabord provides the services of: a Chief Financial Officer ("CFO"), a Corporate Secretary, Investor Relations management, accounting and administration staff, and office space to the Company. The CFO and Corporate Secretary are employees of Seabord and are not paid directly by the Company. A company controlled by the President and Chief Executive Officer charges Revelo management fees for his services.

9. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being the acquisition and exploration of mineral properties. Exploration and evaluation assets, exploration expenditures and property and equipment are located in Chile and substantially all of the Company's other assets and expenditures are located and incurred in Canada.

10. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial Risk Management

The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk and interest rate risk.

Credit Risk

Credit risk arises from cash as well as credit exposures to counterparties of outstanding receivables and committed transactions. There is no significant concentration of credit risk other than cash deposits and accounts receivable. The Company's cash deposits are primarily held with a Canadian chartered bank and receivables are considered collectable, as well as GST due from the federal government. Therefore credit risk is low.

REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended April 30, 2016

(Unaudited - Expressed in Canadian dollars)

10. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to pay obligations as they fall due. Financial liabilities, at April 30, 2016, included \$163,227 of accounts payable and accrued liabilities, and \$34,053 of amounts due to related parties. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and Chile and a portion of the Company's expenses are incurred in U.S. dollars and Chilean pesos. A significant change in the currency exchange rates between the Canadian dollar relative to the U.S. dollar and Chilean peso would have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. As at April 30, 2016, the Company is exposed to currency risk through the following assets and liabilities denominated in U.S. dollars and Chilean pesos:

	U.S. Dollars	Chilean Pesos	Total
Cash	\$ 411,884	\$ 1,504,596	
Receivables	-	29,149,897	
Accounts payable and accrued liabilities	3,000	52,672,773	
Net exposure	414,884	83,327,266	
Canadian dollar equivalent	\$ 520,912	\$ 159,451	\$ 680,363

Based on the above net exposures and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the U.S. dollar and Chilean peso would result in an increase/decrease of approximately \$68,000 in the Company's pre-tax loss.

Interest Rate Risk

When the Company has sufficient cash, it is invested in term deposits which can be reinvested without penalty after thirty days should interest rates rise. As at April 30, 2016 and January 31, 2016, the Company did not have any interest-bearing loans. Accordingly, the Company does not have significant interest rate risk.

Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties. The Company relies mainly on equity issuances to raise new capital and on entering into joint venture agreements on certain properties which enables it to conserve capital and to reduce risk. In the management of capital, the Company includes the components of equity as well as cash. The Company prepares annual estimates of exploration and administrative expenditures and monitors actual expenditures compared to the estimates. The Company's investment policy is to invest its cash in savings accounts or highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without interest penalty. There has been no change in approach to managing capital in the past twelve months. The Company may need to obtain additional capital to fund its administrative and exploration expenditures for the next twelve months.

REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended April 30, 2016

(Unaudited - Expressed in Canadian dollars)

11. FINANCIAL INSTRUMENTS BY CATEGORY

Fair Values

The Company's financial instruments consist of cash, receivables, marketable securities, accounts payable and accrued liabilities and due to related parties. Classification of financial instruments depends on the purpose for which the financial instruments were acquired or issued, their characteristics, and the Company's designation of such instruments.

As at April 30, 2016 and January 31, 2016, the Company has made the following classifications for its financial instruments:

As at April 30, 2016	Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total
Cash	\$ -	\$ 628,244	\$ -	\$ 628,244
Receivables	-	63,294	-	63,294
Marketable securities	67,511	-	-	67,511
Accounts payable and accrued liabilities	-	-	(163,227)	(163,227)
Due to related parties	-	-	(34,053)	(34,053)
	\$ 67,511	\$ 691,538	\$ (197,280)	\$ 561,769

As at January 31, 2016	Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total
Cash	\$ -	\$ 2,065,584	\$ -	\$ 2,065,584
Receivables	-	43,813	-	43,813
Marketable securities	52,267	-	-	52,267
Accounts payable and accrued liabilities	-	-	(259,677)	(259,677)
Due to related parties	-	-	(51,462)	(51,462)
	\$ 52,267	\$ 2,109,397	\$ (311,139)	\$ 1,850,525

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended April 30, 2016

(Unaudited - Expressed in Canadian dollars)

11. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

Fair Values (Continued)

Financial instruments which are measured using the fair value hierarchy are as follows:

Financial assets	Level 1	Level 2	Level 3	Total
Cash	\$ 628,244	\$ -	\$ -	\$ 628,244
Marketable securities	67,511	-	-	67,511
	\$ 695,755	\$ -	\$ -	\$ 695,755

The carrying values of receivables, accounts payable and accrued liabilities, and due to related parties approximate their fair value because of the short-term nature of these instruments.

12. SUPPLEMENTARY CASH FLOW INFORMATION

There were no significant non-cash investing and financing transactions during the three months ended April 30, 2016 and 2015.

13. EVENT AFTER THE REPORTING DATE

On May 17, 2016, pursuant to the Venture agreement entered into on January 20, 2014, the Company through its wholly owned Chilean subsidiary, Minera Serena Mining Chile Ltda., announced they have established a Chilean Joint Venture company ("JV"), with associated Shareholders' Agreement, with Minera Newmont (Chile) Ltda. ("Newmont"), a subsidiary of Newmont Mining Corporation (NYSE: NEM), in order to own and manage the Montezuma Project in northern Chile. The JV is currently owned 51% by Newmont and 49% by the Company, and Newmont has elected to pursue a further 14% (total 65%) in the JV company, and has a further option to earn up to 75%, according to the original Venture Agreement .