REVELO

RESOURCES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED JULY 31, 2016

Dated: September 19, 2016

(All amounts expressed in Canadian dollars unless otherwise indicated)

REVELO PROJECT MAP

GENERAL

Revelo Resources Corp. (the "Company" or "Revelo") is a Vancouver-based mineral exploration company engaged in the acquisition and exploration of base and precious metals projects in Chile. The Company is a reporting issuer in British Columbia, Alberta and Ontario, and trades on the TSX Venture Exchange ("TSX-V") as a Tier 2 issuer under the symbol RVL.

This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the condensed consolidated interim financial statements of Revelo for the six months ended July 31, 2016. The following information, prepared as of September 19, 2016 should be read in conjunction with the July 31, 2016 condensed consolidated interim financial statements and the related notes therein. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and on the Company's website at www.reveloresources.com.

Dr. Demetrius Pohl, PhD., Certified Professional Geoscientist (CPG), an independent consultant, is the Company's Qualified Person as defined by National Instrument 43-101, and is responsible for the accuracy of the technical information in this MD&A and has approved its written disclosure.

FORWARD LOOKING STATEMENTS

This MD&A may contain "forward-looking statements" that reflect the Company's current expectations and projections about its future results. Forward-looking statements are statements that are not historical facts, and include, but are not limited to: a) estimates and their underlying assumptions; b) statements regarding plans, objectives and expectations with respect to the effectiveness of the Company's business model, future operations, the impact of regulatory initiatives on the Company's operations, and market opportunities; c) general industry and macroeconomic performance and growth rates; d) expectations related to possible business opportunities, joint or strategic ventures; and e) statements regarding future performance.

Forward-looking statements used in this MD&A are subject to various risks, uncertainties and other factors, most of which are difficult to predict and are generally beyond the control of the Company. These risks, uncertainties and other factors may include, but are not limited to: a) unavailability of financing; b) failure to identify commercially viable mineral reserves; c) fluctuations in the market valuation for commodities; d) difficulties in obtaining required approvals for the development of a mineral project; and e) other factors.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks, uncertainties and other factors, including the risks, uncertainties and other factors identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by securities law.

COMPANY OVERVIEW

Revelo is a Prospect Generator, and has been a consolidator in one of the world's prime mining jurisdictions - Chile. The business model has been explicitly counter-cyclical with the consolidation of a largely wholly-owned portfolio of properties in Chile during the industry downturn of the last few years. Since 2014, Revelo has completed three property acquisitions deals with Minera Fuego (5 projects), with Altius Minerals (4 projects), and with Teck Resources (1 project). In addition, Revelo has completed a merger with Polar Star Mining (8 projects). Over US$100 million has been spent in exploration on the portfolio over a decade or more by the previous owners. This has resulted in Revelo consolidating an outstanding portfolio of 22 projects prospective for copper, gold and silver located along proven mineral belts in northern Chile. Revelo's total exposure to mineral tenements is around 300,000 Ha, of which about 100,000 Ha (3 projects) are currently subject to third party exploration expenditures.

Revelo's key objective is to obtain further option, joint venture, sale and royalty agreements with third parties to advance the projects within its portfolio. To this end, Revelo continues to advance low-cost surface exploration of its projects, and to carry out detailed re-organisation, re-validation and re-interpretation of historic exploration data sets. This is resulting in the discovery of attractive new targets within the existing portfolio, and improves the chances of attracting a partner. Revelo currently has several confidentiality agreements signed encompassing all available projects, and third parties are actively reviewing the projects.

In this way, Revelo is implementing effective exploration and capital management strategies to grow, advance and de-risk its portfolio to provide shareholders with multiple opportunities for exploration success.

The Company has an annual budget for fiscal 2017 (12 months ending January 31, 2017) of approximately $3.3 million that will fund property maintenance in Chile, a small technical office based out of Santiago (Chile), a small corporate presence in Vancouver (Canada), and discretionary exploration spending on its properties. Revelo also expects to see a minimum of US$3 million invested by its joint venture partners during the same period, and possibly more depending on specific programs and advances.

KEY EVENTS FOR THE THREE MONTHS ENDING JULY 31, 2016

- **EXPENDITURES:** During the three months ended July 31, 2016, Revelo incurred total operating expenditures of approximately $703,487, of which $163,575 was related to annual property maintenance fees in Chile, $290,452 was related to other exploration costs in Chile, and $249,460 was related to corporate overhead and business development costs;

- **MONTEZUMA PROJECT:** Revelo's Chilean subsidiary, Minera Serena Mining Chile Ltda., established a Chilean Joint Venture company, with an 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. Additionally, Newmont has indicated that it plans to start drill testing of key anomalies on the approximately 45,500 Ha Montezuma Project in Q3 2016 (See Company's news release dated May 17, 2016). Newmont is currently at the second phase of a three-phase earn-in option agreement allowing it to increase its current 51% interest in the project to 65%; and

- **BLOCK 2 PROJECT:** Revelo completed detailed geological and hydrothermal alteration mapping over key portions of its 100% owned Block 2 copper project, located 45 km northwest of the giant La Escondida copper mining district in northern Chile. The Company defined a new drill target (Los Morros) with potential for a porphyry copper discovery (See Company's news release dated May 24, 2016).

- **FINANCING:** Revelo completed a non-brokered private placement financing, raising $2,050,000 by the issuance of 27,333,333 units at $0.075 (the "Units"). Each Unit was comprised of one common share (a "Share") and one-half of one non-transferable common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase an additional Share at $0.11 until July 18, 2018. Finders' fees were paid on a portion of the placement. The finders' fees consisted of 967,000 Units (6% of the Units sold to investors introduced by finders), and non-transferable broker warrants to purchase 967,000 Shares (6% of such Units sold to investors). The broker warrants have the same terms as the Warrants. (See Company's news releases dated June 2, 2016, June 28, 2016 and July 18, 2016).

EVENT SUBSEQUENT TO THE THREE MONTHS ENDING JULY 31, 2016

Subsequent to the three months ended July 31, 2016, the Company granted 3,435,000 incentive stock options exercisable at $0.15 per share for a period of three years to directors, officers, employees, management company employees, and consultants of the Company.

PROJECT REVIEW FOR QUARTER ENDING JULY 31, 2016

Revelo's small, but highly experienced technical team is focused on identifying those projects or project portfolios of interest and, subject to their acquisition, organising and re-validating historic databases, adding low-cost surface exploration information, in particular detailed geological mapping, supplemented by in-house determinations of hydrothermal alteration clay mineralogy and geochemical sampling where appropriate, and subsequently re-interpreting and re-defining priority targets of interest to incoming partners.

Revelo's total exposure to mineral tenements in northern Chile is around 300,000 Ha, of which about 100,000 Ha (3 projects) are subject to third party exploration expenditures, making Revelo one of the more important tenement holders in Chile. More than US$100 million have been spent by previous owners in exploration on the portfolio, and Revelo owns most of the information and data resulting from this investment. Several targets are ready for drill testing and Revelo is actively looking for partners.

Revelo's consolidated tenement position of 300,000 Ha is divided between an outstanding portfolio of 22 projects prospective for copper, gold and silver located along proven mineral belts in northern Chile (as illustrated on the Revelo Project Map – Page 1), composed of:

A. 13 projects focused on copper (with by-product molybdenum and gold), of which:

- Montezuma: large Cu-Mo-Au under JV with a wholly owned Chilean subsidiary of Newmont
- Victoria: 2% uncapped royalty interest (currently non-producing) in a large Cu-Mo-Au-Ag project

B. 6 projects focused on gold and silver (with possible copper), of which:

- San Guillermo: Au-Ag high-grade veins under option with a wholly owned Chilean subsidiary of Austral

C. 3 projects focused on copper and gold (with possible by-product iron – or "IOCG")

Please refer to the Project section of our website (www.reveloresources.com/projects) for detailed information on the location, history, geologic setting and individual Project Fact Sheets (.pdf) of each of Revelo's properties. Project Booklets as well as maps are also available for download on the Company's website www.reveloresources.com/project-downloads.

A. COPPER PROJECTS

Northern Chile is host to 3 of the 10 largest copper mining districts in the world (Codelco Norte - Chuquicamata; La Escondida; and Collahuasi) along the Domeyko Cordillera, and Central Chile is host to a further 2 of the 10 largest copper mining districts in the world (Andina - Los Bronces; and El Teniente) along the Miocene Belt – all active and major producing mines. La Escondida is the world's largest single producing copper mine (producing > 1Mt per year of fine copper), and the Andina / Los Bronces / Sulfatos mining district represents the world's single largest resource of contained copper (> 200Mt of fine copper resources).

Revelo has accumulated 13 copper projects located along the principal copper belts of northern and central Chile:

PROJECT	HA	STATUS	COMPLETED ACTIVITIES	2016 ACTIVITIES
MONTEZUMA	45,000	51% Newmont 49% RVL	Geological mapping & geochemical sampling IP & magnetics geophysics Approximately 30,000m drilling	Drill testing by Newmont
VICTORIA	45,000	100% Hochschild RVL: 2% uncapped NSR	Multiple exploration campaigns Historic drilling	Exploration by First Qauntum
REINA HIJA	1,800	100% RVL Available fo JV	Database review/interpretation No historic drilling	Geological mapping Rock geochemical sampling
BLOCK 2	10,300	100% RVL Available fo JV	Detailed geological mapping Database review/interpretation No historic drilling	Geological mapping Rock & soil geochemical sampling
REDONDO-VERONICA	15,200	100% RVL Available fo JV	Reconnaissance geological mapping Database review/interpretation Historic drilling (no data)	Geological mapping Rock & soil geochemical sampling
BLOCK 3-CULEBRA	37,100	100% RVL Available fo JV	Reconnaissance geological mapping Database review/interpretation Shallow cover drilling > 6,500m	Geological mapping Rock geochemical sampling
BLOCK 4-ANACONDA	17,900	100% RVL Available fo JV	Reconnaissance geological mapping Database review/interpretation Historic drilling (no data)	Geological mapping Rock geochemical sampling
MORROS BLANCOS	13,000	100% RVL Available fo JV	Detailed geological mapping Database review/interpretation Limited geophysics (mag' & IP) > 5,300 m historic drilling	Soil geochemical sampling grid Drill ready
LOS AZULES	4,700	100% RVL Available fo JV	Detailed geological mapping Database review/interpretation > 5,500m historic drilling	Property consolidation Drill ready
CALVARIO	7,300	100% RVL Available fo JV	Detailed geological mapping Database review/interpretation > 4,000m historic drilling	Age dating Soil geochemical survey Drill ready
MIRADOR	3,000	100% RVL Available fo JV	Detailed geological mapping Database review/interpretation No historic drilling	Age dating Rock & soil geochemical survey
SAN VALENTINO	1,200	100% RVL Available fo JV	Detailed geological mapping Database review/interpretation > 1,500m historic drilling	Age dating Rock geochemical survey Drill ready
BRONCE WESTE	4,700	100% RVL Available fo JV	Database review/interpretation > 4,500m historic drilling	Detailed geological mapping Soil geochemical survey

During the three months ended July 31, 2016, the Company incurred costs of approximately $309,000 (2015 - $133,000) on the combined copper projects. Of this amount, approximately $115,000 (2015 - $37,000) was related to property maintenance. Property maintenance costs and legal costs are recovered from option and joint venture partners where appropriate.

Revelo continued to carry out detailed geological and hydrothermal alteration mapping supported by geochemical surveys at Block 2 and Morros Blancos during the six months ended July 31, 2016. As a result, the Company has defined new porphyry copper targets at both its Block 2 (See Company's news release dated May 24, 2016) and Morros Blancos (See Company's news release dated August 2, 2016) projects.

MONTEZUMA PROJECT – JOINT VENTURE with NEWMONT MINING (51% Newmont - 49% Revelo)

The Montezuma project is located approximately 20 km south of the important mining town of Calama in northern Chile. The project is situated in the centre of one of the most geologically productive segments of the principal northern Chile copper belt, along trend and approximately 38 km due south of the giant Chuquicamata copper mine (Codelco) and other related copper deposits in the district, and some 40 km north-northeast of the Esperanza copper mine (Antofagasta Minerals) and related deposits.

The Montezuma project is subject to an option and joint venture agreement with Newmont (See Company's news release dated January 20, 2014). Newmont completed Phase 1 Earn-in to 51% by spending more than US$2.5 million in exploration expenditures, and has elected to continue to Phase 2 Earn-In (to 65% in total) by spending an additional US$ 5,500,000 in exploration expenditures (See Company's news release dated February 23, 2015) prior to August 2017. Newmont has informed Revelo that it had spent approximately US$3,500,000 towards Phase 2 expenditure requirements up to June, 2016.

A Chilean Joint Venture company, with associated Shareholders' Agreement, has been established in order to own and manage the Project. Newmont has indicated that it plans to start drill testing of key anomalies in Q3 2016 (See Company's news release dated May 17, 2016).

B. GOLD-SILVER PROJECTS

The north-south trending Paleocene (or Central) Belt of northern Chile, lies parallel to, and immediately to the west of, the Domeyko copper belt described in the previous section. It is host to a number of important porphyry copper deposits and mines extending from southern Peru (Cuajone, Toquepala, Quellaveco), to northern Chile (Cerro Colorado, Spence, Sierra Gorda, Corridor), but is also host to important bonanza-style, epithermal precious metals veins, with the most important deposits discovered to date centred around Yamana Gold's El Peñon, Fortuna and Pampa Augusta Victoria mines. Other, similar, and currently productive and historically productive precious metals deposits are concentrated along the belt over approximately 350 km centred on the El Peñon mine.

Revelo has established an important land position with 2 large and 4 smaller gold-silver projects located along the Paleocene Belt:

PROJECT	HA	STATUS	COMPLETED ACTIVITIES	2016 ACTIVITIES
SAN GUILLERMO	12,000	100% RVL Austral Gold Option	Geological mapping & sampling Magnetics, IP and VLF geophysics Approximately 46,000m drilling	Exploration by Austral Gold
MAGALLANES	1,000	100% RVL Available fo JV	Detailed geological mapping Rock geochemical sampling Trenching of Veinticinco Vein No historic drilling	Land consolidation-discussions with surrounding land holders
LAS PAMPAS	40,200	100% RVL Available fo JV	Detailed geological mapping Rock & soil geochemical survey Minor trenching Heli-borne EM, Heli-borne & ground magnetics >15,000m drilling	Possible division in three blocks Several targets Drill ready
LORO	4,500	100% RVL Available fo JV	Detailed geological mapping Rock & soil geochemical survey No historic drilling	Geophysical profiles
LIMBO	5,600	100% RVL Available fo JV	Grassroots target No historic drilling	Detailed geological mapping Rock & soil geochemical survey Geophysical profiles
REPRADO	2,100	100% RVL Available fo JV	Geological mapping Trenching 2,750m of drilling	Database review/interpretation Detailed geological mapping Rock & soil geochemical survey Geophysical profiles

During the three months ended July 31, 2016, the Company incurred costs of approximately $48,000 (2015 - $43,000) on the combined gold-silver projects. Of this amount, approximately $28,000 (2015 - $8,700) was related to property maintenance. Property maintenance costs and legal costs are recovered from option and joint venture partners where appropriate.

Revelo focused its efforts on carrying out property visits to Las Pampas and Loro with prospective partners during the quarter, with several expressing interest.

SAN GUILLERMO PROJECT – OPTION, SALE & ROYALTY AGREEMENT with AUSTRAL GOLD

The San Guillermo project is strategically located along the highly productive Paleocene Mineral Belt in northern Chile, some 135 km south-southwest of the El Peñon mining district. Numerous indications of gold and silver mineralization occur on the property, including several high-grade drill intercepts. The project surrounds the Amancaya precious metals vein mining project of Austral, which is reported to shortly go into production.

The San Guillermo project is under an Option and Sale Agreement with Austral's Chilean subsidiary. Austral will have the sole and exclusive option and right to acquire a 100% of the San Guillermo project, by paying Revelo a total of US$ 2,650,000, plus spending US$ 3,000,000 on exploration over of three years. Revelo will also retain a

0.5% NSR royalty on any future production from the project (See Company's news release dated February 08, 2016).

C. COPPER-GOLD (IOCG) PROJECTS

The north-south trending Coastal Belt is parallel to, and lies immediately west of, the Paleocene Belt described in the previous section, and is bounded to the west by the Chilean coastline. The belt is host to important copper-gold (-iron) deposits and mines, such as Candelaria (Lundin Mining) and Manto Verde (Audley/Orion); iron-ore deposits and mines, such as El Romeral (CAP), El Tofo (CAP) and El Algarrobo (CAP); and copper-silver "manto" deposits and mines, such as Mantos Blancos (Audley/Orion) and Carolina de Michilla (Antofagasta Minerals); amongst other deposit types including porphyry copper deposits and a variety of vein and shear-zone hosted deposits.

Revelo has assembled a portfolio of 3 projects within the Coastal Belt of northern Chile:

PROJECT	HA	STATUS	COMPLETED ACTIVITIES	2016 ACTIVITIES
T4	5,000	100% RVL Available fo JV	Detailed geological mapping Rock & soil geochemical sampling Ground magnetics survey	Drill ready
LAS ANIMAS	6,000	100% RVL Available fo JV	Reconnaissance geochemical sampling	Detailed geological mapping Rock & soil geochemical survey Interpretation of state geophysical data
MORSAS	15,500	100% RVL Available fo JV	Reconnaissance geochemical sampling	Detailed geological mapping Rock & soil geochemical survey Interpretation of state geophysical data

During the 3 months ended July 31, 2016, the Company incurred costs of approximately $59,000 (2015 - $29,000) on the combined IOCG projects. Of this amount, approximately $21,000 (2015 - $20,000) was related to property maintenance.

Revelo has not carried out further exploration work on these properties during the quarter, but plans to advance both Las Animas and Morsas are being refined.

RESULTS OF OPERATIONS

Three Months Ended July 31, 2016

For the three months ended July 31, 2016, the Company recorded a net income of $947,098 or $0.01 per share compared to a net loss of $713,702 or $0.01 per share for the comparative three months. The more significant variances are summarized below.

		July 31, 2016		July 31, 2015		Variance
Exploration expenditures	$	454,027	$	378,707	$	75,320
Foreign exchange gain		12,748		238,399		(225,651)
Impairment of accounts receivable		-		(186,716)		186,716
Gain on acquisition of an associated entity		1,602,454		-		1,602,454
	$	2,069,229	$	430,390	$	1,638,839

Explorations expenditures were higher for the three months ended July 31, 2016 compared to the comparative three months as a result of detailed geological and hydrothermal alteration mapping supported by geochemical surveys at Block 2 and Morros Blancos, and additional site visits to Las Pampas and Loro projects. Work completed on the projects is detailed in the project review.

The significant foreign exchange gain for the three months ended July 31, 2015 compared to the three months ended July 31, 2016 was the result of the Company holding $US denominated cash and strengthening US dollar compared to the Canadian dollar. The US cash was the result of the sale of Xtract shares and continues to be used to fund operations.

During the three months ended July 31, 2015, the Company recorded a provision for impairment of accounts receivables. There was no such impairment for the three months ended July 31, 2016.

During three months ended July 31, 2016, the Company and Newmont established a Chilean Joint Venture entity, Sociedad Contractual Minera Montezuma (“SCM”). In exchange for contributing the Montezuma licenses, the Company acquired a 49% equity interest in SCM. As a result of the transaction, the Company recorded a gain of $1,602,454.

Six Months Ended July 31, 2016

For the six months ended July 31, 2016, the Company recorded a net loss of $525,859 or $0.01 per share compared to a net loss of $549,355 or $0.01 for the comparative six months. The more significant variances are summarized below.

		July 31, 2016		31-Jul-15		Variance
Exploration expenditures	$	1,554,513	$	1,294,133	$	260,380
Foreign exchange (loss) gain		(115,634)		223,870		(339,504)
Impairement of accounts receivable		-		(186,716)		186,716
Gain on acquisition of an associated entity		1,602,454		-		1,602,454
Gain on sale of marketable securities		-		1,415,301		(1,415,301)
	$	3,041,333	$	2,746,588	$	294,745

The explanation for the variances for the six months ended July 31, 2016 compared to the six months ended July 31, 2015 are consistent with the variances for the comparable three months ended July 31, 2016.

The significant gain on the sale of marketable securities in the six months ended July 31, 2015 was the result of selling all of its shares of Xtract and Kairos, both acquired through the acquisition of Polar Star late in December 2015. There was no comparable transaction in the six months ended July 31, 2016.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of $1,972,439 at July 31, 2016 compared to working capital of $1,902,792 at January 31, 2016. The Company's cash decreased by approximately $98,000 from January 31, 2016 as a result cash consumed in operations of $2,270,000 partially offset by $150,132 received in option payments, and $2,020,000 in net cash generated from a private placement. The Company incurred significant cash payments for annual land fees on its exploration properties which are heavily weighted to the beginning of each fiscal year. Management may need additional sources of working capital to continue its currently planned programs for the next twelve months by issuing new shares or the sale of assets.

SELECTED QUARTERLY INFORMATION

Quarter Ended		July 31, 2016		April 30, 2016		January 31, 2016		October 31, 2015
Exploration expenditures	$	454,027	$	1,100,486	$	498,201	$	417,325
Net income (loss) for the period		947,098		(1,472,957)		(718,760)		(643,719)
Net income (loss) per share (basic and diluted)		0.01		(0.01)		(0.01)		(0.01)

Quarter Ended		July 31, 2015		April 30, 2015		January 31, 2015		October 31, 2014
Exploration expenditures	$	378,707	$	915,426	$	423,919	$	294,667
Net income (loss) for the period		(713,702)		164,347		(1,150,318)		(733,477)
Net income (loss) per share (basic and diluted) (1)		(0.01)		0.00		(0.02)		(0.02)

(1) The net loss or income per share has been restated for the seven for one share consolidation which was approved by shareholders in April 2014.

The Company's net loss or net income each quarter varies mainly due to the timing of stock option and share grants, foreign exchange gains and losses related to the Company's holding of United States dollar denominated working capital items, gains or losses on investments held in its portfolio, along with varying levels of operations activities on its exploration projects and due diligence undertaken on new prospects.

For the quarter ended July 31, 2016, the net income position was the result of a significant gain of $1,602,452 recorded on the transfer Montezuma to the Chilean Joint Venture entity, SCM Montezuma.

For the quarter ended April 30, 2016, there were no significant expense or income items not in the normal course of business. Significant variances when compared to previous quarters are consistent with the factors noted above.

For the quarter ended January 31, 2016, the Company recorded a net loss of $718,760 compared to a net loss of $643,719 in the previous quarter. The unfavorable variance was the result of increased land maintenance charges and impairment on accounts receivables. This variance was partially offset by a gain on the sale of exploration and evaluation assets, and a gain on derecognition of accounts payable and accrued liabilities, and other assets.

For the quarter ended October 31, 2015, the Company recorded a net loss of $643,719 compared to a net loss of $713,702 in the previous quarter. The favorable variance in the current quarter is the net result of a foreign exchange gain, a decrease in investor relations expenses, and the result of an impairment charge on accounts receivable in the previous quarter partially offset by an increase in exploration expenditures.

For the quarter ended July 31, 2015 the Company recorded a net loss of $713,702 compared to net income of $164,347 in the prior quarter. The favorable variance in the prior quarter was mainly due to a gain on sale of marketable securities in the quarter ended April 30, 2015 which totaled $1,415,301 compared to $Nil in the current quarter. This was partially offset in the current quarter due to a gain on foreign exchange from holding U.S. dollar cash balances, a reduction in exploration expenditures as activities were focused on acquisition, and a reduction in share-based compensation.

For the quarter ended April 30, 2015 the Company had net income of $164,347 compared to a loss of $1,150,318 in the prior quarter. The favorable variance was due to a gain on sale of marketable securities in the quarter ended April 30, 2015 which totaled $1,415,301 compared to an impairment loss of $686,976 in the prior quarter. This resulted in a total favorable variance of $2,102,277. This gain was partially offset by higher exploration expenditures in the quarter ended April 30, 2015.

For the quarter ended January 31, 2015 the loss was higher than in the prior quarter due to an unrealized loss recorded on the Company's marketable securities of $686,976.

For the quarter ended October 31, 2014 the Company recorded a net loss of $733,477 compared to a net loss of $1,133,820 in the prior quarter. The net loss was lower in the October quarter due to lower exploration expenditures and lower share-based compensation partially offset by higher professional fees.

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.

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 July 31, 2016, included $159,620 of accounts payable and accrued liabilities, and $15,632 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 July 31, 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	$ 140,804	$ 51,485,544	
Receivables	-	36,176,799	
Accounts payable and accrued liabilities	2,017	61,848,008	
Net exposure	142,821	149,510,351	
Canadian dollar equivalent	$ 186,187	$ 297,870	$ 484,057

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 $48,000 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 July 31, 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.

FINANCIAL INSTRUMENTS

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 July 31, 2016, the Company has made the following classifications for its financial instruments:

As at July 31, 2016	Fair value through profit and loss	Loans and receivables	Other financial liabilities	**Total**
Cash	$ -	$ 1,967,347	$ -	$ 1,967,347
Receivables	-	9,639	-	9,639
Marketable securities	111,067	-	-	111,067
Accounts payable and accrued liabilities	-	-	(159,620)	(159,620)
Due to related parties	-	-	(15,632)	(15,632)
	$ 111,067	$ 1,976,986	$ (175,252)	$ 1,912,801

Determination of Fair Value

The following table analyzes the assets and liabilities which are measured at fair value on a recurring basis in the statement of financial position. The different levels are defined as follows:

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); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments using the fair value hierarchy are as follows:

Financial assets	Level 1	Level 2	Level 3	Total
Cash	$ 1,967,347	$ -	$ -	$ 1,967,347
Marketable securities	111,067	-	-	111,067
	$ 2,078,414	$ -	$ -	$ 2,078,414

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

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

Six months ended July 31, 2016	Salary or Fees	Share-based Payments	Total
T. Beale, President and CEO	$ 94,560	$ -	$ 94,560
M. Winn, Chairman/former CEO	47,193	-	47,193
Seabord Services Corp.	143,967	-	143,967
M. Szotlender, director - fees	47,228	-	47,228
C. Bird, director - fees	12,000	-	12,000
R. Jannas, director - fees	12,000	-	12,000
C. Cannon-Brookes, director - fees	7,000	-	7,000
	$ 363,948	$ -	$ 363,948

Six months ended July 31, 2015	Salary or Fees	Share-based Payments	Total
T. Beale, President and CEO	$ 94,500	$ -	$ 94,500
M. Winn, Chairman/former CEO	44,890	-	44,890
Seabord Services Corp.	144,335	-	144,335
M. Szotlender, director - fees	45,023	-	45,023
C. Bird, director - fees	12,000	34,473	46,473
R. Jannas, director - fees	12,000	-	12,000
C. Cannon-Brookes, director - fees	12,000	34,474	46,474
	$ 364,748	$ 68,947	$ 433,695

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

Related party liabilities	Items or services	July 31, 2016	January 31, 2016
Seabord Services Corp.	Management fees and advances	$ 9,632	$ 10,244
Various directors	Directors' fees	6,000	18,000
President and CEO	Compensation and reimbursable expenses	-	23,218
		$ 15,632	$ 51,462

Seabord Services Corp. ("Seabord") is a management services company controlled by the Chairman of the Company. Seabord provides the services of a Chief Financial Officer, a Corporate Secretary, an investor relations manager, accounting and administration staff, and office space to the Company. The Chief Financial Officer and Corporate Secretary are employees of Seabord and are not paid directly by the Company. Seabord Capital Corp. is a company controlled by the Chairman of Revelo and charges management fees on his behalf.

The Company compensates senior management personnel through salaries and benefits or consulting fees and the amount of compensation is mutually agreed upon by the two parties. The Company believes that the amount of compensation paid to its senior management falls within the normal market range for these kinds of services. The contracts for senior management and Seabord Services Corp. are on-going monthly contractual commitments which can be terminated by either party with sufficient notice.

Effective February 1, 2016, the Company adopted the following accounting standards

Investments in Associated Companies

The Company accounts for its long-term investments in affiliated companies over which it has significant influence on the equity basis of accounting, whereby the investment is initially recorded at cost, adjusted to recognize the Company's share of earnings or losses and reduced by dividends received.

The Company assesses its equity investments for impairment if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the equity investment and that the event or events has an impact on the estimated future cash flow of the investment that can be reliably estimated. Objective evidence of impairment of equity investments includes:

- Significant financial difficulty of the associated companies;
- Becoming probable that the associated companies will enter bankruptcy or other financial reorganization; or,
- National or local economic conditions that correlate with defaults of the associated companies.

Classification of investments as subsidiaries, joint ventures, associated company and portfolio investments

Classification of investments requires judgement as to whether the Company controls, has joint control of or significant influence over the strategic financial and operating decisions relating to the activity of the investee. In assessing the level of control or influence that the Company has over an investment, management considers ownership percentages, board representation as well as other relevant provisions in shareholder agreements. If an investor holds 20% or more of the voting power of the investee, it is presumed that the investor has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the investor holds less than 20% of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence can be clearly demonstrated.

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.

RISKS AND UNCERTAINTIES

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities. There can be additional risks involved in some countries where pending applications for claims or licenses can be affected by government changes to application procedures.

Some of the Company's mineral properties are located within or near local communities. In these areas it may be necessary as a practical matter to negotiate surface access with these local communities. There can be no guarantee that, despite having the legal right to access a particular mineral property and carry on exploration activities, the Company will be able to negotiate a satisfactory agreement with any such existing land owners or communities for this access. Therefore the Company or one of its joint venture partners may be unable to carry out exploration activities on a property. In those circumstances where access has been denied by a local community or land owner, the Company may need to rely on the assistance of local officials or the courts to gain access or it may be forced to abandon the property.

No Assurance of Titles or Borders

The acquisition of the right to exploit mineral properties is a very detailed and time consuming process. There can be no guarantee that the Company has acquired title to any such surface or mineral rights or that these rights will be obtained in the future. To the extent they are obtained, titles to the Company's surface rights or mineral properties may be challenged or impugned and title insurance is generally not available. The Company's mineral properties may be subject to prior unregistered agreements, transfers or claims and title may be affected by, among other things, undetected defects. Such third party claims could have a material adverse impact on the Company's operations.

Joint Venture Funding Risk

The Company's strategy includes seeking partners through joint ventures to fund exploration and project development. The main risk of this strategy is that funding partners may not be able to raise sufficient capital in order to satisfy exploration and other expenditure terms in a particular joint venture agreement. As a result, exploration and development of one or more of the Company's property interests may be delayed depending on whether the Company can find another partner or has enough capital resources to fund the exploration and development on its own.

Commodity Price Risk

The Company is exposed to commodity price risk. Declines in the market price of gold, base metals and other minerals may adversely affect the Company's ability to raise capital or attract joint venture partners in order to fund its on-going operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of one of its mineral properties to a third party.

Financing and Share Price Fluctuation Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties.

Securities markets can have periods of high price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as Revelo, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

Political, Regulatory and Currency Risks

The Company is currently operating in a country that has a relatively stable political and regulatory environment. However, changing political initiatives may affect the regulatory environment in which the Company operates. The Company's equity financings are sourced in Canadian dollars but for the most part it incurs its exploration expenditures in Chilean pesos and US dollars. At this time there are no currency hedges in place. Therefore a weakening of the Canadian dollar against the Chilean peso or US dollar could have an adverse impact on the amount of exploration conducted.

Insured and Uninsured Risks

In the course of exploration, development and eventually metal production from mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labour disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and result in a decline in the value of the securities of the Company.

Environmental and Social Risks

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present. Social risks are generally low in the principal country of operation of the Company, but changing social expectations could add new layers of risk to the viability of exploration and development properties.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Key Personnel Risk

Revelo's success is dependent upon the performance of key personnel working in management and administrative capacities or as consultants, The loss of the services of senior management or key personnel could have a material and adverse effect on the Company, its business and results of operations.

Competition

The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company does for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has 128,486,027 common shares outstanding. There are also 8,827,500 stock options outstanding with exercise prices ranging from $0.15 to $2.88 and expiry dates ranging from December 17, 2017 to May 5, 2020. Revelo also has 49,577,957 common share purchase warrants outstanding with exercise prices ranging from $0.11 to $0.31 and expiry dates ranging from December 15, 2017 to April 17, 2019.