REVELO
RESOURCES CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

JULY 31, 2017 AND 2016

(Unaudited - Expressed in Canadian dollars)

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of Revelo Resources Corp. for the six months ended July 31, 2017 and 2016 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.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	July 31, 2017	January 31, 2017
ASSETS		
Current assets		
Cash	$ 171,380	$ 662,324
Receivables (Note 3)	9,495	7,397
Prepaid expenses and deposits	48,028	29,557
Total current assets	228,903	699,278
Non-current assets		
Investment in associated entity (Note 5)	-	78,890
Exploration and evaluation assets (Note 6)	3,198,561	3,304,859
Property and equipment (Note 8)	104,915	119,831
Total non-current assets	3,303,476	3,503,580
TOTAL ASSETS	3,532,379	4,202,858
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	176,728	197,875
Due to related parties (Note 9)	139,251	9,322
TOTAL LIABILITIES	315,979	207,197
EQUITY		
Share capital (Note 10)	24,640,592	23,252,601
Reserves	7,725,978	7,269,217
Deficit	(29,150,170)	(26,526,157)
TOTAL EQUITY	3,216,400	3,995,661
TOTAL LIABILITIES AND EQUITY	$ 3,532,379	$ 4,202,858

Nature of Operations and Ability to Continue as a Going Concern (Note 1)
Events after the Reporting Date (Note 15)

These condensed consolidated interim financial statements were authorized for issuance by the Board of Directors on September 13, 2017.

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.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	Three months ended		Six months ended	
	July 31, 2017	July 31, 2016	July 31, 2017	July 31, 2016
EXPLORATION EXPENDITURES (Note 7)	$ 582,539	$ 454,027	$ 1,847,255	$ 1,554,513
Less: recoveries	(24,329)	-	(24,329)	-
Net exploration expenditures	558,210	454,027	1,822,926	1,554,513
GENERAL AND ADMINISTRATIVE EXPENSES				
Administration	18,250	13,145	90,856	32,097
Amortization (Note 8)	7,458	7,971	14,916	16,237
Consulting fees	18,000	18,000	36,600	37,000
Investor relations and shareholder information	26,555	13,736	44,941	24,500
Management compensation (Note 9)	183,059	163,546	385,303	334,820
Professional fees	16,548	15,648	31,555	29,288
Share-based compensation (Note 10)	1,822	-	5,028	-
Transfer agent and regulatory fees	16,554	11,379	27,085	21,215
Travel	9,797	6,035	18,025	14,778
Total general and administrative expenses	298,043	249,460	654,309	509,935
Loss from operations	(856,253)	(703,487)	(2,477,235)	(2,064,448)
Foreign exchange (loss) gain	(40,909)	12,748	(31,470)	(115,634)
Unrealized gain on marketable securities	-	43,556	-	58,800
Gain on acquistion of an associated entity	-	1,602,454	-	1,602,454
Equity loss in associated entity (Note 5)	-	(10,480)	(76,029)	(10,480)
Write-off of exploration and evaluation assets (Note 6)	(40,013)	-	(40,013)	-
Other income	-	-	-	-
Interest income	59	2,307	734	3,449
Net gain (loss) for the period	$ (937,116)	$ 947,098	$ (2,624,013)	$ (525,859)
Translation of investment in associated entity	-	-	2,861	-
Total comprehensive gain (loss) for the period	$ (937,116)	$ 947,098	$ (2,621,152)	$ (525,859)
Basic and diluted income (loss) per common share	$ (0.01)	$ 0.01	$ (0.02)	$ (0.01)
Weighted average number of common shares outstanding	167,405,027	104,184,654	148,913,126	102,207,146

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

REVELO RESOURCES CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Six months ended July 31, 2017	Six months ended July 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (2,624,013)	$ (525,859)
Items not affecting cash:		
Amortization (Note 8)	14,916	16,237
Share-based compensation (Note 10)	5,028	-
Unrealized gain on marketable securities	-	(58,800)
Equity loss in associated entity (Note 5)	76,029	10,480
Gain on acquisition of an associated entity	-	(1,602,454)
Write-off of exploration and evaluation assets (Note 6)	40,013	-
Changes in non-cash working capital items:		
Receivables	(2,098)	34,079
Prepaid expenses and deposits	(18,471)	(7,276)
Accounts payable and accrued liabilities	(21,147)	(118,478)
Due to related parties	129,929	(17,409)
Net cash used in operating activities	(2,399,814)	(2,269,480)
CASH FLOWS FROM INVESTING ACTIVITIES		
Option payments received (Note 6)	66,285	150,132
Net cash provided by investing activities	66,285	150,132
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares, net (Note 10)	1,842,585	2,021,111
Net cash provided by financing activities	1,842,585	2,021,111
Net change in cash during the period	(490,944)	(98,237)
Cash, beginning of period	662,324	2,065,584
Cash, end of period	$ 171,380	$ 1,967,347

Supplementary Cash Flow Information (Note 14)

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

REVELO RESOURCES CORP.

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
Private placement at $0.075 per share	27,333,333	1,268,871	781,129	-	2,050,000
Finders' fees in units	967,000	44,890	27,635	-	72,525
Share issuance costs in units	-	(72,525)	-	-	(72,525)
Share issuance costs in finders' warrants	-	(56,553)	56,553	-	-
Share issuance costs in cash	-	(36,059)	-	-	(36,059)
Share-based payments	-	-	172,294	-	172,294
Other comprehensive income on translation of investment in associated entity	-	-	72,465	-	72,465
Loss for the year	-	-	-	(5,449,689)	(5,449,689)
Balance as at January 31, 2017	128,486,027	23,252,601	7,269,217	- 26,526,157	3,995,661
Private placement at $0.05 per share	38,919,000	1,491,356	454,594	-	1,945,950
Finders' fees in cash	-	(77,877)	-	-	(77,877)
Share issuance costs in cash	-	(25,488)	-	-	(25,488)
Share-based payments	-	-	5,028	-	5,028
Other comprehensive income on translation of investment in associated entity	-	-	(2,861)	-	(2,861)
Loss for the period	-	-	-	(2,624,013)	(2,624,013)
Balance as at July 31, 2017	167,405,027	$ 24,640,592	$ 7,725,978	$ (29,150,170)	$ 3,216,400

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

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 July 31, 2017, 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 consolidated financial statements, the Company will need to obtain additional cash and anticipates either financing or selling one or more of its assets. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

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.

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, 2017.

New and Future Accounting Standards

The following standards and pronouncements have been issued by the IASB and have not yet been adopted by the Company:

Future Accounting Pronouncements

IFRS 9, *Financial Instruments* ("IFRS 9"), addresses the classification, measurement and de-recognition 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 de-recognition 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.

3. RECEIVABLES

The Company's receivables arise from goods and services tax and harmonized sales taxes receivable from government taxation authorities, and recovery of exploration expenditures from joint venture partners. As at July 31, 2017, all receivables consisted goods and services tax and harmonized sales taxes receivable denominated in Canadian dollars.

4. ASSET ACQUISITION

On March 3, 2017, the Company's joint venture partner, Minera Newmont (Chile) Ltda. ("Newmont"), a subsidiary of Newmont Mining Corporation (NYSE: NEM), elected to withdraw from the Montezuma copper project ("Montezuma") in northern Chile and return its 51% earned interest to Revelo in exchange for a perpetual 1% NSR Royalty interest in the project. As a result of this arrangement, the Company has regained 100% interest in the Montezuma project. The Company's previous 49% interest was recognized as an investment in an associated entity (Note 5).

The acquisition of this 51% interest in Sociedad Contractual Minera Montezuma ("SCM"), who holds the Montezuma project, was accounted for as an asset acquisition. As such, SCM changed from an associated entity to a subsidiary of the Company on March 3, 2017 and has since been accounted for in accordance with IFRS 10, Consolidated Financial Statements.

The following table summarizes the consideration paid, the relative fair value of assets acquired, and the liabilities assumed.

Purchase Price:		
Opening equity interest in SCM as at January 31, 2017	$	78,890
Translation of investment in an associated entity		(2,861)
Equity loss in an associated entity (Note 5)		(76,029)
Total purchase price	$	-
Purchase Price Allocation:		
Cash	$	63,618
Prepaid expenses		17,472
Accounts payable and accrued liabilities		(81,090)
Total purchase price allocated	$	-

The equity loss in an associated entity for the period reflects the net equity loss from February 1, 2017 to the acquisition date March 3, 2017.

5. INVESTMENT IN AN ASSOCIATED ENTITY

In May 2016, through its wholly owned subsidiary, Minera Serena Mining Chile Ltda, the Company established a Chilean Joint Venture entity named Sociedad Contractual Minera Montezuma ("SCM"), and an associated Shareholder Agreement with Minera Newmont (Chile) Ltda. ("Newmont"), a subsidiary of Newmont Mining Corporation (NYSE: NEM), to hold and manage the Montezuma Project (Note 6). In exchange for a 49% interest in SCM, the Company transferred its Montezuma licenses to SCM.

(Unaudited - Expressed in Canadian dollars)

5. INVESTMENT IN AN ASSOCIATED ENTITY (Continued)

On initial recognition, the Company valued its 49% interest in SCM In accordance with IAS 28, and recorded a value of its 49% interest equal to the asset value prior to the sale.

Pursuant to the Shareholder Agreement, the operations, policies, objectives, and procedures of SCM were controlled and determined by a Management Committee. The Management Committee was comprised of two members each appointed by Newmont and the Company, with Newmont, having a 51% interest the right to be the overall manager of operations and holding the deciding vote in case of a tie.

The Company had a minority position on the management committee of SCM, and did not control operational decisions. The Company’s judgment is that it had significant influence, but not control and accordingly equity accounting is appropriate.

On March 3, 2017, Newmont elected to withdraw from the Montezuma project and returned its 51% earned interest to Revelo in exchange for a perpetual 1% NSR Royalty interest in the project (Note 4). As a result of this arrangement, the Company has regained 100% interest in the Montezuma project and SCM Montezuma became as a wholly owned subsidiary of the Company.

As at July 31, 2017, the Company’s investment less its share of accumulated equity losses was $Nil (January 31, 2017 - $78,890). The Company’s share of the net loss for the period ended July 31, 2017 was $76,029 (2016 - $Nil) and reflects the equity loss up to March 3, 2017.

As at July 31, 2017, and January 31, 2017, SCM’s aggregate assets, aggregate liabilities and net losses are as follows:

	July 31, 2017	January 31, 2017
Current assets	$ -	$ 551,756
Non-current assets	-	6,390,196
Current liabilities	-	(3,586,062)
Other comprehensive income	-	72,465
Loss for the period	-	(3,065,497)
The Company's ownership percentage	-	49%
The Company's share of loss for the period	-	(1,502,093)

(Unaudited - Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

	July 31, 2017	January 31, 2017
Las Pampas, Chile	$ 651,722	$ 651,722
Cerro Blanco, Chile	100,000	100,000
Cero Buenos Aires, Chile	100,000	100,000
Magallanes, Chile	1	1
T4, Chile	11,836	11,836
San Guillermo, Chile	23,663	89,949
Morros Blancos, Chile	70,030	70,030
Altamira, Chile	10,000	10,000
Calvario, Chile	120,041	120,041
Mirador, Chile	120,042	120,042
Bronce Weste, Chile	1	1
San Valentino, Chile	120,041	120,041
Reina Hija, Chile	1	40,014
Montezuma, Chile	1	-
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	1	1
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
	$ 3,198,561	$ 3,304,859

During the six months ended July 31, 2017, the Company received a cash payment of $66,286 (US$ 50,000) as the first anniversary payment related to an option and sale agreement for the San Guillermo property with Austral Gold Limited. Pursuant to the Company’s accounting policy, the payment received was applied against capitalized costs.

Also during the six months ended July 31, 2017, the Company wrote down the Reina Hija property in Chile to a nominal value and recorded a total write down of $40,013. Other than maintenance costs, the Company does not expect to incur significant exploration costs on Reina Hija in the foreseeable future. The Company still holds a 100% interest, continues to look for opportunities, and intends to keep the project in good standing.

(Unaudited - Expressed in Canadian dollars)

7. EXPLORATION EXPENDITURES

During the six months ended July 31, 2017, the Company incurred the following exploration expenditures, including regional exploration and property investigation costs, which were expensed as incurred:

	Calvario	Morros Blancos	Morsas	Montezuma	Redondo-Veronica	Block 3 - Culebra	Block 4 - Anaconda	Las Pampas	Las Animas	Regional project development	Total
Exploration field costs	$ -	$ -	$ -	$ 78,764	$ -	$ -	$ -	$ -	$ -	$ 27,230	$ 105,994
Legal and accounting	4,117	4,824	682	20,569	2,452	1,413	1,244	-	1,565	116,698	153,564
Office and administration	3,769	3,173	1,800	24,702	5,166	2,976	2,620	132	6,203	37,255	87,796
Property maintenance	51,986	42,400	26,112	235,126	74,437	42,879	37,750	175,536	57,807	351,708	1,095,741
Salaries and benefits	16,352	13,764	7,809	105,884	22,410	12,909	11,365	-	17,909	149,289	357,691
Travel	192	162	92	29,781	263	152	133	-	210	15,484	46,469
Total Expenditures	76,416	64,323	36,495	494,826	104,728	60,329	53,112	175,668	83,694	697,664	1,847,255
Recoveries	-	-	-	(24,329)	-	-	-	-	-	-	(24,329)
Net Expenditures	$ 76,416	$ 64,323	$ 36,495	$ 470,497	$ 104,728	$ 60,329	$ 53,112	$ 175,668	$ 83,694	$ 697,664	$ 1,822,926

During the six months ended July 31, 2016, the Company incurred the following exploration expenditures, including regional exploration and property investigation costs, which were expensed as incurred:

	Las Pampas	Morros Blancos	Morsas	Montezuma	Redondo - Veronica	Block 3 - Culebra	Block 4 - Anaconda	Los Azules	Las Animas	Regional project development	Total
Exploration field costs	$ -	$ 53,434	$ 7,179	$ -	$ -	$ -	$ 1,636	$ 500	$ -	$ 38,082	$ 100,831
Legal and accounting	20	3,108	2,882	41,427	2,673	4,734	1,057	13,462	1,298	32,555	103,216
Office and administration	545	9,726	9,019	4,056	8,865	15,190	3,507	4,610	4,840	33,536	93,894
Property maintenance	182,780	54,952	89,876	-	89,260	158,607	35,309	28,544	42,803	201,371	883,502
Salaries and benefits	192	38,095	35,328	14,988	32,763	58,029	12,960	15,152	15,908	111,666	335,081
Travel	-	6,025	6,843	275	602	1,066	238	278	292	22,370	37,989
Net Expenditures	$ 183,537	$ 165,340	$ 151,127	$ 60,746	$ 134,163	$ 237,626	$ 54,707	$ 62,546	$ 65,141	$ 439,580	$ 1,554,513

(Unaudited - Expressed in Canadian dollars)

8. PROPERTY AND EQUIPMENT

	Field equipment	Furniture and equipment	Computer equipment	Vehicles	Leasehold improvements	Total
Cost						
As at January 31, 2017, and July 31, 2017	$ 102,905	$ 24,514	$ 21,838	$ 111,263	$ 29,617	$ 290,137
Accumulated amortization						
As at January 31, 2017	76,774	17,286	18,813	27,816	29,617	170,306
Additions	2,615	721	455	11,125	-	14,916
As at July 31, 2017	$ 79,389	$ 18,007	$ 19,268	$ 38,941	$ 29,617	$ 185,222
Net book value						
As at January 31, 2017	$ 26,131	$ 7,228	$ 3,025	$ 83,447	$ -	$ 119,831
As at July 31, 2017	$ 23,516	$ 7,228	$ 2,570	$ 72,322	$ -	$ 104,915

9. 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:

	Six months ended July 31, 2017	Six months ended July 31, 2016
Management		
Management fees	$ 377,350	$ 326,948
Share-based payments	5,028	-
Directors		
Directors' fees	36,000	37,000
	$ 418,378	$ 363,948

Amounts due to related parties as of July 31, 2017, and January 31, 2017 are as follows:

Related party liabilities	Items or services	July 31, 2017	January 31, 2017
Seabord Services Corp.	Management fees and advances	$ 9,027	$ 9,322
President	Compensation	47,816	-
Various directors	Directors' fees	82,408	-
		$ 139,251	$ 9,322

Seabord Services Corp. ("Seabord") is a management services company controlled by a director of the Company. Seabord provides the following services: 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.

Subsequent to July 31, 2017, the Company received loan proceeds of US $200,000 from two separate loans from related parties. The loans carry no interest and have no specific terms of repayment.

10. EQUITY

Authorized

As at July 31, 2017, the authorized share capital of the Company was an unlimited number of common shares and preferred shares without par value.

Share Capital

For the six months ended July 31, 2017:

The Company completed a non-brokered private placement with the issuance of 38,919,000 units at $0.05 per unit for gross proceeds of $1,945,950. Each Unit was comprised of one common share and one non-transferable share purchase warrant. Each Warrant entitles the purchase of one common share of Revelo at a price of $0.11 for 2 years.

The Company paid cash finder's fees totaling $103,365. Included in this amount was $ 77,877 which was 6% of the Units sold to investors introduced by finders on a portion of the placement.

The gross proceeds of the private placement were allocated using the relative fair value method resulting in $1,491,356 recorded as share capital and $454,594 recorded as reserves. The fair value of the warrants issued as part of the private placement were estimated as of the date of the issuance using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 0.50%, dividend yield of 0%, volatility of 103% and an expected life of 2 years.

For the six months ended July 31, 2016:

The Company completed a non-brokered private placement with the issuance of 27,333,333 units at $0.075 per unit for gross proceeds of $2,050,000. Each unit was composed of one common share and one-half of one common share purchase warrant. Each full warrant entitles the holder to purchase an additional share at $0.11 per share for 2 years.

The Company also issued 967,000 units and 967,000 non-transferable broker warrants as finders' fees. The finders' units have the same terms as the private placement units and the broker warrants have the same terms as the warrants in the private placement units. The Company also incurred $28,889 of share issuance costs paid in cash. The Company valued the finders' units at $0.075 per unit for total value of $72,525. The Company valued the finders' warrants at $56,553 using the Black-Scholes pricing model.

The gross proceeds of the private placement were allocated using the relative fair value method resulting in $1,268,871 recorded as share capital and $781,129 recorded as reserves. The finders' units have also been allocated using the relative fair value method resulting in $44,890 recorded as share capital and $27,635 recorded as reserves. The fair values of each warrant issued in the private placement, the warrants issued as part of finders' units and the finders' warrants issued were estimated as of the date of the issuance using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 0.58%, dividend yield of 0%, volatility of 129% and an expected life of 2 years.

(Unaudited - Expressed in Canadian dollars)

10. EQUITY (Continued)

Stock Options

The Company has a formal stock option plan that was ratified and approved by the shareholders of the Company and accepted by the TSX-V in fiscal 2014 (the "Plan"). The Plan allows the Board of Directors to grant incentive stock options of up to 10% of its outstanding shares to officers, directors, employees and consultants. The exercise price of each option is to be not less than the closing market price of the Company's stock on the trading day prior to the date of grant. The vesting terms are determined at the time of the option grant. Options granted to investor relations personnel vest in accordance with TSX-V regulations. The options are granted for a maximum term of 5 years.

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
Granted	3,435,000		0.15
Expired	(1,301,750)		0.91
Balance as at January 31, 2017 and July 31, 2017	8,827,500	$	0.41
Exercisable as at July 31, 2017	8,777,500	$	0.41

The following table summarizes the stock options outstanding and exercisable at July 31, 2017:

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
August 19, 2016	August 19, 2019		0.15	3,435,000	3,385,000
May 5, 2015	May 5, 2020		0.25	800,000	800,000
Total				8,827,500	8,777,500

The weighted average remaining life of the stock options exercisable is 1.79 years (January 31, 2017 – 2.29 years).

(Unaudited - Expressed in Canadian dollars)

10. EQUITY (Continued)

Share Purchase Warrants

The changes in share purchase warrants outstanding are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance as at January 31, 2016	34,460,790	$ 0.29
Granted	15,117,167	0.20
Balance as at January 31, 2017	49,577,957	0.24
Granted	38,919,000	0.11
Balance as at July 31, 2017	88,496,957	$ 0.22

The following table summarizes the share purchase warrants outstanding and exercisable at July 31, 2017:

Date Isssued	Expiry Date	Exercise Price	Number Outstanding
April 17, 2014	April 17, 2019	$ 0.42	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
July 18, 2016	July 18, 2018	0.11	15,117,167
April 30, 2017	April 27, 2019	0.11	38,919,000
Total			88,496,957

The weighted average remaining life of the share purchase warrants outstanding and exercisable is 1.54 years (January 31, 2017 – 1.87 years).

Share-based Payments

During the six months ended July 31, 2017, the Company recorded share-based payment expense of $5,028 (2016 - $Nil), which represents the fair value of options vested during the period with the offsetting amount credited to reserves.

There were no stock options granted during the six months ended July 31, 2017 and 2016.

11. 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.

12. 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 amounts 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, 2017, included $315,979 of accounts payable and accrued liabilities, and 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, 2017, 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	$ 52,418	$ (2,395,705)	
Receivables	-	-	
Accounts payable and accrued liabilities	(6,015)	(70,623,164)	
Due to related parties	(42,000)	-	
Net exposure	4,403	(73,018,869)	
Canadian dollar equivalent	$ 5,494	$ (139,865)	$ (134,371)

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 $13,000 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, 2017, and January 31, 2017, the Company did not have any interest-bearing loans. Accordingly, the Company does not have significant interest rate risk.

(Unaudited - Expressed in Canadian dollars)

12. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

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. Management will need additional sources of working capital to continue its currently planned programs, by issuing new shares or the sale of assets.

13. FINANCIAL INSTRUMENTS BY CATEGORY

Fair Values

The Company's financial instruments consist of cash, and accounts payable and accrued liabilities. 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, 2017, the Company has made the following classifications for its financial instruments:

As at July 31, 2017	Fair value through profit and loss	Loans and receivables	Other financial liabilities	**Total**
Cash	$ -	$ 171,380	$ -	$ 171,380
Accounts payable and accrued liabilities	-	-	(176,728)	(176,728)
Due to related parties	-	-	(139,251)	(139,251)
	$ -	$ 171,380	$ (315,979)	$ (144,599)

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

a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
b) 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).
c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has no financial instruments classified at FVTPL which are measured using the fair value hierarchy.

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

14. SUPPLEMENTARY CASH FLOW INFORMATION

The significant non-cash investing and financing transactions during the period ended July 31, 2017 included:

a) The fair value allocation of $454,594 to reserves related to 38,919,000 units issued in the private placement (Note 10); and

b) The decrease in the investment in associated entity by $2,861 related to other comprehensive income from the translation of an investment in an associated entity with a functional currency different from the Company.

The significant non-cash investing and financing transactions during the six months ended July 31, 2016 included the issuance of 967,000 units as finders' fees (Note 10) valued at $72,525, of which $27,635 was allocated to reserves and $44,890 to share capital, and 967,000 share purchase brokers' warrants valued at $56,553 as part of private placement finders' fees.

15. EVENTS AFTER THE REPORTING DATE

Subsequent to the six months ended July 31, 2017;

a) The Company signed a definitive agreement with Hochschild Mining PLC ("Hochschild") for Revelo's gold-silver project at Loro. The agreement allows Hochschild to earn a 100% interest in the Loro Project over a maximum of five years in exchange for a series of in-ground investments and/or drilling commitments totalling US $13 million and/or 30,000 meters, and a series of cash payments to Revelo totalling US $5.3 million. After exercising the option, Hochschild must also pay a further US $15 million in cash together with a NSR Royalty on future production to Revelo of 1%. Revelo will operate Phase 1 and Phase 2 of the exploration program from its Chilean base, subject to programs and budgets agreed with Hochschild. Hochschild has the right to request that Revelo continues to operate the exploration program beyond the end of Phase 2, subject to mutual agreement.

b) In conjunction with the agreement for Loro, Revelo and Hochschild included provisions in the agreement for Revelo to recover the 6,600 Hectare Victoria Sur project from Hochschild in exchange for a 1% NSR royalty interest in favour of Hochschild, together with the reduction of an existing NSR royalty at Revelo's Las Pampas, Cerro Blanco, and Cero Buenos Aires projects (Formerly one single project, Las Pampas), also in favour of Hochschild, from 2% to 1%. Victoria Sur has a priority gold target at Nueve Vidas, together with several other targets of interest.

c) The Company completed a strategic swap of properties with Sumitomo Metal Mining Chile Limitada ("Sumitomo") enhancing its property position at the Mirador project. As part of the agreement, Revelo transferred its Reina Hija project to Sumitomo in exchange for a group of concessions at Mirador. Because of the deal, Revelo no longer has any interests at Reina Hija and Sumitomo will assume responsibility for an underlying royalty in favour of Minera Fuego Limitada, and Revelo will pay an equivalent royalty to Sumitomo on the properties acquired at Mirador. Portions of both royalties have buy-back rights.