REVELO

RESOURCES CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED OCTOBER 31, 2017 AND 2016

Unaudited – Prepared by Management
(Expressed in Canadian dollars)

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of Revelo Resources Corp. for the nine months ended October 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)

		October 31, 2017		January 31, 2017
ASSETS				
Current assets				
Cash	$	420,114	$	662,324
Receivables (Note 3)		22,421		7,397
Prepaid expenses and deposits		31,650		29,557
Total current assets		474,185		699,278
Non-current assets				
Investment in associated entity (Note 5)		-		78,890
Exploration and evaluation assets (Note 6)		3,173,562		3,304,859
Property and equipment (Note 8)		97,456		119,831
Total non-current assets		3,271,018		3,503,580
TOTAL ASSETS		3,745,203		4,202,858
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Note 9)		402,314		207,197
Notes payable (Note 9)		775,775		-
Advances from joint venture partner (Note 6)		73,056		-
TOTAL LIABILITIES		1,251,145		207,197
EQUITY				
Share capital (Note 10)		24,640,452		23,252,601
Reserves		7,726,909		7,269,217
Deficit		(29,873,303)		(26,526,157)
TOTAL EQUITY		2,494,058		3,995,661
TOTAL LIABILITIES AND EQUITY	$	3,745,203	$	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 December 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		Nine months ended	
	October 31, 2017	October 31, 2016	October 31, 2017	October 31, 2016
EXPLORATION EXPENDITURES (Note 7)	$ 497,170	$ 529,531	$ 2,344,425	$ 2,084,044
Less:				
Recoveries	(69,183)	-	(93,512)	-
Mangement fees	(5,424)	-	(5,424)	-
Net exploration expenditures	422,563	529,531	2,245,489	2,084,044
GENERAL AND ADMINISTRATIVE EXPENSES				
Administration	16,616	21,290	107,472	53,387
Amortization (Note 8)	7,459	7,973	22,375	24,210
Consulting fees	18,000	18,000	54,600	55,000
Investor relations and shareholder information	6,592	7,568	51,533	32,068
Management compensation (Note 9)	179,244	162,803	564,547	497,623
Professional fees	14,918	16,074	46,473	45,362
Share-based compensation (Note 10)	931	168,163	5,959	168,163
Transfer agent and regulatory fees	5,992	11,383	33,077	32,598
Travel	13,276	4,285	31,301	19,063
Total general and administrative expenses	263,028	417,539	917,337	927,474
Loss from operations	(685,591)	(947,070)	(3,162,826)	(3,011,518)
Foreign exchange (loss) gain	(15,836)	16,121	(47,306)	(99,513)
Unrealized (loss) gain on marketable securities	-	(17,422)	-	41,378
Gain on acquistion of an associated entity	-	-	-	1,602,454
Equity loss in associated entity (Note 5)	-	(220,873)	(76,029)	(231,353)
Write-off of exploration and evaluation assets (Note 6)	-	-	(40,013)	-
Interest expense and other	(21,706)	3,965	(20,972)	7,414
Net loss for the period	$ (723,133)	$ (1,165,279)	$ (3,347,146)	$ (1,691,138)
Translation of investment in associated entity	-	-	2,861	-
Total comprehensive loss for the period	$ (723,133)	$ (1,165,279)	$ (3,344,285)	$ (1,691,138)
Basic and diluted income (loss) per common share	$ (0.00)	$ (0.01)	$ (0.02)	$ (0.02)
Weighted average number of common shares outstanding	167,405,027	128,486,027	155,144,829	111,030,712

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)

	Nine months ended October 31, 2017	Nine months ended October 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (3,347,146)	$ (1,691,138)
Items not affecting cash:		
Amortization (Note 8)	22,375	24,210
Share-based compensation (Note 10)	5,959	168,163
Unrealized gain on marketable securities	-	(41,378)
Equity loss in associated entity (Note 5)	76,029	231,353
Gain on acquisition of an associated entity	-	(1,602,454)
Interest expense on notes payable	22,000	-
Unrealized foreign exchange on notes payable	6,900	-
Write-off of exploration and evaluation assets (Note 6)	40,013	-
Changes in non-cash working capital items:		
Receivables	(15,024)	44,151
Prepaid expenses and deposits	(2,093)	93
Accounts payable and accrued liabilities	195,117	(114,739)
Due to related parties	-	(31,935)
Advances from JV Partners	73,056	-
Net cash used in operating activities	(2,922,814)	(3,013,674)
CASH FLOWS FROM INVESTING ACTIVITIES		
Option payments received (Note 6)	91,284	150,132
Net cash provided by investing activities	91,284	150,132
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of notes payable (Note 9)	746,875	-
Proceeds from issuance of common shares, net (Note 10)	1,842,445	2,020,570
Net cash provided by financing activities	2,589,320	2,020,570
Net change in cash during the period	(242,210)	(842,972)
Cash, beginning of period	662,324	2,065,584
Cash, end of period	$ 420,114	$ 1,222,612

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, 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	-	(25,628)	-	-	(25,628)
Share-based payments	-	-	5,959	-	5,959
Other comprehensive income on translation of investment in associated entity	-	-	(2,861)	-	(2,861)
Loss for the period	-	-	-	(3,347,146)	(3,347,146)
Balance as at October 31, 2017	167,405,027	$ 24,640,452	$ 7,726,909	$ (29,873,303)	$ 2,494,058

	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	-	(29,430)	-	-	(29,430)
Share-based payments	-	-	168,163	-	168,163
Net loss for the period	-	-	-	(1,691,138)	(1,691,138)
Balance as at October 31, 2016	128,486,027	$ 23,259,230	$ 7,192,621	$ (22,767,606)	$ 7,684,245

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. As at October 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 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 condensed interim financial statements are consistent with those applied in its annual audited financial statements and related note disclosures as at and for the year ended January 31, 2017, and do not include all the information required for full annual audited financial statements in accordance with IFRS.

It is suggested that these condensed interim financial statements be read in conjunction with the annual audited financial statements.

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:

<u>Future Accounting Pronouncements</u>

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the new and amended standards are expected to have on its financial statements. On initial assessment, the Company does not expect any material reporting changes as a result of adopting the new standards, however, there may be enhanced disclosure requirements.

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 October 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.

(Unaudited - Expressed in Canadian dollars)

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.

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 October 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 October 31, 2017 was $76,029 (2016 - $Nil) and reflects the equity loss up to March 3, 2017.

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

	October 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

	October 31, 2017	January 31, 2017
Las Pampas, Chile	$ 651,722	$ 651,722
Cerro Blanco, Chile	100,000	100,000
Cerro 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	6,550	31,550
Victoria Sur, Chile	1	-
Morsas, Chile	183,838	183,838
Reprado, Chile	104,995	104,995
	$ 3,173,562	$ 3,304,859

San Guillermo

During the nine months ended October 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.

Loro

On September 5, 2017, the Company signed a definitive agreement with Hochschild Mining PLC ("Hochschild") for Revelo's gold-silver Loro project. The agreement allows Hochschild to earn a 100% interest in the Loro project over a maximum of five years in exchange for series of (a) cash payments totaling US$5.3 million, and (b) in-ground investments totaling US$13 million and/or drilling commitments totaling 30,000 meters. After exercising its option, Hochschild must also pay a further US$15 million in cash and provide an 1% NSR royalty interest on future production in favour of Revelo. 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. Upon signing of this agreement, Hochschild made its first cash payment of $25,000 (US$19,380) to Revelo, which was applied against its capitalized costs pursuant to the Company's accounting policy. As of October 31, 2017, the advances from a joint venture partner of $73,056 consisted of unspent funds received pursuant to this agreement.

6. EXPLORATION AND EVALUATION ASSETS (Continued)

Las Pampas, Cerro Blanco, and Cerro Buenos Aires

Contiguous with the agreement for the Loro project, Revelo and Hochschild concluded additional agreements:

- for Revelo to recover the Victoria Sur project from Hochschild in exchange for a 1% NSR royalty interest in favour of Hochschild; and
- the reductions on existing NSR royalty interests at Revelo's Las Pampas, Cerro Blanco, and Cerro Buenos Aires projects (formerly one single project, Las Pampas) in favour of Hochschild from 2% to 1%.

As a result of the uncertainty of these NSR royalty interests becoming payable, the acquisition of Victoria Sur has been recorded at a nominal value.

Mirador and Reina Hija

On September 14, 2017, Revelo completed a strategic swap of properties with Sumitomo Metal Mining Chile Limitada ("Sumitomo"), by which Revelo has acquired additional hectares of tenement at Mirador, which is contiguous with Revelo's existing tenement. In exchange for the additional hectares of tenement at Mirador, Revelo transferred its Reina Hija project to Sumitomo. 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. During the nine months ended October 31, 2017, and prior to the agreement with Sumitomo, the Company wrote down the Reina Hija property in Chile to a nominal value and recorded a total write down of $40,013.

(Unaudited - Expressed in Canadian dollars)

7. EXPLORATION EXPENDITURES

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

	Calvario	Morros Blancos	Loro	Montezuma	Redondo-Veronica	Victoria	Block 4 - Anaconda	Las Pampas	Las Animas	Regional project development	Total
Exploration field costs	$ -	$ -	$ 28,762	$ 109,566	$ -	$ -	$ -	$ -	$ -	$ 38,985	$ 177,313
Legal and accounting	5,310	1,755	17,352	22,855	3,393	2,378	2,395	-	2,230	102,889	160,557
Office and administration	6,971	4,656	4,117	40,082	7,013	6,310	4,949	198	8,223	47,700	130,219
Property maintenance	72,760	50,395	-	257,964	75,150	68,289	53,034	217,234	61,737	412,833	1,269,396
Salaries and benefits	28,213	18,846	46,279	156,483	28,384	25,538	20,031	-	23,950	191,946	539,670
Travel	271	181	7,960	42,719	273	246	193	-	230	15,197	67,270
Total Expenditures	113,525	75,833	104,470	629,669	114,213	102,761	80,602	217,432	96,370	809,550	2,344,425
Recoveries	-	-	(69,183)	(24,329)	-	-	-	-	-	-	(93,512)
Management fees	-	-	(5,424)	-	-	-	-	-	-	-	(5,424)
Net Expenditures	$ 113,525	$ 75,833	$ 29,863	$ 605,340	$ 114,213	$ 102,761	$ 80,602	$ 217,432	$ 96,370	$ 809,550	$ 2,245,489

During the nine months ended October 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	$ -	$ 53,721	$ 7,189	$ -	$ -	$ -	$ 1,636	$ 500	$ 14,675	$ 42,643	$ 120,364
Legal and accounting	2,820	4,970	4,089	58,602	4,359	6,730	2,082	3,210	2,338	53,779	142,979
Office and administration	621	12,644	12,494	4,970	14,024	21,067	6,186	5,708	8,379	48,149	134,242
Property maintenance	197,404	60,189	102,475	-	115,956	179,619	51,062	41,343	57,009	304,907	1,109,964
Salaries and benefits	240	50,777	50,172	16,271	53,486	82,581	23,622	20,011	28,695	182,410	508,265
Travel	-	6,109	6,974	282	797	1,230	352	298	3,092	49,096	68,230
Net Expenditures	$ 201,085	$ 188,410	$ 183,393	$ 80,125	$ 188,622	$ 291,227	$ 84,940	$ 71,070	$ 114,188	$ 680,984	$ 2,084,044

(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 & October 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	3,920	1,083	682	16,690	-	22,375
As at October 31, 2017	$ 80,694	$ 18,369	$ 19,495	$ 44,506	$ 29,617	$ 192,681
Net book value						
As at January 31, 2017	$ 26,131	$ 7,228	$ 3,025	$ 83,447	$ -	$ 119,831
As at October 31, 2017	$ 22,211	$ 7,228	$ 2,343	$ 66,757	$ -	$ 97,456

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:

	Nine months ended October 31, 2017	Nine months ended October 31, 2016
Management		
Management fees	$ 552,828	$ 485,825
Share-based payments	5,959	62,379
Directors		
Directors' fees	54,000	55,000
Share-based payments	-	51,984
	$ 612,787	$ 655,188

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

Related party liabilities	Items or services	October 31, 2017	January 31, 2017
Seabord Services Corp.	Management fees and advances	$ 35,644	$ 9,322
President	Compensation	73,164	-
Various directors	Directors' fees	130,487	-
		$ 239,295	$ 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.

9. **RELATED PARTY TRANSACTIONS AND BALANCES** (Continued)

Notes Payable

During the nine months ended October 31, 2017, the Company entered into three separate loan transactions totalling $775,775, which consists as follows:

- Received US $175,000, and US $100,000 from a director and former director of the Company respectively. These loans carry no interest and have no specific terms of repayment; and
- Received $400,000 from a Company with a common director. The loan carries interest at a rate of 1% per month and includes a $20,000 cash bonus due on or before December 31, 2017.

There were no changes to the Company's board of directors or management during, or subsequent to the three months ended October 31, 2017.

10. EQUITY

Authorized

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

Share Capital

No preferred shares have been issued from incorporation to October 31, 2017.

For the nine months ended October 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 nine months ended October 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

(Unaudited - Expressed in Canadian dollars)

10. EQUITY (Continued)

the warrants in the private placement units. The Company also incurred $29,430 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.

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 October 31, 2017	8,827,500	$ 0.41
Exercisable as at October 31, 2017	8,827,500	$ 0.41

The following table summarizes the stock options outstanding and exercisable at October 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	3,435,000
May 5, 2015	May 5, 2020	0.25	800,000	800,000
Total			8,827,500	8,827,500

The weighted average remaining life of the stock options exercisable is 1.54 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 October 31, 2017	88,496,957	$ 0.22

The following table summarizes the share purchase warrants outstanding and exercisable at October 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 18, 2015	December 18, 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 1.29 years (January 31, 2017 – 1.87 years).

Share-based Payments

During the nine months ended October 31, 2017, the Company recorded share-based payment expense of $5,959 (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 nine months ended October 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 October 31, 2017, included $1,251,145 of accounts payable and accrued liabilities, notes payable, and advances from a joint venture partner. 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 October 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	$ 4,397	$ 95,125,019	
Receivables	-	76,669	
Accounts payable and accrued liabilities	(3,000)	(62,026,326)	
Due to related parties	(66,000)	-	
Net exposure	(64,603)	33,175,362	
Canadian dollar equivalent	$ (83,112)	$ 67,715	$ (15,396)

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 $1,500 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 October 31, 2017, and January 31, 2017, the Company did not have any interest-bearing loans in which the rates are subject to changes. 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, notes payable, and advances from a joint venture partner. 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 October 31, 2017, the Company has made the following classifications for its financial instruments:

As at October 31, 2017	Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total
Cash	$ -	$ 420,114	$ -	$ 420,114
Accounts payable and accrued liabilities	-	-	(402,314)	(402,314)
Notes payable	-	-	(775,775)	(775,775)
Advances from joint venture partner			(73,056)	(73,056)
	$ -	$ 420,114	$ (1,251,145)	$ (831,031)

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, notes payable and advances from joint venture partner 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 October 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 nine months ended October 31, 2016 included the fair value allocation of $781,129 to reserves related to 27,333,333 units issued in the private placement (Note 7), the issuance of 967,000 units as finders' fees (Note 7) 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 nine months ended October 31, 2017:

a) The Company entered into a definitive agreement in Chile with Austral Gold Ltd ("Austral") (TSX-V: AGLD) on November 14, 2017, allowing Austral to purchase Revelo's San Guillermo and Reprado projects in exchange for common shares in Austral and a royalty on future production from the projects. The agreement is subject to due diligence and the signing of definitive documentation in Chile within 90 days and regulatory and exchange approvals. The agreement allows Austral to gain a 100% interest in the San Guillermo and Reprado projects in exchange for: (a) 10,000,000 common shares in Austral, currently valued at approximately C$1.25M; (b) 1% NSR Royalty on future production at Reprado; (c) 0.5% NSR Royalty on future production at San Guillermo. The existing Option, Sale and Royalty Agreement between Revelo and Austral relating to the San Guillermo project was cancelled concurrent with the signing of the definitive sale agreement. Austral will also assume responsibility for paying underlying NSR production royalties at San Guillermo to Minera Fuego and SQM in Chile, and an underlying NSR production royalty at Reprado); and

b) The Company finalized two agreements on November 27, 2017 with MASGLAS Limited ("MASGLAS"). The first agreement is for the sale of Revelo's Araya Breccia copper project in exchange for US$100,000 in cash; and the second agreement is for a four-year Option over Revelo's neighbouring Los Azules copper project, that will allow MASGLAS to earn a 100% interest in the project in exchange for US$500,000 in cash and in-ground exploration commitments. Revelo will retain a 2% NSR royalty on all metals produced from both the Araya Breccia and Los Azules projects. Araya Breccia and Los Azules were formerly one project, Los Azules.