REVELO RESOURCES CORP.

CONSOLIDATED FINANCIAL STATEMENTS

JANUARY 31, 2018 AND 2017

(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Revelo Resources Corp.

We have audited the accompanying consolidated financial statements of Revelo Resources Corp., which comprise the consolidated statements of financial position as at January 31, 2018 and 2017 and the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Revelo Resources Corp. as at January 31, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Revelo Resources Corp.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

May 4, 2018

REVELO RESOURCES CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	January 31, 2018	January 31, 2017
ASSETS		
Current assets		
Cash	$ 101,605	$ 662,324
Receivables (Note 3)	91,241	7,397
Prepaid expenses and deposits	24,495	29,557
Marketable securities (Note 4)	1,300,000	-
Total current assets	1,517,341	699,278
Non-current assets		
Investment in associated entity (Note 6)	-	78,890
Exploration and evaluation assets (Note 7)	2,919,893	3,304,859
Property and equipment (Note 9)	89,999	119,831
Total non-current assets	3,009,892	3,503,580
TOTAL ASSETS	4,527,233	4,202,858
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	527,337	207,197
Notes payable (Note 10)	772,285	-
Advances from joint venture partner (Note 7)	13,071	-
TOTAL LIABILITIES	1,312,693	207,197
EQUITY		
Share capital (Note 11)	24,640,452	23,252,601
Reserves	7,727,215	7,269,217
Deficit	(29,153,127)	(26,526,157)
TOTAL EQUITY	3,214,540	3,995,661
TOTAL LIABILITIES AND EQUITY	$ 4,527,233	$ 4,202,858

Nature of Operations and Ability to Continue as a Going Concern (Note 1)
Events after the Reporting Date (Note 17)

These consolidated financial statements were authorized for issuance by the Board of Directors on May 4, 2018.

Approved on behalf of the Board of Directors

"Michael Winn" , Director *"Timothy Beale"* , Director

REVELO RESOURCES CORP.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

	Year ended January 31, 2018	Year ended January 31, 2017
EXPLORATION EXPENDITURES (Note 8)	$ 2,949,264	$ 2,562,527
Less: Recoveries	(479,806)	-
Net exploration expenditures	2,469,458	2,562,527
GENERAL AND ADMINISTRATIVE EXPENSES		
Administration	76,141	77,684
Amortization (Note 9)	29,832	32,180
Consulting fees (Note 10)	72,706	96,586
Investor relations and shareholder information	58,360	66,836
Management compensation (Note 10)	744,622	655,902
Professional fees	60,405	60,776
Share-based compensation (Note 10 and 11)	6,265	172,294
Transfer agent and regulatory fees	34,423	33,414
Travel	36,906	35,296
Total general and administrative expenses	1,119,660	1,230,968
Loss from operations	(3,589,118)	(3,793,495)
Foreign exchange loss	(8,765)	(41,757)
Gain on sale of exploration and evaluation assets (Note 7)	1,121,342	-
Equity loss in associated entity (Note 5 and 6)	(76,029)	(1,502,093)
Unrealized gain on marketable securities (Note 4)	50,000	-
Gain on sale of marketable securities (Note 4)	-	46,508
Write-off of exploration and evaluation assets (Note 7)	(40,014)	(168,339)
Interest income (expense) and other	(84,386)	9,487
Net loss for the year	(2,626,970)	(5,449,689)
Translation of investment in associated entity	(2,861)	72,465
Total comprehensive loss for the year	$ (2,629,831)	$ (5,377,224)
Basic and diluted loss per common share	$ (0.02)	$ (0.05)
Weighted average number of common shares outstanding (basic and diluted)	158,235,071	115,418,387

REVELO RESOURCES CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year ended January 31, 2018	Year ended January 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	$ (2,626,970)	$ (5,449,689)
Items not affecting cash:		
Amortization (Note 9)	29,832	32,180
Share-based compensation (Note 10 and 11)	6,265	172,294
Unrealized gain on marketable securities (Note 4)	(50,000)	-
Equity loss in associated entity (Note 5 and 6)	76,029	1,502,093
Gain on sale of marketable securities (Note 4)	-	(46,508)
Gain on sale of exploration and evaluation assets (Note 7)	(1,121,342)	-
Interest expense on notes payable	34,000	-
Unrealized foreign exchange on notes payable	(8,590)	-
Write-off of exploration and evaluation assets (Note 7)	40,014	168,339
Changes in non-cash working capital items:		
Receivables	(83,844)	53,317
Prepaid expenses and deposits	5,062	5,809
Accounts payable and accrued liabilities	320,140	(103,942)
Advances from joint venture partner	13,071	-
Net cash used in operating activities	(3,366,333)	(3,666,107)
CASH FLOWS FROM INVESTING ACTIVITIES		
Option payments received	91,284	150,131
Proceeds from sale of marketable securities	-	98,775
Proceeds from sale of exploration and evaluation assets	125,010	-
Net cash provided by investing activities	216,294	248,906
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of notes payable (Note 10)	746,875	-
Proceeds from issuance of common shares, net (Note 11)	1,842,445	2,013,941
Net cash provided by financing activities	2,589,320	2,013,941
Net change in cash during the year	(560,719)	(1,403,260)
Cash, beginning of year	662,324	2,065,584
Cash, end of year	$ 101,605	$ 662,324

Supplementary Cash Flow Information (Note 15)

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

REVELO RESOURCES CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(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 unit	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 unit	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	-	-	6,265	-	6,265
Other comprehensive income on translation of investment in associated entity	-	-	(2,861)	-	(2,861)
Loss for the year	-	-	-	(2,626,970)	(2,626,970)
Balance as at January 31, 2018	167,405,027	$ 24,640,452	$ 7,727,215	$ (29,153,127)	$ 3,214,540

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 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 January 31, 2018, 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 consolidated financial statements have been prepared in accordance 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 consolidated financial statements have been prepared on a historical cost basis except for assets measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These consolidated financial statements are presented in Canadian dollars ("CAD").

Basis of Consolidation

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

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

(Expressed in Canadian dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The Company's principal subsidiaries are as follows:

Name	Principal Activity	Place of incorporation	Ownership %
Iron Creek Holdings (BVI) Ltd.	Holding company	British Virgin Islands	100%
Iron Creek Chile (BVI) Ltd.	Holding company	British Virgin Islands	100%
Iron Creek Mena (BVI) Ltd.	Holding company	British Virgin Islands	100%
PSM Exploration Inc.	Holding company	Canada	100%
Celeste Uranium (Barbados) Ltd.	Holding company	Barbados	100%
Serena Mining (Barbados) Ltd.	Holding company	Barbados	100%
Minera Mena Chile Ltda.	Exploration company	Chile	100%
SCM Pampa Buenos Aires Ltda.	Exploration company	Chile	100%
Minera Celeste Chile Ltda.	Exploration company	Chile	100%
Minera Serena Mining Chile Ltda.	Exploration company	Chile	100%
Sociedad Contractual Minera Montezuma	Exploration company	Chile	100%

Foreign Currency Translation

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency for the Company and its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates.*

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the reporting date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the consolidated statement of loss and comprehensive loss.

Financial Instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss ("FVTPL") - This category comprises financial assets acquired or incurred principally for the purpose of selling or repurchasing them in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in the consolidated statement of loss and comprehensive loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

A financial asset is derecognized when the contractual right of the asset's cash flows expires or if the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

Impairment of financial assets

All financial assets except those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. For loans and receivables objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or,
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

The Company classifies its financial liabilities as other financial liabilities all of which are recognized at amortized cost.

Property and Equipment

Property and equipment is recorded at cost and amortized over its estimated useful life using the following methods:

Field equipment	20% declining balance method
Furniture and equipment	20% declining balance method
Computer equipment	30% declining balance method
Vehicles	5 year straight line method
Leasehold improvements	8 year straight line method

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cost comprises the fair value of consideration given to acquire or construct an asset and includes the direct charges associated with bringing the asset to the location and condition necessary for putting it into use, along with the future cost of dismantling and removing the asset.

Exploration and Evaluation Assets

Upon acquiring legal title to explore, the acquisition of mineral property interests are initially measured at cost. Mineral property acquisition costs include the cash consideration and the fair market value of shares issued for mineral property interests pursuant to the terms of the relevant agreements.

Mineral property acquisition costs and development expenditures incurred subsequent to the determination of the feasibility of mining operations and approval of development by the Company are capitalized until the property to which they relate is placed into production, sold or allowed to lapse. These costs will be amortized over the estimated life of the mineral property following commencement of commercial production, or written off if the property is sold, allowed to lapse, or when an impairment of value has been determined to have occurred.

Exploration and evaluation costs incurred prior to determination of the feasibility of mining operations are expensed as incurred. Reimbursements of current period exploration and evaluation costs are recognized as a recovery. Reimbursements of previously expensed exploration and evaluation costs are recognized in profit or loss.

When there is little prospect of further work on a property being carried out by the Company or its partners, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount.

Impairment of Long-lived Assets

At the end of each reporting year, and when relevant triggering events and circumstances occur, the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and the value in use. Fair value is determined as the price that would be paid to sell an asset or to transfer a liability in an orderly transaction between market participants at the measurement date. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statement of loss and comprehensive loss for the year. Impairment is normally assessed at a level of cash-generating units ("CGU"), which is identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in the consolidated statement of loss and comprehensive loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restoration, Rehabilitation and Environmental Obligations

Restoration, rehabilitation and environmental obligations are recognized for the expected obligations related to the retirement of long-lived tangible assets that arise from the acquisition, construction, development or normal operation of such assets. A restoration, rehabilitation or environmental obligation is recognized in the period in which it is incurred and when a reasonable estimate of the fair value of the liability can be made with a corresponding cost recognized by increasing the carrying amount of the related long-lived asset. The restoration, rehabilitation or environmental cost is subsequently allocated in a rational and systematic method over the underlying asset's useful life. The initial fair value of the liability is accreted, by charges to operations, to its estimated future value. As at January 31, 2018 and 2017, the Company has no known restoration, rehabilitation or environmental obligations.

Share Capital

Common shares issued for non-monetary consideration are recorded at their fair value on the measurement date and classified as equity. The measurement date is defined as the earliest of the date at which the commitment for performance by the counterparty to earn the common shares is reached or the date at which the counterparty's performance is complete.

Transaction costs directly attributable to the issuance of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

The proceeds from the issue of the units is allocated between common shares and share purchase warrants on a pro-rata basis based on the relative fair values as follows: the fair value of the common shares is based on the market closing price on the date the units are issued and fair value of the share purchase warrants is determined using the Black-Scholes option pricing model.

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares, calculated by dividing the income (loss) attributable to equity shareholders of the Company by the weighted average number of common shares issued and outstanding during the period. Diluted EPS is calculated by adjusting the income (loss) attributable to equity shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares. The calculation of diluted EPS assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Diluted EPS does not adjust the income (loss) attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Share-based Payments

The stock option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that have vested.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

When options are exercised the consideration received is recorded as share capital. In addition, the related share-based payment expense originally recorded as reserves are transferred to share capital. When an option is cancelled/forfeit or expired, the initial recorded value is reversed and charged to deficit.

Income Taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statement of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Chief Executive Officer.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in Associated Companies

The Company accounts for its long-term investments in affiliated companies over which it has significant influence using 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.

Significant Accounting Estimates and Critical Judgements

The preparation of consolidated financial statements in conformance with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant Accounting Estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

Estimated useful lives of property and equipment

The estimated useful lives of property and equipment, which is included in the consolidated statements of financial position, will impact the amount and timing of the related amortization included in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based compensation

The fair value of stock options issued are subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices and option life, changes in subjective input assumptions can materially affect the fair value estimate.

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

Critical Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

Functional currency

The Company applied judgment in determining its functional currency and the functional currency of its subsidiaries. The functional currency was determined based on the currency in which funds are sourced and the degree of dependence of the subsidiary companies on the parent company for financial support.

Exploration and evaluation assets

Management is required to make judgments on the status of each mineral property and the future plans with respect to finding commercial resources and/or reserves. The nature of exploration and evaluation activity is such that only a few projects are ultimately successful, and some assets are likely to become impaired in future periods.

New and Future Accounting Standards

Accounting standards adopted during the year

IAS 12 Recognition of Deferred Tax Assets for Unrealized Losses was amended to clarify the requirements for recognizing deferred income tax assets on unrealized losses, deferred income taxes where an asset is measured at fair value below the asset's tax base, and certain other aspects of accounting for deferred income tax assets. The amendment was adopted on February 1, 2017, without a significant impact on the Company's consolidated financial statements.

IAS 7 Statement of Cash Flow was amended on January 29, 2016 by the IASB introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The amendment was adopted on February 1, 2017, without a significant impact on the Company's consolidated financial statements.

(Expressed in Canadian dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future Accounting Pronouncements

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

IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss, those measured at fair value through other comprehensive income and those measured at amortized cost. Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. For financial liabilities, the standard retains most of the IAS 39 requirements.

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15"), which 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.

IFRS 16 Leases was issued in January 2016 (effective January 1, 2019) and provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

The Company expects that these new IFRS standards will have an insignificant effect on its consolidated financial statements other than increased note disclosure.

3. RECEIVABLES

The Company's receivables arise from goods and services tax ("GST") receivable from government taxation authorities, and recovery of exploration expenditures from joint venture partners, as follows:

	January 31, 2018	January 31, 2017
Refundable taxes	$ 42,037	$ 7,397
Sale of exploration and evaluation assets	49,204	-
Receivables	$ 91,241	$ 7,397

4. MARKETABLE SECURITIES

As at January 31, 2018 and 2017, the Company had the following investments:

	January 31, 2018	January 31, 2017
Cost	$ 1,250,000	$ -
Accumulated unrealized gain	50,000	-
Fair value	$ 1,300,000	$ -

(Expressed in Canadian dollars)

4. MARKETABLE SECURITIES (Continued)

During the year ended January 31, 2018, the Company acquired 10,000,000 common shares of Austral Gold as proceeds received on the sale of the San Guillermo and Reprado projects (Note 7). During the year ended January 31, 2017, the Company sold marketable securities for total proceeds of $98,775 and recorded a realized gain of $46,508.

5. 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") (Note 7) in northern Chile and return its 51% earned interest in Sociedad Contractual Minera Montezuma ("SCM") to Revelo in exchange for a perpetual 1% net smelter return ("NSR") royalty interest in the Montezuma project. As a result of this arrangement, the Company has acquired a 100% interest in SCM, which holds title to the Montezuma project. The Company's previous 49% interest in SCM was recognized as an investment in an associated entity (Note 6).

The acquisition of this 51% interest in SCM, was accounted for as an asset acquisition. As such, SCM changed from an associated entity to a subsidiary of the Company 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		(76,029)
Total purchase price	$	-
Purchase Price Allocation:		
Cash	$	63,618
Prepaid expenses and deposits		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 of March 3, 2017.

6. 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, SCM Montezuma ("SCM"), and an associated Shareholder Agreement with Newmont, to hold and manage the Montezuma Project (Note 5 and 7). As a result of Newmont's earn-in to the project in accordance with the venture agreement between the parties, the Company transferred its Montezuma licenses to SCM in exchange for a 49% interest in SCM.

(Expressed in Canadian dollars)

6. 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.

Pursuant to the January 2014 Venture Agreement, Newmont elected to acquire an additional 14% interest in the Montezuma Project by incurring an additional US$5,500,000 in expenditures. As at January 31, 2017, Newmont had not incurred the additional required expenditures and continued to hold a 51% interest in SCM. As at January 31, 2017, the Company's investment less its share of accumulated equity losses was $78,890. The Company's share of the net loss for the year ended January 31, 2017 was $1,502,093.

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 was appropriate.

On March 3, 2017, Newmont elected to withdraw from the Montezuma project (Note 5) and returned its 51% earned interest in SCM to Revelo in exchange for a perpetual 1% NSR royalty interest in the Montezuma project. As a result of this arrangement, the Company has regained a 100% interest in the Montezuma project and SCM became a wholly owned subsidiary of the Company.

As at January 31, 2018, 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 from February 1, 2017 to March 3, 2017 was $76,029.

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

		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)

(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS

	January 31, 2018	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	-	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
Colla Kananchiari (formerly Bronce Weste), Chile	1	1
San Valentino, Chile	120,041	120,041
Reina Hija, Chile	-	40,014
Montezuma, Chile	1	-
Los Azules, Chile	327,545	452,555
Block 2, Chile	75,000	75,000
Redondo-Veronica, Chile	25,000	25,000
Block 3, Chile	800,975	800,975
Block 4, Chile	121,842	121,842
Limbo, Chile	1	1
Las Animas, Chile	75,426	75,426
Loro, Chile	6,550	31,550
Victoria Sur, Chile	1	-
Orca (formerly Morsas), Chile	183,838	183,838
Reprado, Chile	-	104,995
	$ 2,919,893	$ 3,304,859

During the year ended January 31, 2018, and prior to the agreement with Sumitomo Metal Mining Chile Limitada ("Sumitomo"), the Company wrote down the Reina Hija property in Chile to a nominal value and recorded a total write down of $40,014.

During the year ended January 31, 2017, the Company wrote down the Magallanes, Bronce Weste, and Limbo properties in Chile to a nominal value and recorded a total write down of $168,339. Other than maintenance costs, the Company did not expect to incur significant exploration costs on these projects in the foreseeable future. The Company held a 100% interest in the projects and kept them in good standing until all three projects were sold subsequent to January 31, 2018 (Note 17).

Las Pampas, Cerro Blanco, Cerro Buenos Aires

As at January 31, 2018, the Company owns a 100% interest in the Las Pampas, Cerro Blanco, and Cerro Buenos Aires projects. Hochschild Mining PLC ("Hochschild") retains a 1% NSR royalty on any and all future production from portions of these properties.

Magallanes

The Company owns 100% of the Magallanes project which consists of certain exploration and exploitation concessions located in the Antofagasta region of northern Chile.

7. EXPLORATION AND EVALUATION ASSETS (Continued)

T4

The Company owns 100% of the T4 property which consists of certain exploration concessions located in the Antofagasta region of northern Chile.

San Guillermo, Morros Blancos, Calvario, Mirador, Bronce Weste, San Valentino, and Reina Hija

In June 2014, the Company completed the acquisition of a 100% interest in five properties from Minera Fuego Limitada, ("Fuego"), a privately owned Chilean exploration company, namely the San Guillermo, Calvario-Mirador, San Valentino, Bronce Weste and Reina Hija concessions, located in northern Chile. The Calvario-Mirador property was subsequently split into two separate properties, Calvario and Mirador, and San Guillermo was subsequently split into two separate properties, San Guillermo and Morros Blancos.

As consideration for the concessions, the Company issued a combination of common shares and granted Fuego a 2% NSR royalty on precious metals and a 1% NSR royalty on base metals mined from the concessions. The Company has the perpetual right to acquire 50% of each of the NSR royalties on each property in consideration of a cash payment to Fuego of US$5,000,000, on a property by property basis.

Additionally, subject to regulatory approval, the Company will issue a further 1,000,000 common shares to Fuego upon completion by the Company of its first feasibility study regarding a project to be developed on any of the five original properties.

On February 8, 2016, the Company signed an Option, Sale and Royalty Agreement with Guanaco Cia. Minera SpA, a wholly onwed subsidiary of Austral Gold Ltd ("Austral") (TSX-V: AGLD) whereby Austral had the sole and exclusive option and right to acquire a 100% undivided interest in Revelo's San Guillermo project, located in Northern Chile, by paying Revelo a total of US$2,650,000 over three years and spending US$3,000,000 on exploration over the same three years.

During the year ended January 31, 2017, the Company received a cash payment of $69,693 (US$50,000) upon signing of the agreement, and a further $80,439 (CLP 41,117,772) as a repayment of prior year land maintenance fees incurred by the Company. The full amount of cash received was credited against capitalized costs.

Revelo retained a 0.5% NSR royalty on all metals produced from the project. For those areas subject to the underlying Sociedad Quimica y Minera de Chile S.A. royalty, Austral had the right to reduce the Revelo royalty in those areas only to 0.25%, by making a one-time cash payment to Revelo of US$250,000.

Reprado

In December 2015, the Company completed the acquisition of a 100% interest in the Reprado gold-silver project in Northern Chile from Teck Resources Chile Limitada ("Teck"), a subsidiary of Teck Resources Limited. As consideration for the project, Revelo paid a combination of cash and shares. Additionally, the Company granted to Teck a 1% NSR royalty on all metals produced from the project.

7. EXPLORATION AND EVALUATION ASSETS (Continued)

San Guillermo and Reprado

On November 14, 2017, the Company entered into an agreement 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 allowed Austral to acquire a 100% interest in the San Guillermo and Reprado projects in exchange for: (a) 10,000,000 common shares in Austral, valued at $1,250,000 (received); (b) 1% NSR royalty on future production at Reprado; and (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 this agreement. Austral also assumes responsibility for paying underlying NSR production royalties at San Guillermo to Minera Fuego and SQM in Chile, and an underlying NSR production royalty to Teck at Reprado. As a result of the sale agreement, Revelo recorded a total gain on sale of $1,121,342.

Mirador and Reina Hija

On September 14, 2017, Revelo completed a strategic swap of properties with 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. As a result of the swap, Revelo no longer has any interests at Reina Hija and Sumitomo will assume responsibility for an underlying royalty in favour of Fuego, 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 year ended January 31, 2018, 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 $40,014.

Montezuma

Montezuma is comprised of 100% owned tenements including both exploration and mining concessions in Northern Chile. The Montezuma property was previously held under a Venture Agreement with Newmont that allowed Newmont to earn up to a 75% beneficial interest in the Montezuma concessions. During the year ended January 31, 2017, Newmont completed Phase 1 and elected to continue with Phase 2 of the Venture agreement, at whitch time the Company and Newmont established a Chilean Joint Venture entity, SCM Montezuma. In exchange for contributing the Montezuma licenses, the Company acquired a 49% interest in SCM (Note 5).

During the year ended January 31, 2018, Newmont elected to withdraw from the Montezuma project and returned its earned interest to Revelo (Note 5).

Block 2, Redondo-Veronica, Block 3, Block 4, Los Azules, Limbo and Las Animas

As at January 31, 2018, Block 2, Redondo-Veronica, Block 3, Block 4, Los Azules, Limbo and Las Animas were 100% owned tenements comprising both exploration and mining concessions. Limbo was sold subsequently to January 31, 2018 (Note 17).

Los Azules

On November 27, 2017, the Company entered into two agreements with MASGLAS Americas Corporation SpA ("MASGLAS"). The first agreement was for the sale of certain licenses, called Araya Breccia within the Los Azules project, in exchange for US$100,000 (US$60,000 received, US$40,000 received subsequent to January 31, 2018) in cash; and the second agreement was for a four-year option over the remaining licenses comprising the Los Azules

7. EXPLORATION AND EVALUATION ASSETS (Continued)

project, that allows 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.

Loro, Morsas, Culebra, and Anaconda

In July 2015, the Company completed the acquisition of a 100% interest in four properties from Altius Minerals Corporation's ("Altius") 49% owned Chilean subsidiary BLC SpA ("BLC"), namely the Loro, Morsas, Culebra, and Anaconda concessions, located in northern Chile in exchange for issuing common shares and granting BLC a 2% NSR royalty from commercial production of precious metals and a 1% NSR royalty from commercial production of base metals from each of the properties.

As at January 31, 2018, Loro, Morsas, Culebra, and Anaconda were 100% owned tenements comprising both exploration and mining concessions. Subsequent to January 31, 2018, Culebra and Anaconda were abandoned, together with a portion of the Morsas concessions with the remaining concessions renamed Orca.

Loro

On September 5, 2017, the Company signed a definitive agreement with 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 a series of (a) cash payments totaling US$5,300,000, and (b) in-ground investments totaling US$13,000,000 and/or drilling commitments totaling 30,000 meters. After exercising its option, Hochschild must also pay a further US$15,000,000 in cash and provide a 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 continue 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. As of January 31, 2018, the advances from a joint venture partner of $13,071 consisted of unspent funds received pursuant to this agreement.

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%.

Victoria Sur

Contiguous with the agreement entered into with Hochschild for the Loro project, the Company and Hochschild concluded an additional agreement that included Revelo recovering the Victoria Sur project (previously subject to a joint venture agreement between the Company and Hochschild) from Hochschild in exchange for a 1% NSR royalty interest in favour of Hochschild. 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.

(Expressed in Canadian dollars)

8. EXPLORATION EXPENDITURES

During the year ended January 31, 2018, 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 Sur	Block 4 - Anaconda	Las Pampas	Las Animas	Regional project development	Total
Exploration field costs	$ -	$ -	$ 210,519	$ 127,509	$ -	$ -	$ -	$ -	$ -	$ 1,796	$ 339,824
Legal and accounting	6,800	2,287	17,727	34,785	4,169	2,993	3,202	-	2,788	120,362	195,113
Office and administration	10,704	5,952	4,942	53,519	8,512	7,789	6,538	265	9,571	63,293	171,085
Property maintenance	94,197	53,875	28,256	274,296	76,148	70,496	58,488	230,581	63,358	456,976	1,406,671
Salaries and benefits	36,291	20,181	148,640	176,561	28,860	26,406	22,167	-	24,600	213,021	696,727
Travel	391	217	67,225	55,240	311	284	239	-	265	15,672	139,844
Total Expenditures	148,383	82,512	477,309	721,910	118,000	107,968	90,634	230,846	100,582	871,120	2,949,264
Recoveries	-	-	(408,800)	(24,322)	-	-	-	-	-	-	(433,122)
Operator fees	-	-	(46,684)	-	-	-	-	-	-	-	(46,684)
Net Expenditures	$ 148,383	$ 82,512	$ 21,825	$ 697,588	$ 118,000	$ 107,968	$ 90,634	$ 230,846	$ 100,582	$ 871,120	$ 2,469,458

During the year ended January 31, 2017, 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	Culebra	Las Animas	Regional project development	Total
Exploration field costs	$ 12,663	$ 59,297	$ 7,434	$ 22,321	$ -	$ -	$ 1,636	$ -	$ 14,748	$ 38,542	$ 156,641
Legal and accounting	4,556	6,103	5,461	49,088	5,421	4,414	2,886	4,460	3,084	81,065	166,538
Office and administration	717	15,810	15,948	7,561	16,332	13,298	8,208	13,436	9,292	78,974	179,576
Property maintenance	217,641	66,834	112,678	10,232	122,713	99,920	61,514	100,959	65,152	412,254	1,269,897
Salaries and benefits	289	64,856	65,421	31,016	66,996	54,552	33,672	55,119	38,117	294,491	704,529
Travel	-	6,326	7,231	409	883	719	444	726	3,414	65,194	85,346
Net Expenditures	$ 235,866	$ 219,226	$ 214,173	$ 120,627	$ 212,345	$ 172,903	$ 108,360	$ 174,700	$ 133,807	$ 970,520	$ 2,562,527

Included in property maintenance costs for regional project development is US$50,000 ($65,460) related to a payment made to Tombstone Aruba A.V.V pursuant to a mutual release and termination agreement related to a NSR royalty agreement dated as of April 4, 2008 respecting the Vaquillas property and certain other properties in Chile.

(Expressed in Canadian dollars)

9. PROPERTY AND EQUIPMENT

	Field equipment	Furniture and equipment	Computer equipment	Vehicles	Leasehold improvements	Total
Cost						
As at January 31, 2018 and 2017	$ 102,905	$ 24,514	$ 21,838	$ 111,263	$ 29,617	$ 290,137
Accumulated amortization						
As at January 31, 2016	70,242	15,479	17,224	5,564	29,617	138,126
Additions	6,532	1,807	1,589	22,252	-	32,180
As at January 31, 2017	76,774	17,286	18,813	27,816	29,617	170,306
Additions	5,227	1,444	909	22,252	-	29,832
As at January 31, 2018	$ 82,001	$ 18,730	$ 19,722	$ 50,068	$ 29,617	$ 200,138
Net book value						
As at January 31, 2017	$ 26,131	$ 7,228	$ 3,025	$ 83,447	$ -	$ 119,831
As at January 31, 2018	$ 20,904	$ 5,784	$ 2,116	$ 61,195	$ -	$ 89,999

10. 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:

	Year ended January 31, 2018	Year ended January 31, 2017
Management		
Management fees	$ 729,109	$ 640,110
Share-based payments	6,265	62,379
Directors		
Directors' fees	72,000	79,000
Share-based payments	-	51,982
	$ 807,374	$ 833,471

Amounts due to related parties as of January 31, 2018 and January 31, 2017 are as follows:

Related party liabilities	Items or services	Year ended January 31, 2018	Year ended January 31, 2017
Seabord Services Corp.	Management fees and advances	$ 58,308	$ 9,322
President	Compensation	136,164	-
Various directors	Directors' fees	191,470	-
		$ 385,942	$ 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 jointly controlled by the President and Chief Executive Officer charges Revelo management fees for his services.

10. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Notes Payable

During the year ended January 31, 2018, the Company entered into four separate loan transactions consisting of the following:

- Received 2 separate loans of US$100,000 and US$75,000 from 2 separate entities controlled by a director of the Company. These loans carry no interest and have no specific terms of repayment;
- Received US$100,000 from a former director of the Company. This loan carries no interest and has no specific terms of repayment; and
- Received $400,000 from a Company with a common director. This loan carries interest at a rate of 1% per month and includes a $20,000 cash bonus due on or before December 31, 2017. This loan has not been settled and is currently under negotiation.

Including interest and any bonuses to be paid, as at January 31, 2018, the total loan amounts outstanding to related parties was $772,285 (2017 - $Nil).

On May 17, 2017, Mario Szotlender resigned from the Board of Directors of the Company and Mr. Ralph Rushton was appointed to replace Mr. Szotlender. Mr. Szotlender continues to collaborate with the Company as a consultant to the Board and Management Team.

11. EQUITY

Authorized

As at January 31, 2018, 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 January 31, 2018.

For the year ended January 31, 2018

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 holder to purchase an additional share at $0.11 for 2 years.

The Company paid cash finder's fees totaling $103,505. 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.

(Expressed in Canadian dollars)

11. EQUITY (Continued)

For the year ended January 31, 2017;

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 $36,059 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 2018 (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	8,827,500	0.41
Expired	(1,202,500)	1.48
Balance as at January 31, 2018	7,625,000	$ 0.24
Exercisable as at January 31, 2018	7,625,000	$ 0.24

Restricted share units and Performance share units

During the year ended January 31, 2018, the Company introduced a restricted share unit ("RSU") and performance share unit ("PSU") plan approved by the shareholders of the Company and the TSX-V. The plan entitles employees, directors, or officers to receive common shares of the Company upon vesting based on vesting terms determined by the Company's Board of Directors at the time of grant. No RSU's or PSU's have been granted under the plan as at January 31, 2018.

(Expressed in Canadian dollars)

11. EQUITY (continued)

The following table summarizes the stock options outstanding and exercisable at January 31, 2018:

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	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				7,625,000	7,625,000

The weighted average remaining life of the stock options exercisable is 1.50 years (2017 – 2.29 years).

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
Expired	(1,000,000)		0.20
Balance as at January 31, 2018	87,496,957	$	0.22

The following table summarizes the share purchase warrants outstanding and exercisable at January 31, 2018:

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
July 18, 2016	July 18, 2018		0.11	15,117,167
April 27, 2017	April 27, 2019		0.11	38,919,000
Total				87,496,957

The weighted average remaining life of the share purchase warrants outstanding and exercisable is 1.05 years (2017 – 1.87 years).

Share-based Payments

During the year ended January 31, 2018, the Company recorded share-based payment expense of $6,265 (2017 - $172,294), which represents the fair value of options granted and accrued and vested during the year with the offsetting amount credited to reserves.

There were no stock options granted during the year ended January 31, 2018.

The weighted average fair value of the stock options granted during the year ended January 31, 2017 was $0.05 per stock option. The fair value of stock options granted was estimated using the Black-Scholes option pricing model with weighted average assumptions as follows: risk-free interest rate of 0.58%, dividend yield of 0%, volatility of 129% and an expected life of 3 years.

12. 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.

13. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial Risk Management

The Company's financial instruments are exposed to certain financial risks, which include credit risk, liquidity risk, currency 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 collectible, 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 January 31, 2018, included $1,312,693 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 January 31, 2018, 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	$ 1,097	$ 39,623,744	
Receivables	49,204	39,984,835	
Accounts payable and accrued liabilities	(340,050)	(51,360,024)	
Net exposure	(289,749)	28,248,555	
Canadian dollar equivalent	$ (356,420)	$ 57,515	$ (298,905)

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 $29,800 in the Company's pre-tax loss.

(Expressed in Canadian dollars)

13. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

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 January 31, 2018, 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.

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.

14. FINANCIAL INSTRUMENTS BY CATEGORY

Fair Values

The Company's financial instruments consist of cash, marketable securities, 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 January 31, 2018, the Company has made the following classifications for its financial instruments:

As at January 31, 2018	Fair value through profit and loss	Loans and receivables	Other financial liabilities	**Total**
Cash	$ -	$ 101,605	$ -	$ 101,605
Marketable securities	1,300,000	-	-	1,300,000
Accounts payable and accrued liabilities	-	-	(527,337)	(527,337)
Notes payable	-	-	(772,285)	(772,285)
Advances from joint venture partner	-	-	(13,071)	(13,071)
	$ 1,300,000	$ 101,605	$ (1,312,693)	$ 88,912

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 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.

(Expressed in Canadian dollars)

15. SUPPLEMENTARY CASH FLOW INFORMATION

The significant non-cash investing and financing transactions during the year ended January 31, 2018 included:

a) The fair value allocation of $454,594 to reserves related to 38,919,000 units issued in the private placement (Note 11); and
b) The decrease in the investment in associated entity by $2,861 related to other comprehensive loss from the translation of a former investment in an associated entity with a functional currency different from the Company (Note 5).

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

a) The fair value allocation of $781,129 to reserves related to 27,333,333 units issued in the private placement (Note 11), the issuance of 967,000 units as finders' fees (Note 11) 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; and
b) The increase in the investment in associated entity by $72,465 related to other comprehensive income from the translation of an investment in an associated entity with a functional currency different from the Company.

16. INCOME TAXES

The provision for income taxes differs from the amount calculated using a prorated Canadian federal and provincial statutory income tax rate of 26.27% (2017 – 26.00%) as follows:

	2018	2017
Loss for the year	$ (2,626,970)	$ (5,449,689)
Expected income tax expense	(690,065)	(1,416,919)
Permanent differences and other	559,462	(950,774)
Effect of lower tax rates in foreign jurisdictions	91,361	87,496
Changes in unrecognized deductible temporary differences	39,242	2,280,197
	$ -	$ -

Significant components of the Company's unrecognized deferred tax assets are as follows:

	2018	2017
Deferred tax assets:		
Exploration and evaluation assets	$ 3,370,000	$ 3,336,000
Share issue costs and other	42,000	35,000
Non-capital losses available for future periods	7,974,000	7,970,000
Unrecognized deferred tax assets	$ 11,386,000	$ 11,341,000

(Expressed in Canadian dollars)

16. INCOME TAXES (Continued)

The significant components of the Company's unrecognized temporary differences are as follows:

	Expiry date	2018	2017
Temporary differences:			
Exploration and evaluation assets	no expiry	$ 16,092,000	$ 16,163,000
Share issue costs and other	2039 to 2042	$ 154,000	$ 133,000
Non - capital losses avaialbe for future periods in Canada	2027 to 2038	$ 8,610,000	$ 7,418,000
Non - capital losses avaialbe for future periods in Chile	no expiry	$ 22,600,000	$ 24,166,000

Tax attributes are subject to review and potential adjustments by tax authorities.

In September 2017, the British Columbia (BC) Government proposed changes to the general corporate income tax rate to increase the rate from 11% to 12% effective January 1, 2018 and onwards. This change in tax rate was substantively enacted on October 26, 2017. The relevant deferred tax balances have been remeasured to reflect the increase in the Company's combined Federal and Provincial (BC) general corporate income tax rate from 26% to 27%.

17. EVENTS AFTER THE REPORTING DATE

Subsequent to the year ended January 31, 2018, the Company;

a) Borrowed $1,500,000 (the "Loan") from Term Oil Inc. (the "Lender"), a private company owned by Rick Rule. In consideration for the Loan, the Company has paid the Lender fees totalling $45,000 and will pay a fee equal to 3% of the outstanding balance of the loan on the first anniversary of the Loan. The Loan has a term of 18 months and is subject to interest of 1% per month. As a condition of the Loan, the Company has granted security to the Lender including a general security agreement creating a first priority security interests over all of its present and-after acquitted personal property, a guarantee of the Company's subsidiary Minera Mena Chile Ltda., and a share pledge over 10,000,000 ordinary shares of Austral;

b) Sold the Bronce Weste project to MASGLAS for a 1% NSR royalty on future production of precious metals plus a 0.5% NSR royalty on future production of base metals, together with nominal cash;

c) Sold the Magallanes project to a Chilean subsidiary of Austral for a 1% NSR royalty on future production of all metals together with nominal cash; and

d) Sold the Limbo project to Austral for a 1% NSR royalty on future production of all metals and nominal cash.