REVELO
RESOURCES CORP.

CONSOLIDATED FINANCIAL STATEMENTS

JANUARY 31, 2015 AND 2014

(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Revelo Resources Corp. (formerly Iron Creek Capital Corp.)

We have audited the accompanying consolidated financial statements of Revelo Resources Corp., (formerly Iron Creek Capital Corp.) which comprise the consolidated statements of financial position as at January 31, 2015 and 2014 and the consolidated statements of 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, 2015 and 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada Chartered Accountants

May 12, 2015

NEXIA INTERNATIONAL

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REVELO RESOURCES CORP. (formerly Iron Creek Capital Corp.)

(An Exploration Stage Company)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	January 31, 2015	January 31, 2014
ASSETS		
Current assets		
Cash	$ 2,327,870	$ 1,090
Receivables (Note 4)	425,981	3,765
Prepaid expenses and deposits	8,416	13,723
Marketable securities (Note 5)	742,404	-
Total current assets	3,504,671	18,578
Non-current assets		
Exploration and evaluation assets (Note 6)	4,693,759	876,446
Property and equipment (Note 8)	65,200	90,360
Total non-current assets	4,758,959	966,806
TOTAL ASSETS	$ 8,263,630	$ 985,384
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 352,145	$ 227,738
Due to related parties (Note 10)	27,085	656,316
TOTAL LIABILITIES	379,230	884,054
EQUITY		
Share capital (Note 9)	21,279,146	12,987,846
Share-based payments reserve	5,769,888	2,862,066
Deficit	(19,164,634)	(15,748,582)
TOTAL EQUITY	7,884,400	101,330
TOTAL LIABILITIES AND EQUITY	$ 8,263,630	$ 985,384

Nature of Operations and Ability to Continue as a Going Concern (Note 1)
Events after the Reporting Date (Note 16)

These consolidated financial statements were authorized for issuance by the Board of Directors on May 12, 2015.

Approved on behalf of the Board of Directors

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

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

REVELO RESOURCES CORP. (formerly Iron Creek Capital Corp.)
(An Exploration Stage Company)
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

	Year ended January 31, 2015	Year ended January 31, 2014
EXPLORATION EXPENDITURES (Note 6)	$ 1,378,142	$ 1,239,891
Less: recoveries (Note 6)	(100,839)	-
Net exploration expenditures	1,277,303	1,239,891
GENERAL AND ADMINISTRATIVE EXPENSES		
Administration	62,138	46,859
Amortization (Note 8)	25,160	35,389
Consulting fees	126,913	89,713
Investor relations and shareholder information	76,773	6,490
Management fees (Note 10)	282,759	252,393
Professional fees	63,241	71,036
Salaries and benefits	189,617	188,190
Share-based payments (Note 10)	425,809	2,603
Transfer agent and regulatory fees	71,673	27,360
Travel	79,253	46,992
Total general and administrative expenses	1,403,336	767,025
	(2,680,639)	(2,006,916)
Foreign exchange loss	(53,511)	(13,812)
Unrealized loss on marketable securities (Note 5)	(686,976)	-
Gain on exchange of property interests (Note 7)	-	33,619
Interest income	36,933	-
Write-off of exploration and evaluation assets (Note 6)	-	(3,570)
Loss before income taxes	$ (3,384,193)	$ (1,990,679)
Income tax expense (Note 15)	(31,859)	-
Loss and comprehensive loss for the year	$ (3,416,052)	$ (1,990,679)
Loss per common share		
Basic and diluted loss per common share	$ (0.09)	$ (0.29)
Weighted average number of common shares outstanding	38,162,523	6,755,118

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

REVELO RESOURCES CORP. (formerly Iron Creek Capital Corp.)
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

		Year ended January 31, 2015		Year ended January 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the year	$	(3,416,052)	$	(1,990,679)
Items not affecting cash:				
Amortization		25,160		35,389
Gain on exchange of property interests		-		(33,619)
Unrealized loss on marketable securities		686,976		-
Share-based payments		425,809		2,603
Write-off of exploration and evaluation assets		-		3,570
Changes in non-cash working capital items:				
Receivables		(31,231)		6,342
Prepaid expenses and deposits		10,799		78,863
Accounts payable and accrued liabilities		888		114,599
Due to related parties		(629,231)		644,316
Net cash used in operating activities		(2,926,882)		(1,138,616)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash acquired from acquisition (Note 3)		92,849		-
Acquisition costs (Note 3)		(385,747)		-
Net cash used in investing activities		(292,898)		-
CASH FLOWS FROM FINANCING ACTVITIES				
Proceeds from issuance of common shares, net		5,546,560		993,264
Net cash provided by financing activities		5,546,560		993,264
Net change in cash during the year		2,326,780		(145,352)
Cash, beginning of year		1,090		146,442
Cash, end of year	$	2,327,870	$	1,090

Supplementary Cash Flow Information (Note 14)

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

REVELO RESOURCES CORP. (formerly Iron Creek Capital Corp.)

(An Exploration Stage Company)
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Number of shares	Share capital	Share-based payments reserve	Deficit	Total Equity
Balance as at January 31, 2013	5,205,559	$ 12,147,125	$ 2,706,920	$ (13,757,903	$ 1,096,142
Private placement at $0.42 per share	2,381,905	852,422	147,978	-	1,000,400
Finders' fees in units	24,857	8,896	1,544	-	10,440
Share issuance costs in units	-	(10,440)	-	-	(10,440)
Share issuance costs in finders' warrants	-	(3,021)	3,021	-	-
Share issuance costs in cash	-	(7,136)	-	-	(7,136)
Share-based payments	-	-	2,603	-	2,603
Loss for the year	-	-	-	(1,990,679)	(1,990,679)
Balance as at January 31, 2014	7,612,321	12,987,846	2,862,066	(15,748,582)	101,330
Private placement at $0.21 per share	26,606,762	3,512,811	2,074,609	-	5,587,420
Finders' fees in units	927,014	122,391	72,282	-	194,673
Shares issued for exploration and evaluation assets	3,479,464	800,277	-	-	800,277
Shares issued for acquisition (Notes 3 and 9)	52,784,360	4,222,749	-	-	4,222,749
Share issuance costs in units	-	(194,673)	-	-	(194,673)
Share issuance costs in finders' warrants	-	(131,395)	131,395	-	-
Share issuance costs in cash	-	(40,860)	-	-	(40,860)
Fair value of PSR replacement options	-	-	184,086	-	184,086
Fair value of PSR replacement warrants	-	-	19,641	-	19,641
Share-based payments	-	-	425,809	-	425,809
Loss for the year	-	-	-	(3,416,052)	(3,416,052)
Balance as at January 31, 2015	91,409,921	$ 21,279,146	$ 5,769,888	$ (19,164,634)	$ 7,884,400

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

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

Revelo Resources Corp. (the "Company" or "Revelo"), formerly Iron Creek Capital Corp. ("Iron Creek"), 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.

On December 16, 2014 Iron Creek completed a Plan of Arrangement (the "Arrangement") involving Polar Star Mining Corporation ("Polar Star"). In connection with the Arrangement, Polar Star common shares were de-listed from the Toronto Stock Exchange (the "TSX"), and an application was made for Polar Star to cease to be a reporting issuer in the applicable jurisdictions. Following the Arrangement, Iron Creek changed its name to Revelo Resources Corp., and Revelo will continue to list on the TSX-V under a new ticker symbol "RVL" (Note 3).

In an effort to facilitate greater flexibility in pursuing its plans to advance its projects and to conclude any additional financings required by the Company, effective April 14, 2014, the Company completed a share consolidation on a basis of seven pre-consolidation shares for one post-consolidation share (Note 9). On the share consolidation date, the number of pre-consolidation common shares was 53,286,239. The share consolidation resulted in the number of post-consolidation common shares of 7,612,321. As required by IAS 33, *Earnings per Share*, all references to share capital, common shares outstanding and per share amounts in these consolidated financial statements and the accompanying notes for time periods prior to the share consolidation have been restated to reflect the seven for one share consolidation.

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from the carrying values shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company's continuing operations and the ability of the Company to meet mineral property and other commitments are dependent upon the ability of the Company to continue to raise additional equity or debt financing and to find joint venture partners. At the date of these consolidated financial statements, the Company has not identified a known body of commercial grade mineral on any of its properties. At January 31, 2015, the Company has not achieved profitable operations and has accumulated losses since inception. Management believes it has sufficient capital to fund its administrative and exploration expenditures for the next twelve months.

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").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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"), which is also the Company's functional currency.

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 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 operating 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%
TVF Exploraciones SpA	Exploration company	Chile	100%
Minera Celeste Chile Ltda.	Exploration company	Chile	100%
Minera Serena Mining Chile Ltda.	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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign Currency Translation (continued)

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 statement of 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 comprehensive loss.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

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. Other financial liabilities include accounts payable and accrued liabilities and due to related parties, 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

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 capitalised 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. Re-imbursements of current period exploration and evaluation costs are recognized as a recovery. Re-imbursements of previously expensed exploration and evaluation costs are recognized in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and Evaluation Assets (continued)

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

A long-lived asset is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of a long-lived asset, or a cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of long-lived assets at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Estimates of future cash flows used to test recoverability of a long-lived asset include only the future cash flows that are directly associated with, and that are expected to arise as a direct result of, its use and eventual disposition. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

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, 2015 and 2014, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share Capital (continued)

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.

Loss per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to equity shareholders of the Company by the weighted average number of common shares issued and outstanding during the period. Diluted loss per share is calculated by adjusting the 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 loss per share 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 loss per share does not adjust the 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 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.

Income Taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statement of 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes (continued)

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.

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 equipment

The estimated useful lives of 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant Accounting Judgements and Estimates (continued)

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 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.

Accounting standards issued and effective for annual reporting periods beginning on or after February 1, 2014:

IAS 32, *Financial Instruments: Presentation* ("IAS 32") is amended to clarify requirements for offsetting of financial assets and financial liabilities. The Company has adopted the amendments to IAS 1 *Presentation of Financial Statements* ("IAS 1"). These amendments required the Company to group other comprehensive income items by those that will be reclassified subsequently to profit or loss and those that will not be reclassified. These changes did not result in any adjustments to other comprehensive income or comprehensive income.

Future Accounting Pronouncements

Amendments to IFRS 7, *Financial Instruments: Disclosures ("IFRS 7")* will require additional disclosure on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015. In October 2010, the IASB issued IFRS 9, *Financial Instruments* ("IFRS 9"), which represents the completion of the first part of a three-part project to replace IAS 39, *Financial Instruments: Recognition and Measurement,* with a new standard. 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.

Amendments to IAS 36, *Impairment of Assets (*"IAS 36") will address the disclosures required regarding the recoverable amount of impaired assets or cash generating units (CGU) for periods in which an impairment loss has been recognized or reversed. This amendment will be effective for annual financial periods beginning on or after July 1, 2014.

(Expressed in Canadian dollars)

3. ACQUISITION OF POLAR STAR MINING CORPORATION

Polar Star Mining Corporation ("Polar Star") was a publicly traded corporation, with its shares listed on the TSX, continued under the Canada Business Corporations Act ("CBCA") and was an enterprise which was participating in the acquisition, exploration and development of mineral claims in Chile.

Pursuant to the Plan of Arrangement dated October 28, 2014 (the "Arrangement"), the Company acquired all of the issued and outstanding common shares of Polar Star on December 16, 2014 in consideration of 0.26 of each of the Company's common shares for each Polar Star common share issued and outstanding, which resulted in the issuance of 52,784,360 common shares of the Company. This transaction was treated as an asset acquisition.

In addition, outstanding options to purchase Polar Star common shares were converted into options to purchase Revelo shares, with appropriate adjustments to reflect the Share Exchange Ratio (0.26 Revelo common shares for each Polar Star common share), and outstanding warrants to purchase Polar Star shares, when exercised, will be exchanged into the number of Revelo shares in lieu of each Polar Star Share to which such holder was theretofore entitled, with appropriate adjustments to reflect the Share Exchange Ratio.

Purchase Price:		
Fair value of 52,784,360 common shares of Revelo issued	$	4,222,749
Fair value of additional obligation for 15,082,500 replacement options		184,086
Fair value of additional obligation for 5,555,555 replacement warrants		19,641
Transaction costs		418,723
Total purchase price	$	4,845,199

Purchase Price Allocation:		
Cash	$	92,849
Receivables		390,985
Prepaid expenses		5,492
Marketable securities		1,429,380
Exploration and evaluation assets		3,017,036
Accounts payable and accrued liabilities		(90,543)
Total purchase price allocated	$	4,845,199

The value of the Company's common shares was calculated based on the issuance of the Company's 52,784,360 common shares at a price per share of $0.08 which was the TSX-V closing price of the Company's common share on December 16, 2014, the closing date of the Arrangement.

The fair value of the replacement options and warrants was estimated using the Black-Scholes option pricing model with weighted average assumptions as follows:

	Options	Warrants
Risk-free interest rate	1.00%	1.00%
Expected life	3.26 years	1.08 years
Expected volatility	159%	167%
Dividend yield	-	-

(Expressed in Canadian dollars)

4. 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 follows:

	January 31, 2015	January 31, 2014
Refundable taxes	$ 47,359	$ 3,765
Recoverable exploration expenditures and advances	378,622	-
Total	$ 425,981	$ 3,765

The carrying amounts of the Company's receivables are denominated in the following currencies:

	January 31, 2015	January 31, 2014
Canadian Dollars	$ 47,359	$ 3,765
US Dollars	348,810	-
Chilean Pesos	29,812	-
Total	$ 425,981	$ 3,765

5. MARKETABLE SECURITIES

As at January 31, 2015 and 2014, the Company had the following investments:

	January 31, 2015	January 31, 2014
Cost	$ 1,429,380	$ -
Accumulated unrealized loss	(686,976)	-
Fair value	$ 742,404	$ -

Subsequent to the year ended January 31, 2015, the Company sold marketable securities for total proceeds of approximately $2, 119,000 and recorded a gain on the sale of those securities.

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

	January 31, 2015	January 31, 2014
Las Pampas, Chile	$ 851,722	$ 851,722
Magallanes, Chile	12,888	12,888
T4, Chile	11,836	11,836
San Guillermo, Chile	320,110	-
Calvario, Chile	120,041	-
Mirador, Chile	120,042	-
Bronce Weste, Chile	80,028	-
San Valentino, Chile	120,041	-
Reina Hija, Chile	40,014	-
Montezuma, Chile	1,508,518	-
Los Azules, Chile	452,555	-
Block 2, Chile	100,000	-
Block 3, Chile	705,112	-
Block 4, Chile	100,000	-
Limbo, Chile	75,426	-
Los Animus, Chile	75,426	-
	$ 4,693,759	$ 876,446

Exploradora

The Company signed an option agreement with Anglo American Plc ("Anglo") in September 2011 to acquire a 100% interest in the Exploradora Property. Revelo met the first year expenditure commitment but could not meet the expenditure commitment for the second year due to financial constraints. The Company could not renegotiate the terms of the agreement with Anglo and wrote off the capitalized costs of $3,570 in the year ended January 31, 2014.

Las Pampas

As at January 31, 2015, the Company owns 100% of the Las Pampas property, comprising the consolidated properties previously named Pampa Buenos Aires and Pampa Sur properties. Hochschild Mining PLC ("Hochschild") retains a 2% net smelter return ("NSR") royalty on any and all future production from the Pampa Buenos Aires portion of the property. Tombstone Aruba A.V.V. retains a 2% NSR royalty on the Pampas Buenos Aires portion of the property which has a cap of US$5,000,000. The royalty cap is split between the Pampas Buenos Aires property and the Victoria property, whereby the royalty can be paid from either property but not both.

In April 2014, the Company signed a definitive agreement (the "Agreement") with Kinross Minera Chile Limitada, a wholly owned subsidiary of Kinross Gold Corp. (collectively, "Kinross"), whereby Kinross will have the sole and exclusive option and right to acquire up to a 75% undivided interest in the Las Pampas property, by complying with the terms and conditions set out below:

6. EXPLORATION AND EVALUATION ASSETS (continued)

Las Pampas (continued)

Initial Option

Kinross has the exclusive initial option (the "Initial Option"), exercisable at its sole discretion, to earn an undivided 60% interest in the Las Pampas property by funding and incurring an aggregate of US$5,000,000 in exploration expenditures over four years, including a minimum of US$500,000 (completed) in the first year.

Additional Option

After the exercise of the Initial Option, Kinross will have the exclusive additional option (the "Additional Option"), exercisable at its sole discretion, to acquire an additional undivided 15% interest in the Las Pampas property by:

- funding and incurring an additional US$20,000,000 in exploration expenditures over the 5 year period after the exercise of the Initial Option; or
- completing a National Instrument 43-101 compliant bankable feasibility study with respect to the Las Pampas property over the same time period.

Kinross is the operator of the Las Pampas property under the Agreement during the option periods. Kinross may extend the Additional Option period by intervals of one year up to a maximum of four years by incurring a minimum of US$1,000,000 in expenditures during each additional year. Kinross may also pay the Company cash in lieu of expenditures during the Initial and Additional Option periods. If Kinross exercises its Initial Option, a joint venture mining company (the "Joint Venture") will be incorporated to hold the Las Pampas Property. If Kinross exercises the Additional Option, the share structure of the Joint Venture will be adjusted to reflect Kinross' ownership of 75% and the Company's ownership of 25%.

After the Initial Option, or after the Additional Option, has been exercised, the Company may either maintain its interest in the Joint Venture and proportionally fund all future expenditures, or the Company may opt to convert its interest in the Joint Venture to a NSR royalty, giving Kinross a 100% interest in the Las Pampas Property. A portion of the NSR royalty may be purchased by Kinross for cash.

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.

T4

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

Victoria

The Company retains an uncapped 2% NSR royalty on the exploration property in northern Chile known as Victoria, currently owned and operated by a subsidiary of Hochschild. Victoria is a large property that was previously subject to a joint venture agreement between the Company and Hochschild. During the year ended

6. EXPLORATION AND EVALUATION ASSETS (continued)

January 31, 2014, the Company exchanged its 33.88% ownership in SCM Victoria for Hochschild's 50% ownership in SCM Pampa Buenos Aires and recognized a gain on exchange of property interests in the amount of $33,619 (Note 7).

Acquisition of Mineral Properties from Minera Fuego

In June 2014, the Company completed the acquisition ("the Acquisition") of a 100% interest in five properties, including the San Guillermo concessions, located in northern Chile from Minera Fuego Limitada, ("Fuego"), a privately owned Chilean exploration company. The Calvario-Mirador property was subsequently split into two separate properties, Calvario and Mirador. As consideration for the concessions, the Company issued 3,479,464 common shares valued at $800,277 and granted Fuego a 2% NSR royalty on precious metals and a 1% NSR royalty on base metals mined from the concessions. The value of the common shares was determined using the closing market price on the date of issuance, June 25, 2014. Management has exercised judgment in allocating the total consideration of $800,277 to the six properties. The allocation was based on drilling results and other geological information that was available and in part based on the size of each of the concessions. $320,110 has been allocated to the San Guillermo concession which had by far the most drilling data and was the largest of the concessions. The other concessions: Calvario, Mirador, Bronce Weste, San Valentino, and Reina Hija were assigned lesser values as reported in the table above.

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. 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.

Acquisition of Polar Star

As part of the acquisition of Polar Star, the Company acquired interests in seven exploration projects and existing option and project agreements. Management has exercised judgment in allocating the total consideration of $3,017,036 allocated to the exploration projects (Note 3). The allocation was based on project advancement, partner funding and participation, drilling results and other geological information that was available and in part based on the size of each of the concessions. $1,508,518 has been allocated to the Montezuma concessions which had the most partner activity and project expenditures to date. The other concessions: Los Azules, Block 2, Block 3, Block 4, Limbo and Las Animas were assigned lesser values as reported in the table above.

<u>Montezuma</u>

On January 20, 2014, the Company (as Polar Star) entered into a Venture Agreement (the "Agreement") with Newmont Ventures Limited, a subsidiary of Newmont Mining Corporation (collectively "Newmont"), to explore, and if appropriate, develop the Montezuma project (the "Project") located in the Antofagasta and Calama districts of Chile. The Agreement allows Newmont to earn up to a 75% beneficial interest in the concessions via a three phase earn-in amounting to US$20.5M over a seven year period if all phases are completed. The Company has the option to finance and therefore maintain its 25% beneficial interest through to production. By forfeiting an additional 5% beneficial interest, the Company can elect for Newmont to finance the Company's portion of mine development cost through to production (the financing option).

6. EXPLORATION AND EVALUATION ASSETS (continued)

Acquisition of Polar Star (continued)

Newmont may accelerate the various earn-in phases. Newmont will act as the manager and operator of the joint venture.

In February 2015 Newmont gave notice to Revelo that it had completed the Phase 1 earn-in for 51% by funding and incurring an aggregate of more than US$2.5M in exploration expenditures over a period of not more than 2.5 years from the date of the agreement. Newmont also gave notice to Revelo that it had elected to continue to the Phase 2 earn-in to acquire an additional 14% beneficial interest (to 65% in total) by funding and incurring an additional US$5.5M in exploration expenditures over the next 2.5 years (Phase 2 earn-in). Should Newmont elect to continue to Phase 3 of the earn-in, it will be required to spend an additional US$12.5M over the 2 years following completion of Phase 2, in order to own a total 75% beneficial interest in the project. Newmont will be the operator of the concessions during the option periods and may accelerate the time scales indicated at its own election.

<u>Los Azules</u>

The Company has a 100% interest in the Los Azules property.

<u>Block 2, Block 3 and Block 4</u>

In April 2012, the Company (as Polar Star) signed a definitive option and joint venture agreement with BHP Chile Inc., a wholly owned subsidiary of BHP Billiton (collectively, "BHPB"). According to the agreement, BHPB can earn a 51% beneficial interest in the Block 2, 3 and 4 project (Phase 1 earn-in) by funding and incurring an aggregate of US$3.5M in exploration expenditures over 2.5 years from the date of the Block selection (Note 16 c). BHPB will then have the option to acquire an additional 24% beneficial interest (to 75% in total) by funding and incurring an additional US$20.0M in exploration expenditures over the following 4.5 years (Phase 2 earn-in). Total expenditures to earn a 75% interest are thus US$23.5M over a period of 7 years.

If BHPB completes the Phase 1 earn-in and earns a 51% interest in the Block 2 project, a Chilean joint venture company will be formed with the relevant ownership interests of 51% (BHPB) and 49% (Revelo). BHPB will remain operator of the project whilst it retains more than a 50% interest in the project and related JV Company.

If BHPB has earned 51%, or after it earns a 75% interest if it elects to do so, straight-line dilution clauses will apply to any non-funding party, with an automatic conversion to a 1% NSR royalty should either party dilute to an interest of less than 10%.

Subsequent to January 31, 2015 Blocks 3 and 4 and half of Block 2 were returned by BHP to Revelo and were combined and renamed Redondo-Veronica.

<u>Limbo and Las Animus</u>

Limbo and Las Animus are -100% owned tenements comprising both exploration and mining concessions.

(Expressed in Canadian dollars)

6. EXPLORATION EXPENDITURES

During the year ended January 31, 2015, the Company incurred the following exploration expenditures, which were expensed as incurred:

	San Guillermo	Calvario	T4	Las Pampas	Regional & Other	Total
Assays	$ 135	$ -	$ -	$ -	$ 5,050	$ 5,185
Geological fees	34,483	28,586	2,150	-	145,427	210,646
Legal and accounting	-	-	15,082	3,686	93,164	111,932
Office and administration	-	-	17,356	4,242	127,830	149,428
Property maintenance	143,553	26,737	18,806	80,957	91,129	361,182
Salaries and benefits	108,822	30,416	25,375	20,736	325,438	510,787
Travel	976	4,696	-	175	23,135	28,982
Total expenditures	287,969	90,435	78,769	109,796	811,173	1,378,142
Recoveries	-	-	-	(72,968)	(27,871)	(100,839)
Total	$ 287,969	$ 90,435	$ 78,769	$ 36,828	$ 783,302	$ 1,277,303

During the year ended January 31, 2014, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Exploradora	Magallanes	Las Pampas	T4	Regional & Other	Total
Assays	$ -	$ -	$ 10,371	$ -	$ 5,674	$ 16,045
Geological fees	-	-	11,311	6,958	51,133	69,402
Legal and accounting	1,304	372	43,652	4,558	106,536	156,422
Office and administration	1,460	417	41,140	5,102	88,434	136,553
Property maintenance	1,208	1,208	220,529	9,668	73,272	305,885
Salaries and benefits	6,715	1,053	211,471	11,065	315,696	546,000
Travel	-	-	2,975	-	6,609	9,584
Total	$ 10,687	$ 3,050	$ 541,449	$ 37,351	$ 647,354	$ 1,239,891

(Expressed in Canadian dollars)

7. HOCHSCHILD PROPERTY EXCHANGE

Pursuant to an agreement signed in September 2008 and amended in December 2009, the Company granted an option to Hochschild Mining PLC ("Hochschild") to acquire a 60% interest in the Company's Victoria Project in Chile. As of October 30, 2010, Hochschild had completed the required exploration expenditures and consequently had exercised the option. In February 2011, SCM Victoria Ltda. ("SCM Victoria") was formed to transfer the ownership of the Victoria Property into a separate entity. In December 2012, the Company declined to pay its share of a cash call for its portion of the expenses incurred between February 2011 and September 2012. As a result, the Company's interest in SCM Victoria was diluted by 6.12% to 33.88% and Hochschild's interest increased to 66.12%. As a result of the dilution of the Company's interest, the carrying cost for the Victoria Property was reduced by $1,400,789, $1,743,243 in debt to Hochschild was settled and an investment in associated company of $471,544 was recognized which resulted in a gain on dilution of subsidiary of $813,998 being credited to operations during the year ended January 31, 2013.

At January 31, 2013, the Company's 33.88% equity investment in SCM Victoria was $471,544. Revelo also held a 50% interest in SCM Pampa Buenos Aires Ltda. ("Pampa BA") whose main asset is the Pampas Buenos Aires Property (now forms part of the Las Pampas Property). Hochschild held the other 50% of Pampa BA. Effective April 8, 2013 (the "Effective Date"), the Company completed an exchange of property interests with Hochschild by acquiring the remaining 50% interest in Pampa BA in exchange for its 33.88% equity investment in SCM Victoria. In addition, both parties agreed to mutually exchange a 2% NSR royalty on the properties, so that Revelo retains a 2% NSR royalty on any and all future production from the Victoria Property, and Hochschild retains a 2% NSR royalty on any and all future production from the Pampa Buenos Aires Property. As at the Effective Date and January 31, 2014, the Company owns 100% of Pampa BA and holds a 2% NSR interest on the Victoria property.

From February 1, 2013 to April 8, 2013 the Company's portion of the loss in SCM Victoria was $nil, which maintained the Company's equity investment in SCM Victoria at $471,544. Also, at the Effective Date, the Company had an outstanding accounts payable balance to Hochschild of $505,163. As part of the exchange of property interests, no debts or obligations remain between the Company, Hochschild, SCM Victoria and SCM Pampa BA and as a result, the accounts payable balance to Hochschild was eliminated. As a result, the Company recognized a gain on exchange of property interests in the amount of $33,619 during the current year ended January 31, 2014.

8. PROPERTY AND EQUIPMENT

	Field equipment	Furniture and equipment	Computer equipment	Vehicles	Leasehold improvements	Total
Cost						
As at January 31, 2015, 2014, and 2013	$ 102,905	$ 24,514	$ 21,838	$ 25,958	$ 29,617	$ 204,832
Accumulated Amortization						
As at January 31, 2013	39,112	6,864	8,391	9,086	15,630	79,083
Additions	12,760	3,532	4,033	5,192	9,872	35,389
As at January 31, 2014	51,872	10,396	12,424	14,278	25,502	114,472
Additions	10,205	2,824	2,824	5,192	4,115	25,160
As at January 31, 2015	62,077	13,220	15,248	19,470	29,617	139,632
Net Book Value						
As at January 31, 2014	$ 51,033	$ 14,118	$ 9,414	$ 11,680	$ 4,115	$ 90,360
As at January 31, 2015	$ 40,828	$ 11,294	$ 6,590	$ 6,488	$ -	$ 65,200

9. EQUITY

Authorized

As at January 31, 2015, the authorized share capital of the Company was an unlimited number of common shares and preferred shares without par value.

Share Capital

Effective April 14, 2014, the Company completed the consolidation of its issued and outstanding common shares on the basis of seven pre-consolidation common shares for one post-consolidation common share. As required by IAS 33, *Earnings per Share*, all information with respect to the number of common shares and issuance prices is presented on a post-consolidation basis.

For the year ended January 31, 2015

The Company completed a non-brokered private placement with the issuance of 26,606,762 units at $0.21 per unit for gross proceeds of $5,587,420. Each unit was composed of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase an additional share at $0.31 per share in the first three years and at $0.42 per share in the last two years.

The Company also issued 927,014 units and 927,014 non-transferable broker warrants as finders' fees. The finders' units have the same term as the private placement units and the broker warrants have the same term as the warrants in the private placement units. The Company also incurred $40,860 of share issuance costs paid in cash. The Company valued the finders' units at $0.21 per unit for total value of $194,673. The Company valued the finders' warrants at $131,395 using the Black-Scholes pricing model.

The gross proceeds of the private placement were allocated using the relative fair value method resulting in $3,512,811 recorded as share capital and $2,074,609 recorded as share-based payments reserve. The finders' units have also been allocated using the relative fair value method resulting in $122,391 recorded as share capital and $72,282 recorded as share-based payments reserve. 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 1.71%, dividend yield of 0%, volatility of 79% and an expected life of five years. If the closing market price of the common shares on the TSX-V for a period of 20 consecutive trading days is $0.45 or greater during the first three years of the warrants, or $0.60 or greater during the last two years of the warrants, (an "Acceleration Triggering Event"), the Company may give written notice of acceleration to the warrant holders within five trading days of the Acceleration Triggering Event. The new warrant expiry date shall be 20 trading days after the date of the notice of acceleration.

The Company issued 3,479,464 common shares valued at $800,277 to Fuego as consideration for the San Guillermo, Calvario-Mirador, San Valentino, Bronce Weste and Reina Hija concessions (Note 6).

The Company issued 52,784,360 common shares valued at $4,222,749 as part consideration for the Polar Star acquisition (Note 3).

(Expressed in Canadian dollars)

9. EQUITY (continued)

For the year ended January 31, 2014

The Company completed a non-brokered private placement with the issuance of 2,381,905 units, on a post-consolidation basis, at $0.42 per unit for gross proceeds of $1,000,400. Each unit was composed of one common share and one-half of one common share purchase warrant or 1,190,953 warrants in total. Each warrant entitles the holder to purchase an additional share at $0.70 per share until June 10, 2015.

The Company issued 24,857 units and 12,428 share purchase warrants as finders' fees. The finders' units consisted of one common share and one-half of one common share purchase warrant. Each share purchase warrant entitles the finder to purchase an additional share at $0.70 per share until June 10, 2015. The Company also incurred $7,136 of share issuance costs paid in cash. The Company valued the finders' units at $0.42 per unit for total value of $10,440. The Company valued the finders' warrants at $3,021 using the Black-Scholes option pricing model.

The gross proceeds of the private placement was allocated using the relative fair value method resulting in $852,422 recorded as share capital and $147,978 recorded as share-based payments reserve. The finders' units also have been allocated using the relative fair value method resulting in $8,896 recorded as share capital and $1,544 recorded as share-based payments reserve. 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 1.2%, dividend yield of 0%, volatility of 98% and an expected life of two 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 five years.

The changes in stock options outstanding are as follows:

	Number of Options	Weighted Average Exercise Price
Balance as at January 31, 2013	258,572	$ 2.94
Expired	(159,286)	(3.03)
Balance as at January 31, 2014	99,286	2.76
Issued	6,916,450	0.75
Balance as at January 31, 2015	7,015,736	$ 0.77
Exercisable as at January 31, 2015	6,903,236	$ 0.78

(Expressed in Canadian dollars)

9. EQUITY (continued)

Stock Options (continued)

The following table summarizes the stock options outstanding and exercisable at January 31, 2015:

Date Granted	Expiry Date		Exercise Price	Number Outstanding	Number Exercisable
July 5, 2010	July 4, 2015	$	2.31	71,429	71,429
September 24, 2010	September 23, 2015		3.92	27,857	27,857
July 23, 2014	December 16, 2015		0.25	240,000	240,000
July 23, 2014	July 23, 2019		0.25	2,755,000	2,642,500
December 16, 2014	December 16, 2015		2.88	109,200	109,200
December 16, 2014	December 17, 2017		2.88	295,750	295,750
December 16, 2014	December 16, 2015		1.92	156,000	156,000
December 16, 2014	December 17, 2017		1.92	422,500	422,500
December 16, 2014	December 16, 2015		0.77	416,000	416,000
December 16, 2014	December 17, 2017		0.77	845,000	845,000
December 16, 2014	December 16, 2015		0.69	78,000	78,000
December 16, 2014	December 17, 2017		0.69	1,599,000	1,599,000
Total				7,015,736	6,903,236

The weighted average remaining life of the stock options exercisable is 3.17 years (2014 – 1.48 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, 2013	673,721	$	3.85
Issued	1,228,238		0.70
Expired	(673,721)		(3.85)
Balance as at January 31, 2014	1,228,238		0.70
Issued	29,905,234		0.34
Balance as at January 31, 2015	31,133,472	$	0.35

(Expressed in Canadian dollars)

9. EQUITY (continued)

Warrants (continued)

The following table summarizes the share purchase warrants outstanding and exercisable at January 31, 2015:

Date Issued	Expiry Date			Exercise Price	Number Outstanding
June 10, 2013	June 10, 2015	June 2013 private placement warrants	$	0.70	1,190,953
June 10, 2013	June 10, 2015	June 2013 finders' warrants		0.70	12,428
June 10, 2013	June 10, 2015	June 2013 brokers' warrants		0.70	24,857
April 17, 2014	April 17, 2019	April 2014 private placement warrants		(1)	26,606,762
April 17, 2014	April 17, 2019	April 2014 finders' warrants		(1)	927,014
April 17, 2014	April 17, 2019	April 2014 brokers' warrants		(1)	927,014
December 16, 2016	January 16, 2016	Polar Star replacement warrants		0.88	1,444,444
Total					31,133,472

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

The weighted average remaining life of the share purchase warrants outstanding and exercisable is 3.91 years (2014 – 1.36 years).

Share-based Payments

During the year ended January 31, 2015, the Company recorded share-based payment expense of $425,809 (2013 - $2,603), which represents the fair value of options granted and accrued during the year with the offsetting amount credited to share-based payments reserve. During the year ended January 31, 2014 the Company did not grant any stock options.

The weighted average fair value of the stock options granted during the year ended January 31, 2015 was $0.14 per stock option (2014 - $Nil 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 1.47%, dividend yield of 0%, volatility of 118.25% and an expected life of five years.

(Expressed in Canadian dollars)

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, 2015	Year ended January 31, 2014
Management		
Management fees	$ 317,810	$ 252,393
Salaries and benefits	189,451	182,375
Share-based payments	170,448	2,603
Directors		
Consulting fees	80,082	74,579
Director's fees	6,000	-
Share-based payments	136,358	-
	$ 900,149	$ 511,950

Amounts due to related parties as of January 31, 2015 and January 31, 2014 are as follows:

Related party liabilities	Items or services	January 31, 2015	January 31, 2014
Seabord Services Corp.	Management fees and advances	$ 11,006	$ 229,811
Various directors	Consulting fees and advances	16,079	336,505
President	Salaries and benefits	-	90,000
		$ 27,085	$ 656,316

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.

During the year ended January 31, 2015, Seabord advanced $Nil (2014 - $131,045) and directors advanced $Nil (2014 - $229,205) to the Company in order to provide additional cash resources. These advances are included in the table above regarding related party liabilities and all were repaid in the year ended January 31, 2015. The advances were non-interest bearing and had no fixed terms of repayment.

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 accounts receivable. The Company's cash deposits are primarily held with a Canadian chartered bank and accounts receivable 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 January 31, 2015, included $352,145 of accounts payable and accrued liabilities, and $27,085 of amounts due to related parties. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and Chile and a portion of the Company's expenses are incurred in U.S. dollars and Chilean pesos. A significant change in the currency exchange rates between the Canadian dollar relative to the U.S. dollar and Chilean peso could 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, 2015, 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	$ 53,134	$ 114,614,323	
Receivables	300,000	14,897,752	
Accounts payable and accrued liabilities	(45,770)	(101,049,776)	
Net exposure	307,364	28,462,299	
Canadian dollar equivalent	$ 389,138	$ 56,925	$ 446,063

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 $45,000 in the Company's pre-tax loss.

(Expressed in Canadian dollars)

12. 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, 2015 and 2014, the Company did not have any interest-bearing loans. Accordingly, the Company does not have significant interest rate risk.

Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties. The Company relies mainly on equity issuances to raise new capital and on entering into joint venture agreements on certain properties which enables it to conserve capital and to reduce risk. In the management of capital, the Company includes the components of equity as well as cash. The Company prepares annual estimates of exploration and administrative expenditures and monitors actual expenditures compared to the estimates. The Company's investment policy is to invest its cash in savings accounts or highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without interest penalty. There has been no change in approach to managing capital in the past 12 months and the Company believes it has sufficient capital to fund its administrative and exploration expenditures for the next twelve months.

13. FINANCIAL INSTRUMENTS BY CATEGORY

Fair Values

The Company's financial instruments consist of cash, receivables, and marketable securities, accounts payable and accrued liabilities and due to related parties. The Company recognizes cash at fair value with subsequent measurement depending on classification as described below. 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, 2015 and 2014, the Company has made the following classifications for its financial instruments:

As at January 31, 2015	Fair value through profit or loss	Loans and receivables	Other financial liabilities	**Total**
Cash	$ -	$ 2,327,870	$ -	$ 2,327,870
Receivables	-	425,981	-	425,981
Fair value through profit or loss investments	742,404	-	-	742,404
Accounts payable and accrued liabilities	-	-	(352,145)	(352,145)
Due to related parties	-	-	(27,085)	(27,085)
	$ 742,404	$ 2,753,851	$ (379,230)	$ 3,117,025

(Expressed in Canadian dollars)

13. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

As at January 31, 2014		Loans and Receivables		Other financial liabilities		Total
Cash	$	1,090	$	-	$	1,090
Receivables		3,765		-		3,765
Accounts payable and accrued liabilities		-		(227,738)		(227,738)
Due to related parties		-		(656,316)		(656,316)
	$	4,855	$	(884,054)	$	(879,199)

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).

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

Financial assets		Level 1		Level 2		Level 3		Total
Cash	$	2,327,870	$	-	$	-	$	2,327,870
Fair value through profit or loss investments		742,404		-		-		742,404
	$	3,070,274	$	-	$	-	$	3,070,274

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

14. SUPPLEMENTARY CASH FLOW INFORMATION

The significant non-cash investing and financing transactions during the year ended January 31, 2015 included:

a) The issuance of 927,014 units as finders' fees (Note 9) valued at $194,673, of which $72,282 was allocated to share-based payments reserve and $122,391 to share capital, and 927,014 share purchase brokers' warrants valued at $131,395 as part of private placement finders' fees; and
b) The issuance of 3,479,464 common shares valued at $800,277 for the acquisition of mineral properties.

The significant non-cash investing and financing transactions during the year ended January 31, 2014 included:

a) Issued 12,428 share purchase warrants valued at $1,544 and 24,857 share purchase warrants valued at $3,021 as part of private placement finders' fees. Both values are recorded as share-based payments reserve.

(Expressed in Canadian dollars)

15. INCOME TAXES

The provision for income taxes differs from the amount calculated using the Canadian federal and provincial statutory income tax rate of 26% (2013 – 25.8%) as follows:

	2015	2014
Loss for the year before income taxes	$ (3,384,193)	$ (1,990,679)
Expected income tax expense (recovery)	(879,889)	(514,259)
Permanent difference and other	(505,446)	(136,147)
Effect of lower tax rates in foreign jurisdictions	61,104	42,965
Changes in unrecognized deductible temporary difference	1,356,090	607,441
	$ 31,859	$ -

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

	2015	2014
Deferred tax assets:		
Exploration and evaluation assets	$ 2,239,000	$ 1,656,000
Share issue costs and other	149,000	48,000
Non-capital losses available for future periods	2,198,000	1,525,000
Unused deferred tax assets	$ 4,586,000	$ 3,229,000

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

	2015	Expiry date
Temporary differences:		
Exploration and evaluation assets	$ 13,372,000	No expiry
Share issue costs	223,000	2036 to 2039
Non-capital losses available for future periods in Canada	5,320,000	2027 to 2035
Non-capital losses available for future periods in Chile	3,257,000	No expiry

	2014	Expiry date
Temporary differences:		
Exploration and evaluation assets	$ 8,282,000	No expiry
Share issue costs	178,000	2034 to 2038
Non-capital losses available for future periods in Canada	3,368,000	4,253,000
Non-capital losses available for future periods in Chile	2,995,000	2,096,000

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

16. EVENTS AFTER THE REPORTING DATE

Subsequent to the year ended January 31, 2015 the Company:

a) Announced that Newmont has completed the Phase 1 earn-in to earn a 51% interest in the Company's Montezuma copper project in northern Chile, by spending in excess of the US$2.5M required under the Venture Agreement signed between the parties in January 2014. The Company also announced Newmont has formally elected to continue to Phase 2, in which Newmont must spend a further US$5.5M over the next 2.5 years in order to earn an additional 14% interest, to 65% in total.
b) Announced that Kinross has completed the first year's expenditure commitment on the Company's Las Pampas gold-silver project in northern Chile, by spending in excess of the US$500,000 required under the option agreement signed in April 2014.
c) Announced that BHPB has elected to exclude some of the exploration concessions forming the option and joint venture agreement signed in April 2012 on the Company's Blocks 2, 3 and 4 copper projects in Northern Chile. BHPB notified the Company that it will exclude Blocks 3 and 4, and parts of Block 2 from the upcoming exploration program. As part of the Agreement, BHPB can exclude individual concessions from the agreement at any time. Blocks 3, 4 and the remainder of Block 2 will be returned to the Company together with all the exploration data gathered to date by BHPB.
d) Announced that it has agreed on the principal terms and conditions with Altius Minerals Corporation's ("Altius") 49% owned Chilean subsidiary BLC SpA ("BLC"), upon which the Company will purchase from BLC four properties in Northern Chile. Prior to or concurrently with the completion of the acquisition, the Company and BLC will complete a private placement of 5,000,000 units of Revelo for proceeds of $750,000 at $0.15 per unit. Each unit will consist of one common share of Revelo and one non-transferable common share purchase warrant to purchase one common share of Revelo for three years at $0.20.

   As part of the acquisition, the Company will:

   i. Issue 2,775,773 common shares to Altius at a value of $250,000;
   ii. Issue to BLC 500,000 common shares on completion of the first feasibility study on any one of the Properties; and
   iii. Grant BLC a 2% NSR royalty from commercial production of precious metals and 1% NSR royalty from commercial production of base metals from each of the properties. The Company will have the right to purchase one-half of the royalties in respect of each of the properties for $5.0M, which right will be exercisable for a period of five years following the commencement of commercial production of mineral products from each of the properties.

e) In April of 2015 the Company sold all of its shares of Xtract Resources plc for proceeds of approximately $2,100,000.
f) In May of 2015 the Company granted 800,000 stock options to two directors at an exercise price of $0.25 which expire on May 4, 2020.