



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED APRIL 30, 2018 AND 2017

Unaudited – Prepared by Management
(Expressed in Canadian dollars)

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of Revelo Resources Corp. for the three months ended April 30, 2018 and 2017 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

REVELO RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	April 30, 2018	January 31, 2018
ASSETS		
Current assets		
Cash	\$ 501,811	\$ 101,605
Receivables (Note 3)	106,442	91,241
Prepaid expenses and deposits	20,159	24,495
Marketable securities (Note 4)	1,050,000	1,300,000
Total current assets	1,678,412	1,517,341
Non-current assets		
Exploration and evaluation assets (Note 5)	2,919,890	2,919,893
Property and equipment (Note 7)	82,942	89,999
Total non-current assets	3,002,832	3,009,892
TOTAL ASSETS	4,681,244	4,527,233
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	699,599	527,337
Notes payable (Note 8 and Note 9)	2,193,413	772,285
Advances from joint venture partner	-	13,071
Total current liabilities	2,893,012	1,312,693
Non-current		
Notes payable (Note 8)	80,922	-
TOTAL LIABILITIES	2,973,934	1,312,693
EQUITY		
Share capital (Note 10)	24,640,452	24,640,452
Reserves	7,727,215	7,727,215
Deficit	(30,660,357)	(29,153,127)
TOTAL EQUITY	1,707,310	3,214,540
TOTAL LIABILITIES AND EQUITY	\$ 4,681,244	\$ 4,527,233

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

These consolidated financial statements were authorized for issuance by the Board of Directors on June 27, 2018.

Approved on behalf of the Board of Directors

"Michael Winn" , Director

"Timothy Beale" , Director

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

REVELO RESOURCES CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited - Expressed in Canadian Dollars)

	Three months ended April 30, 2018	Three months ended April 30, 2017
EXPLORATION EXPENDITURES (Note 6)	\$ 1,305,596	\$ 1,264,716
Less: Recoveries and operator fees	(357,574)	-
Net exploration expenditures	948,022	1,264,716
GENERAL AND ADMINISTRATIVE EXPENSES		
Administration	15,704	72,606
Amortization (Note 7)	7,057	7,458
Consulting fees (Note 9)	18,330	18,600
Investor relations and shareholder information	10,693	18,386
Management compensation (Note 9)	154,066	202,244
Professional fees	25,123	15,007
Share-based compensation (Note 10)	-	3,206
Transfer agent and regulatory fees	1,492	10,531
Travel	11,435	8,228
Total general and administrative expenses	243,900	356,266
Loss from operations	(1,191,922)	(1,620,982)
Foreign exchange loss (gain)	(44,540)	9,439
Gain on sale of exploration and evaluation assets (Note 5)	12,918	-
Equity loss in associated entity	-	(76,029)
Unrealized loss on marketable securities (Note 4)	(250,000)	-
Interest income (expense) and other	(33,686)	675
Net loss for the period	(1,507,230)	(1,686,897)
Translation of investment in associated entity	-	2,861
Total comprehensive loss for the period	\$ (1,507,230)	\$ (1,684,036)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding (basic and diluted)	158,235,071	129,797,903

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

REVELO RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Three months ended April 30, 2018	Three months ended April 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (1,507,230)	\$ (1,686,897)
Items not affecting cash:		
Amortization (Note 7)	7,057	7,458
Share-based compensation (Note 10)	-	3,206
Unrealized loss on marketable securities (Note 4)	250,000	-
Equity loss in associated entity	-	76,029
Gain on sale of exploration and evaluation assets (Note 5)	(12,918)	-
Interest expense on notes payable	52,187	-
Unrealized foreign exchange on notes payable	14,863	-
Changes in non-cash working capital items:		
Receivables	(15,201)	(236)
Prepaid expenses and deposits	4,336	(11,708)
Accounts payable and accrued liabilities	172,262	100,578
Advances from joint venture partner	(13,071)	85,761
Net cash used in operating activities	(1,047,715)	(1,425,809)
CASH FLOWS FROM INVESTING ACTIVITIES		
Option payments received	-	66,285
Proceeds from sale of exploration and evaluation assets	12,921	-
Net cash provided by investing activities	12,921	66,285
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of notes payable (Note 8)	1,435,000	-
Proceeds from issuance of common shares, net (Note 10)	-	1,843,360
Net cash provided by financing activities	1,435,000	1,843,360
Net change in cash during the period	400,206	483,836
Cash, beginning of period	101,605	662,324
Cash, end of period	\$ 501,811	\$ 1,146,160

Supplementary Cash Flow Information (Note 14)

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

REVELO RESOURCES CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Unaudited - Expressed in Canadian Dollars)

	Number of common shares	Share capital	Reserves	Deficit	Total equity
Balance as at January 31, 2018	167,405,027	\$ 24,640,452	\$ 7,727,215	\$ (29,153,127)	\$ 3,214,540
Loss for the period	-	-	-	(1,507,230)	(1,507,230)
Balance as at April 30, 2018	167,405,027	\$ 24,640,452	\$ 7,727,215	\$ (30,660,357)	\$ 1,707,310

	Number of common shares	Share capital	Reserves	Deficit	Total equity
Balance as at January 31, 2017	128,486,027	\$ 23,252,601	\$ 7,269,217	\$ (26,526,157)	\$ 3,995,661
Private placement at \$0.05 per share	38,919,000	1,491,356	454,594	-	1,945,950
Finders' fees in cash	-	(77,877)	-	-	(77,877)
Share issuance costs in cash	-	(24,713)	-	-	(24,713)
Share-based payments	-	-	3,206	-	3,206
Other comprehensive income on translation of investment in associated entity	-	-	(2,861)	-	(2,861)
Loss for the period	-	-	-	(1,686,897)	(1,686,897)
Balance as at April 30, 2017	167,405,027	\$ 24,641,367	\$ 7,724,156	\$ (28,213,054)	\$ 4,152,469

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

REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended April 30, 2018

(Unaudited - Expressed in Canadian dollars)

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

Revelo Resources Corp. (the “Company” or “Revelo”), was incorporated on September 14, 2006, under the Business Corporations Act (Alberta) and continued into British Columbia on June 25, 2008. The Company’s head office address is Suite 501 – 543 Granville Street, Vancouver, BC V6C 1X8, Canada. Revelo is a publicly traded company, listed on the TSX Venture Exchange (“TSX-V”) under the trading symbol RVL. The Company’s principal business activities are the acquisition and exploration of mineral properties in Chile.

These condensed consolidated interim financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will be able to realize its assets, discharge its liabilities and continue in operation for the following twelve months.

These consolidated interim 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 April 30, 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 condensed interim 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 condensed consolidated interim financial statements have been prepared on a historical cost basis using the accrual basis of accounting except for cash flow information. These condensed consolidated interim financial statements are presented in Canadian dollars (“CAD”), which is also the Company’s functional currency.

Basis of Consolidation

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

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Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended April 30, 2018

(Unaudited - Expressed in Canadian dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsidiaries

Subsidiaries are all entities over which the Company has exposure to variable returns from its involvement and has the ability to use power over the investee to affect its returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

The accounts of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions are eliminated.

Significant Accounting Policies

The accounting policies applied by the Company in these condensed interim financial statements are consistent with those applied in its annual audited financial statements and related note disclosures as at and for the year ended January 31, 2018, and do not include all the information required for full annual audited financial statements in accordance with IFRS.

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

Accounting standards adopted during the period

Financial instruments

Effective February 1, 2018, the Company adopted IFRS 9 – Financial Instruments (“IFRS 9”) which replaced IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking ‘expected loss’ impairment model. IFRS 9 also includes significant changes to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018. The adoption of IFRS 9 did not result in any changes to the classification, measurement or carrying amounts of the Company’s existing financial instruments on the transition date.

IFRS 9 largely retains the existing requirements in IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”) for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, and available-for-sale.

Under IFRS 9, on initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at amortized cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL.

Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated, and instead the hybrid financial instrument as a whole is assessed for classification. On initial recognition

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(Unaudited - Expressed in Canadian dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (loss). This election is made on an investment-by-investment basis.

The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to initial recognition and how changes in value are recorded. The following accounting policies apply to the subsequent measurement of financial assets.

- a) Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
- b) Financial assets at amortized cost - These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
- c) Financial assets at FVOCI - These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Gains or losses recognized on the sale of the equity investment are recognized in other comprehensive income (loss) and are never reclassified to profit or loss.

Financial liabilities are designated as either fair value through profit or loss, or other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Other financial liabilities are carried on the consolidated statement of financial position at amortized cost.

The Company completed an assessment of its financial instruments as at February 1, 2018. The following table shows the new classification under IFRS 9 and the original classification under IAS 39:

	New (IFRS 9)	Original (IAS 39)
Financial assets		
Cash and cash equivalents	Amortized cost	Loans and receivables
Investments	FVTPL	FVTPL
Receivables	Amortized cost	Loans and receivables
Financial liabilities		
Accounts payable and accrued liabilities	Amortized cost	Other financial liabilities
Advances from joint venture partners	Amortized cost	Other financial liabilities
Notes payable	Amortized cost	Other financial liabilities

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk. There was no adjustment relating to the implementation of the expected credit loss model for the Company's trade receivables.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Derivative contracts are recognized at fair value on initial recognition. Subsequently, derivatives are remeasured at their fair value. The method of recognizing any resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged:

- a) Changes in the fair values of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair values of the hedged assets or liabilities that are attributable to the hedged risk.
- b) The effective portions of changes in the fair values of derivatives that are designated and qualify as cash-flow hedges are recognized in equity. The gain or loss relating to any ineffective portion is recognized immediately in profit or loss.
- c) Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognized immediately in profit or loss.

Amounts accumulated in the hedge reserve are recycled in the consolidated statement of loss in the periods when the hedged items will affect profit or loss (for instance when the forecast sale that is hedged takes place). If a forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a liability, the gains and losses previously deferred in the hedge reserve are included in the initial measurement of the cost of the asset or liability.

3. RECEIVABLES

The Company's receivables arise from goods and services tax and value added tax receivable from government taxation authorities, amounts due related to option and sale agreements, and recovery of exploration expenditures from joint venture partners.

As at April 30, 2018 the current receivables were as follows:

Category	April 30, 2018	January 31, 2018
Refundable taxes	\$ 28,495	\$ 42,037
Amounts due from joint venture partners	77,947	-
Sale of exploration and evaluation assets	-	49,204
Receivables	\$ 106,442	\$ 91,241

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(Unaudited - Expressed in Canadian dollars)

3. RECEIVABLES (Continued)

The carrying amounts of the Company's current and non-current receivables are denominated in the following currencies:

Currency	April 30, 2018	January 31, 2018
Canadian Dollars	\$ 28,473	\$ 42,037
US Dollars	-	49,204
Chilean Pesos	77,969	-
Receivables	\$ 106,442	\$ 91,241

4. MARKETABLE SECURITIES

As at April 30, 2018 and January 31, 2018, the Company had the following investments:

	April 30, 2018	January 31, 2018
Cost	\$ 1,250,000	\$ 1,250,000
Accumulated unrealized (loss) gain	(200,000)	50,000
Fair value	\$ 1,050,000	\$ 1,300,000

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. The Austral shares have been pledged as security pursuant to the terms of the Term Oil loan (Note 8).

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Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended April 30, 2018

(Unaudited - Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS

	April 30, 2018	January 31, 2018
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
T4, Chile	11,836	11,836
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
San Valentino, Chile	120,041	120,041
Montezuma, Chile	1	1
Los Azules, Chile	327,545	327,545
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
Las Animas, Chile	75,426	75,426
Loro, Chile	6,550	6,550
Victoria Sur, Chile	1	1
Orca (formerly Morsas), Chile	183,838	183,838
	\$ 2,919,890	\$ 2,919,893

During the three months ended April 30, 2018, the Company sold three, non-core exploration projects to third parties in exchange for NSR royalty interests (the "NSR" royalties), as follows:

- The Magallanes project was sold to a Chilean subsidiary of Austral for a 1% NSR on future production of all metals together with nominal cash;
- The Limbo project was also sold to a Chilean subsidiary of Austral for a 1% NSR on future production of all metals and nominal cash; and
- The Bronce Weste project was sold to Masglas Americas Corporation SpA ("Masglas") for a 1% NSR on future production of precious metals plus a 0.5% NSR on future production of base metals, together with nominal cash. Masglas subsequently renamed the project Colla Kananchiari.

REVELO RESOURCES CORP.

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Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended April 30, 2018

(Unaudited - Expressed in Canadian dollars)

6. EXPLORATION EXPENDITURES

During the three months ended April 30, 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	\$ -	\$ -	\$ 156,937	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,937
Legal and accounting	1,819	1,332	-	4,181	1,354	1,780	809	-	594	26,728	38,597
Office and administration	5,321	3,896	-	12,229	4,230	5,206	2,527	166	2,349	17,659	53,583
Property maintenance	67,864	49,690	11,197	155,904	50,241	66,394	30,022	188,813	21,558	176,261	817,944
Salaries and benefits	8,776	6,426	119,064	20,168	6,532	8,586	3,903	-	2,867	25,635	201,957
Travel	163	119	34,651	432	121	159	72	-	53	808	36,578
Total Expenditures	83,943	61,463	321,849	192,914	62,478	82,125	37,333	188,979	27,421	247,091	1,305,596
Recoveries	-	-	(321,084)	-	-	-	-	-	-	-	(321,084)
Operator fees	-	-	(36,490)	-	-	-	-	-	-	-	(36,490)
Net Expenditures	\$ 83,943	\$ 61,463	\$ (35,725)	\$ 192,914	\$ 62,478	\$ 82,125	\$ 37,333	\$ 188,979	\$ 27,421	\$ 247,091	\$ 948,022

During the three months ended April 30, 2017, the Company incurred the following exploration expenditures, including regional exploration and property investigation costs, which were expensed as incurred:

	Calvario	Morros Blancos	Morsas	Montezuma	Redondo- Veronica	Block 3 - Culebra	Block 4 - Anaconda	Las Pampas	Las Animas	Regional project development	Total
Exploration field costs	\$ -	\$ -	\$ -	\$ 10,199	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,951	\$ 25,150
Legal and accounting	2,338	750	436	15,576	1,685	821	753	-	978	60,656	83,993
Office and administration	1,617	2,083	1,213	12,352	3,616	1,763	1,616	67	4,384	16,695	45,406
Property maintenance	31,180	42,445	24,705	221,884	73,291	35,725	32,761	155,775	53,728	241,504	912,998
Salaries and benefits	6,905	8,898	5,179	52,579	15,446	7,529	6,904	-	11,613	66,607	181,660
Travel	109	140	82	8,359	244	119	109	-	183	6,164	15,509
Net Expenditures	\$ 42,149	\$ 54,316	\$ 31,615	\$ 320,949	\$ 94,282	\$ 45,957	\$ 42,143	\$ 155,842	\$ 70,886	\$ 406,577	\$ 1,264,716

REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

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(Unaudited - Expressed in Canadian dollars)

7. PROPERTY AND EQUIPMENT

	Field equipment	Furniture and equipment	Computer equipment	Vehicles	Leasehold improvements	Total
Cost						
As at January 31, 2018 and April 30, 2018	\$ 102,905	\$ 24,514	\$ 21,838	\$ 111,263	\$ 29,617	\$ 290,137
Accumulated amortization						
As at January 31, 2018	82,001	18,730	19,722	50,068	29,617	200,138
Additions	1,044	289	158	5,566	-	\$ 7,057
As at April 30, 2018	\$ 83,045	\$ 19,019	\$ 19,880	\$ 55,634	\$ 29,617	\$ 207,195
Net book value						
As at January 31, 2018	\$ 20,904	\$ 5,784	\$ 2,116	\$ 61,195	\$ -	\$ 89,999
As at April 30, 2018	\$ 19,860	\$ 5,495	\$ 1,958	\$ 55,629	\$ -	\$ 82,942

8. NOTES PAYABLE

The Company has entered into the following loan transactions:

Term Oil Loan

In February 2018, the Company borrowed \$1,500,000 from Term Oil Inc., a private Company. At the time of receipt of the advance, the Company paid fees totaling \$45,000 and legal fees of \$20,000. The Company has also agreed to 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 compounded monthly. The Company granted security to Term Oil including a general security agreement creating a first priority security interests over all its present and-after acquired personal property, a guarantee of the Company's subsidiary Minera Mena Chile Ltda., and a pledge over 10,000,000 ordinary shares of Austral (Note 4).

The fair value of the loan was calculated using an effective interest rate of 15% resulting in \$40,411 of accrued interest during the three months ended April 30, 2018. The total loan outstanding as at April 30, 2018 is \$1,475,411 including a long-term portion of \$80,922 for amounts not due within 12 months.

Related Party Loans

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 April 30, 2018, the total loan amounts outstanding to related parties was \$798,924 (January 31, 2018 - \$772,285).

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For the Three Months Ended April 30, 2018

(Unaudited - Expressed in Canadian dollars)

9. RELATED PARTY TRANSACTIONS AND BALANCES

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

	Three months ended	
	April 30, 2018	April 30, 2017
Management		
Management fees	\$ 150,245	\$ 198,254
Directors		
Directors' fees	18,000	18,000
	\$ 168,245	\$ 216,254

Amounts due to related parties as of April 30, 2018 and January 31, 2018 are as follows:

Related party liabilities	Items or services	Three months ended		Year ended
		April 30, 2018	January 31, 2018	January 31, 2018
Seabord Services Corp.	Management fees and advances	\$ 110,114	\$ 58,308	
Seabord Capital Corp.	Management fees	177,216	125,470	
President	Compensation	157,164	136,164	
Various directors	Directors' fees	84,000	66,000	
EMX Royalty Corp.	Loan (Note 8)	445,775	434,000	
Director and former director	Loan (Note 8)	353,149	338,285	
		\$ 1,327,418	\$ 1,158,228	

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. EQUITY

Authorized

As at April 30, 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 April 30, 2018.

For the three months ended April 30, 2018, the Company had no changes to its share capital.

For the three months ended April 30, 2017:

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

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10. EQUITY (Continued)

The Company paid cash finder's fees totaling \$102,590. 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.

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, 2017	8,827,500	0.41
Expired	(1,202,500)	1.48
Balance as at January 31, 2018 and April 30, 2018	7,625,000	\$ 0.24
Exercisable as at January 31, 2018 and April 30, 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 April 30, 2018.

The following table summarizes the stock options outstanding and exercisable at April 30, 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 1.26 years (January 31, 2018 – 1.50 years).

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10. EQUITY (Continued)

Share Purchase Warrants

There were no changes to the warrants issued and outstanding during the three months ended April 30, 2018.

The following table summarizes the share purchase warrants outstanding and exercisable at April 30, 2018:

Date Issued	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 0.80 years (January 31, 2018 – 1.05 years).

Share-based Payments

During the three months ended April 30, 2018, the Company recorded share-based payment expense of \$Nil (2017 - \$3,206), 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 three months ended April 30, 2018 and 2017.

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 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.

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12. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

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 April 30, 2018, included \$2,973,934 of accounts payable and accrued liabilities and notes payable. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant and the Company has used an effective interest rate calculation to determine the fair value of certain notes payable.

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 April 30, 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	\$ 42,320	\$ 48,846,158	
Receivables	-	36,952,135	
Accounts payable and accrued liabilities	(340,050)	(49,682,347)	
Net exposure	(297,730)	36,115,946	
Canadian dollar equivalent	\$ (382,345)	\$ 76,183	\$ (306,162)

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 \$31,000 in the Company's pre-tax loss.

Interest Rate Risk

When the Company has sufficient cash, it is invested in term deposits which can be reinvested without penalty after thirty days should interest rates rise. As at April 30, 2018, and 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.

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13. FINANCIAL INSTRUMENTS BY CATEGORY

Fair Values

The Company's financial instruments consist of cash, marketable securities, receivables, accounts payable and accrued liabilities, notes payable, and advances due 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 April 30, 2018, there were no changes in the classification of financial instruments in comparison to the year ended January 31, 2018. Company has made the following classifications for its financial instruments:

As at April 30, 2018	Fair value through profit and loss		Amortized cost	Total
Cash and cash equivalents	\$	-	\$ 501,811	\$ 501,811
Marketable securities		1,050,000	-	1,050,000
Receivables		-	106,442	106,442
Accounts payable and accrued liabilities		-	699,599	699,599
Notes payable		-	2,193,413	2,193,413
	\$	1,050,000	\$ 3,501,265	\$ 4,551,265

The Company characterizes inputs used in determining fair value using a hierarchy that prioritizes inputs depending on the degree to which they are observable. The three levels of the fair value hierarchy are as follows:

- Level 1: inputs represent quoted prices in active markets for identical assets or liabilities. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: inputs other than quoted prices that are observable, either directly or indirectly. Level 2 valuations are based on inputs, including quoted forward prices for commodities, market interest rates, and volatility factors, which can be observed or corroborated in the market place.
- Level 3: inputs that are less observable, unavoidable or where the observable data does not support the majority of the instruments' fair value.

As at April 30, 2018, there were no changes in the levels in comparison to the year ended January 31, 2018. Financial instruments measured at fair value on the statement of financial position include marketable securities and are included in level 1 of the fair value hierarchy.

The carrying values of cash and cash equivalents, receivables, accounts payable and accrued liabilities, notes payable (except the Term Oil loan), and advances from joint venture partner approximate their fair value because of the short-term nature of these instruments.

The Term Oil Loan was measured using an effective interest rate that included the additional cash outflows for structuring, legal, and drawdown charges. The fair value of the Term Oil Loan is approximated by its carrying value.

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14. SUPPLEMENTARY CASH FLOW INFORMATION

There were no significant non-cash investing and financing transactions during the three months ended April 30, 2018.

The significant non-cash investing and financing transactions during the three months ended April 30, 2017 included:

- a) The fair value allocation of \$454,594 to reserves related to 38,919,000 units issued in the private placement (Note 10); and
- b) The decrease in the investment in associated entity by \$2,861 related to other comprehensive income from the translation of an investment in an associated entity with a functional currency different from the Company.

15. EVENT AFTER THE REPORTING DATE

Subsequent to the three months ended April 31, 2018, the Company signed an Option Agreement with Teck Resources Chile Limitada ("Teck") a wholly owned subsidiary of Teck Resources Limited, allowing Teck to acquire up to a 60% interest in a 1,500- hectare portion of Revelo's Cerro Buenos Aires property. Teck can earn its 60% interest by making cash payments to Revelo totaling US\$425,000 and incurring exploration expenditures totaling US\$4,800,000 over 4 years. Once the option is exercised by Teck, Revelo has the option to form a joint-venture company with Teck (with Revelo holding a 40% interest) to advance the property, or to convert its interest into a 1.5% net smelter return royalty. Teck has the right to buy-down the royalty by 0.5% by paying Revelo US\$2,000,000, at any time.