REVELO

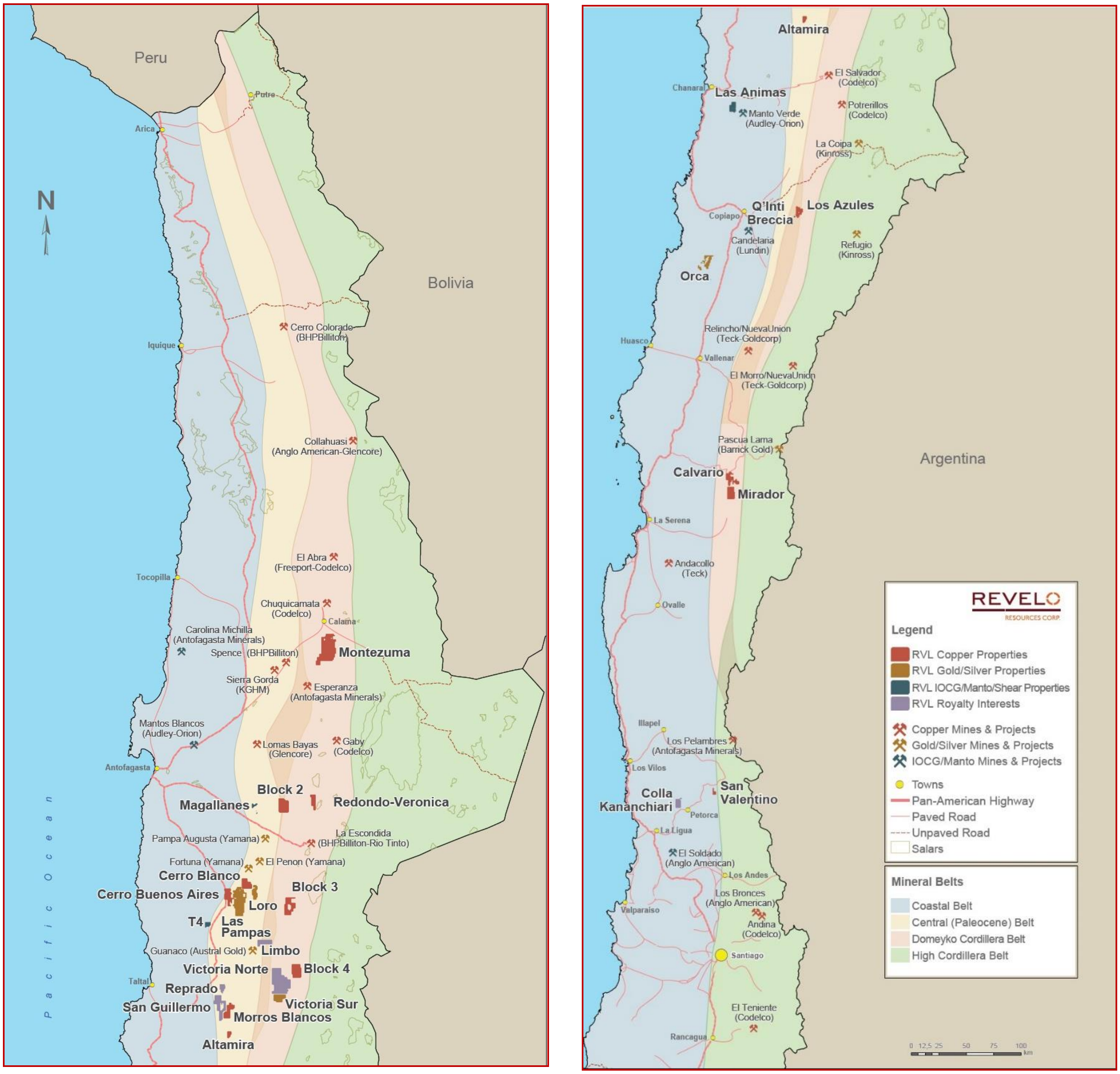
RESOURCES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED APRIL 30, 2018

Dated: June 27, 2018

(All amounts expressed in Canadian dollars unless otherwise indicated)

REVELO PROJECT LOCATION MAP



<u>Note:</u> Coloured blocks represent properties in which Revelo has interests. Refer to the legend for more details.

GENERAL

Revelo Resources Corp. (the "Company" or "Revelo") is a Vancouver-based mineral exploration company engaged in the acquisition and exploration of base and precious metals projects in Chile and the generation of royalty interests. The Company is a reporting issuer in British Columbia, Alberta and Ontario, and trades on the TSX Venture Exchange ("TSX-V") as a Tier 2 issuer under the symbol RVL.

The following Management Discussion and Analysis ("MD&A") of the Company's financial condition and results of operations has been prepared by management in accordance with the requirements of National Instrument 51-102. The following information is prepared as at June 27, 2018 unless otherwise stated, and supplements, but does not form part of the unaudited condensed interim financial statements of the Company for the three months ended April 30, 2018 and 2017. This MD&A should be read in conjunction with the unaudited condensed interim financial statements and related notes for the three months ended April 30, 2018, and the audited financial statements and related notes for the twelve months ended January 31, 2018.

The Company reports its financial position, results of operations and cash flows 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"). All dollar amounts included therein and in the following management's discussion and analysis ("MD&A") are in Canadian dollars except where noted.

Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and on the Company's website at www.reveloresources.com.

Dr. Demetrius Pohl, PhD., Certified Professional Geoscientist (CPG), an independent consultant, is the Company's Qualified Person as defined by National Instrument 43-101 and is responsible for the accuracy of the technical information in this MD&A and has approved its written disclosure.

FORWARD LOOKING STATEMENTS

This MD&A may contain "forward-looking statements" that reflect the Company's current expectations and projections about its future results. Forward-looking statements are statements that are not historical facts, and include, but are not limited to: a) estimates and their underlying assumptions; b) statements regarding plans, objectives and expectations with respect to the effectiveness of the Company's business model, future operations, the impact of regulatory initiatives on the Company's operations, and market opportunities; c) general industry and macroeconomic performance and growth rates; d) expectations related to possible business opportunities, joint or strategic ventures; and e) statements regarding future performance.

Forward-looking statements used in this MD&A are subject to various risks, uncertainties and other factors, most of which are difficult to predict and are generally beyond the control of the Company. These risks, uncertainties and other factors may include, but are not limited to: a) unavailability of financing; b) failure to identify commercially viable mineral reserves; c) fluctuations in the market valuation for commodities; d) difficulties in obtaining required approvals for the development of a mineral project; and e) other factors.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks, uncertainties and other factors, including the risks, uncertainties and other factors identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise, except as required by securities law.

COMPANY OVERVIEW

Revelo has been a project consolidator in one of the world's prime mining jurisdictions - Chile. The business model has been explicitly counter-cyclical with the consolidation of a large portfolio of properties in Chile during the industry downturn of the last few years. Since 2014, Revelo has completed three property acquisition deals with Minera Fuego (5 projects), Altius Minerals (4 projects), and Teck Resources (1 project). In addition, Revelo completed a merger with Polar Star Mining (8 projects) at the end of 2014. Since the consolidation of the project portfolio, Revelo has developed a generative royalty business through the sale of some exploration assets in exchange for royalty interests on future production. The overall area controlled by Revelo has been reduced from a peak of around 400,000 hectares as exploration activities have led to the abandonment of un-prospective ground.

As of the date of this MD&A, including recent transactions, Revelo now has interests in an outstanding portfolio of 26 projects prospective for copper, gold and silver, all located along proven mineral belts in northern Chile. Revelo's total exposure to mineral tenements is around 204,000 hectares, of which about 74,000 Ha are subject to option and royalty agreements and 130,000 Ha are available for 3rd party option, joint venture, sale and royalty deals.

KEY EVENTS FOR THE THREE MONTHS ENDED APRIL 30, 2018

- **CASH FLOWS AND EXPENDITURES:** The Company's cash position for the three months ended April 30, 2018 increased by $400,206 compared to the year ended January 31, 2018. This was the result of $1,435,000 in loan proceeds received, $12,921 from the sale of exploration projects, less $1,047,715 in cash used in operations. During the three months ended April 30, 2018, Revelo incurred a net loss from operations of $1,191,922. $817,944 was related to property maintenance fees in Chile, $487,652 was related to other exploration costs, and $243,900 was related to corporate overhead and business development costs. Revelo was able to offset some costs by recovering exploration costs and operator fees totalling $357,574 relating to the Loro project..

  FINANCING: In February 2018, the Company borrowed $1,500,000 from Term Oil Inc., a private company owned by Rick Rule. In consideration of the loan, the Company paid fees totalling $45,000 and will pay a fee equal to 3% of the outstanding balance of the loan on the first anniversary of the loan. The loan has a term of 18 months and is subject to interest of 1% per month. RVL granted security to Term Oil including a general security agreement creating a priority security interest 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 Gold Ltd. ("Austral") (see news release dated February 27, 2018).

- **MAGALLANES, LIMBO AND BRONCE WESTE PROJECTS:** In March 2018, Revelo sold three, non-core exploration projects to third parties in exchange for NSR royalty interests (the "NSR" royalties), as follows (see news release dated March 20, 2018):

  - The Magallanes project (approximately 1,038 hectares) 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 (approximately 5,600 hectares) 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 (approximately 3,890 hectares) 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.

REDUCTION OF LAND HOLDINGS: During the three months ended April 30, 2018, the Company reduced its tenement holdings on several of its projects as a result of its own in-house exploration and evaluation of its projects. The dropped ground is considered un-prospective and has allowed Revelo to reduce its overall interests to about 204,000 hectares and consequently reduce its annual holding costs (see news release dated March 20, 2018).

EVENT SUBSEQUENT TO THE THREE MONTHS ENDED APRIL 30, 2018

LORO: The Company announced the initiation of a drill program at its Loro project, currently under option to the Chilean subsidiary of Hochschild Mining PLC, in early May 2018 (see news release dated May 2, 2018). The drill program is designed to test a series of precious metals vein targets.

CERRO BUENOS AIRES: In May 2018, the Company signed an Option Agreement with Teck Resources Chile Limitada ("Teck") a 100% subsidiary of Teck Resources Limited, allowing Teck to acquire a 60% interest in a 1,500- hectare portion of Revelo's Cerro Buenos Aires property in northern Chile (see news release dated May 29. 2018). Teck can earn its 60% interest by making cash payments to Revelo totaling US$425,000 and incurring exploration expenditures totaling US$4.8 million 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 million, at any time.

PROJECT REVIEW AND SUMMARY OF ROYALTY INTERESTS FOR THE THREE MONTHS ENDED APRIL 30, 2018

Revelo's current total exposure to mineral tenements is around 204,000 hectares, of which about 10,000 Ha (3 projects) are currently subject to option, joint-venture, sale, and royalty agreements with third parties, and about 64,000 Ha (7 projects) are NSR royalty interests over third-party exploration projects. The remainder of the exploration project portfolio – about 130,000 Ha (16 projects) – is available for 3rd party option, joint venture, sale, and royalty deals. This portfolio makes Revelo one of the more important tenement holders in Chile. More than US$100 million have been spent by previous owners in exploration on the portfolio, and Revelo owns most of the information and data resulting from this investment. Several targets are close to being ready for drill testing and Revelo is actively looking for partners for the 16 available projects.

Revelo has focused significant personnel and management resources in carrying out field visits with potential partners to several projects, as well as making available databases and reports for these projects. All third-party reviews are carried out under confidentiality agreements.

Revelo's outstanding consolidated tenement position is divided into a portfolio of 26 projects prospective for copper, gold and silver located along proven mineral belts in northern Chile (as illustrated on the Revelo Project Map – Page 1), composed of:

A. 7 projects where Revelo holds a royalty interest. (“Generative Royalty & Other Interests”)
- Revelo also holds an equity interest in 1 company

B. 13 projects focused on copper with by-product molybdenum and gold. (“Copper Projects”)
- Including 2 Option Agreements

C. 4 projects focused on gold and silver. (“Gold-Silver Projects”)
- Including 1 Option Agreement

D. 2 projects focused on copper and gold with possible by-product iron. (“Copper-Gold / IOCG Projects”)

Please refer to the Project section of Revelo’s website (www.reveloresources.com/projects) for detailed information on the location, history and geologic setting for each of Revelo’s projects, including Project Fact Sheets (.pdf). A project map is also available for download on the Company’s website www.reveloresources.com/project-downloads.

A. GENERATIVE ROYALTY & OTHER INTERESTS

Revelo, as part of its core business, has been developing royalty interests in exploration projects owned by third parties, all located along key mineral belts of northern Chile. These interests have developed as a result of sales of Revelo properties to interested 3rd parties.

Revelo concluded two transactions during the quarter ended April 30, 2018, which resulted in the sale of three properties in exchange for royalty interests in the sold projects. Revelo currently has royalty interests in 7 exploration projects, as indicated below.

During the three months ended April 30, 2018, the Company incurred costs of approximately $85,000 (2017 - $81,000) on related generative royalty projects. Of this amount, approximately $68,000 (2017 - $63,000) was related to property maintenance. Most of these costs were incurred prior to sales and conversion to royalty arrangements, and Revelo will not have any on-going costs related to these projects.

San Guillermo & Reprado – Austral Gold:

Revelo signed definitive documentation on November 14, 2017 for the sale of a 100% interest in Revelo’s gold-silver projects at San Guillermo and Reprado, both located in the emerging Amancaya precious metals district of northern Chile, to the Chilean subsidiary of Austral Gold Ltd (“Austral”) (TSX-V: AGLD – ASX: AGD) (see news release dated July 17, 2017). In exchange for the sale, Revelo received 10,000,000 common shares in Austral, valued at approximately C$1.2 Million, the current market price when received, and has retained Net Smelter Return (NSR) Royalties on future metals production of 1% and 0.5% at Reprado and San Guillermo, respectively. An existing Option, Sale and Royalty Agreement between Revelo and Austral relating to the San Guillermo project (see news release dated February 8, 2016) was cancelled at the time of the sale. Austral has assumed responsibility for paying underlying, 3rd-party NSR production royalties at San Guillermo and Reprado.

San Guillermo is a 12,000 hectare property that surrounds the emerging precious metals district and new gold-silver mine at Amancaya, which is owned and operated by Austral. The mineralisation in the district is related to low-sulphidation, epithermal “bonanza-style” quartz veins. Austral is aggressively exploring the Amancaya district for new veins, including the San Guillermo property, where historic drill holes cut mineralised veins. The

Reprado property, totalling 2,700 hectares, lies directly along trend and just 20 Km to the north of Amancaya, and is also host to mineralised veins exposed and cut in historic trenches and drill holes.

Q'Inti Breccia (previously Araya Breccia) – Masglas:

In fiscal 2018, Revelo signed an agreement with Masglas Americas Corporation SpA ("Masglas") in Chile for the sale of its 100 hectare Q'Inti Breccia property, previously part of the Los Azules property (see news release dated November 27, 2017). Masglas paid US$100,000 in cash to Revelo together with a 2% NSR royalty on all metals produced from the property. For 36 months after closing of the transaction, Masglas has the right to reduce the Royalty to a 1% NSR by making a one-time cash payment to Revelo of US$1 Million. After 36 months, this buy-back option expires.

Q'Inti is a large tourmaline breccia pipe that has been mined in an artisanal fashion for oxide copper on a sporadic basis over several decades. It forms part of the larger Los Azules breccia pipe district, significant portions of which Revelo controls through its interest at Los Azules (see elsewhere in this MD&A). Limited historic exploration at Q'Inti, including drilling, has revealed significant copper grades associated with the breccia pipe. Masglas intends to explore the property with the intention of evaluating the possibility of exploiting oxide copper, which could be processed at toll plants in the nearby city of Copiapo. Further exploration will also evaluate the potential of sulphide mineralisation associated with the breccia pipe.

Magallanes & Limbo – Austral Gold:

The Magallanes project (approximately 1,038 hectares) was sold to the Chilean subsidiary of Austral Gold Ltd ("Austral") (TSX-V: AGLD – ASX: AGD), for a 1% NSR on future production of all metals together with nominal cash in March 2018 (see news release dated March 20, 2018). Magallanes has prospectivity for low sulphidation, epithermal gold-silver veins, and the principal Veinticinco Vein structure, which has a series of shallow, artisanal workings along it, was previously sampled by Revelo with encouraging results (see news release dated May 30, 2012). Magallanes lies along the northern extensions of the prospective Paleocene Mineral Belt some 45 Km due north of the El Peñon mine and 180 Km north-northeast of the Amancaya mine.

Limbo (approximately 5,600 hectares) was also sold to Austral for a 1% NSR on future production of all metals together with nominal cash in March 2018 (see same news release). The property also lies along the prospective Paleocene Mineral Belt, and just 12 Km northeast of Austral's Guanaco gold mine. Very little exploration work has been done to date, but evidence for a possible vein structure has been discovered on the property.

Colla Kananchiari (previously Bronce Weste) – Masglas:

Revelo signed an agreement with Masglas Americas Corporation SpA ("Masglas") in Chile for the sale of its 3,890 hectare Bronce Weste property in March 2018 (see news release dated March 20, 2018), in exchange for a 1% NSR royalty on precious metals and a 0.5% NSR royalty on base metals produced from the property.

Colla Kananchiari lies directly west of the Bronce de Petorca mining district, and some 145 Km north-northwest of the city of Santiago. The Bronce de Petorca mine produced copper, gold and silver ores from epithermal veins over several decades. Epithermal veins occur at Colla Kananchiari, together with a large hydrothermal alteration system that requires detailed evaluation.

Victoria Norte - Hochschild

Victoria Norte consists of approximately 38,400 Ha of tenement and is owned and operated by a subsidiary of Hochschild Mining PLC. (LSE: HOC). Revelo retains a 2% uncapped NSR royalty interest on the property.

The Victoria Norte property lies along the mid-Tertiary porphyry copper belt of northern Chile – the Domeyko Cordillera – that is host to three of the world's top ten copper mining districts at Collahuasi, Chuquicamata and La Escondida (the world's single largest copper mine). The property covers approximately 25 km of continuous strike length along the prospective belt, and has potential for porphyry copper deposits (+/- Mo +/- Au) together with high, intermediate, and low-sulphidation epithermal precious metals deposits. Victoria Norte is situated approximately midway between the important La Escondida and El Salvador copper mining districts.

Summary of Royalty Portfolio:

Project	Ha	Project Owner & Details	Interest Type
VICTORIA NORTE	38,400	• 100% owned and operated by Hochschild Mining PLC (LSE: HOC) • Located along the Domeyko Cordillera porphyry copper belt (northern Chile) • Prospective for porphyry copper and epithermal gold-silver	• Revelo retains a 2% NSR royalty interest (uncapped)
Q'INTI BRECCIA (formerly Araya Breccia)	103	• 100% owned and operated by Masglas Americas Corporation SpA • Located along the Paleocene belt of porphyry copper and precious metals deposits (northern Chile) • Prospective for copper-rich breccia pipes	• Revelo retains a 2% NSR royalty interest (uncapped), with Masglas retaining partial buy-back rights
REPRADO	2,800	• 100% owned and operated by Chilean subsidiary of Austral Gold (TSX-V: AGLD) • Part of the emerging Amancaya precious metals mining district of Austral Gold • Prospective for epithermal veins with gold and silver mineralisation	• Revelo retains a 1% NSR royalty interest (uncapped)
SAN GUILLERMO	12,000	• 100% owned and operated by Chilean subsidiary of Austral Gold (TSX-V: AGLD) • Surrounds the emerging Amancaya precious metals mining district of Austral Gold • Prospective for epithermal veins with gold and silver mineralisation	• Revelo retains a 0.5% NSR royalty interest (uncapped)

LIMBO	5,600	• 100% owned and operated by Chilean subsidiary of Austral Gold (TSX-V: AGLD) • 10 km NE of the Guanaco gold mine (Austral Gold) • Prospective for epithermal veins with gold and silver mineralisation	• Revelo retains a 1.0% NSR royalty interest (uncapped)
MAGALLANES	1,000	• 100% owned and operated by Chilean subsidiary of Austral Gold (TSX-V: AGLD) • 50 km N of the El Peñon gold mine (Yamana Gold) • Prospective for epithermal veins with gold and silver mineralisation	• Revelo retains a 1.0% NSR royalty interest (uncapped)
COLLA KANANCHIARI (formerly Bronce Weste)	3,800	• 100% owned and operated by Masglas America Corporation SpA • 8 Km W of El Bronce de Petorca Mine (Cía Minera CanCan) • Prospective for polymetallic veins and porphyry copper	• Revelo retains a 1.0% NSR Royalty interest (uncapped) on precious metals and a 0.5% NSR royalty interest (uncapped) on base metals

B. COPPER PROJECTS

Northern Chile is host to 3 of the 10 largest copper mining districts in the world (Codelco Norte - Chuquicamata; La Escondida; and Collahuasi) along the Mid-Tertiary Domeyko Cordillera magmatic arc, and Central Chile is host to a further 2 of the 10 largest copper mining districts in the world (Andina - Los Bronces; and El Teniente) along the Miocene Belt – all active and major producing mines. La Escondida is the world's largest single producing copper mine (producing >> 1Mt per year of fine copper), and the Andina / Los Bronces / Sulfatos mining district represents the world's single largest resource of contained copper (> 200Mt of fine copper resources). Other significant copper deposits and mines are located along the Early Tertiary Paleocene magmatic arc of northern Chile. Revelo owns a series of exploration projects along these highly prolific mineral belts.

During the three months ended April 30, 2018, the Company incurred costs of approximately $625,000 (2017 - $768,000) on the combined copper projects. Of this amount, approximately $505,000 (2017 - $565,000) was related to property maintenance and approximately $120,000 (2017 - $203,000) was on exploration efforts to advance the portfolio. Revelo has completed a detailed review of its Montezuma project including detailed mapping and re-logging of drill holes, with the definition of a series of priority targets that warrant drill testing (see Company's news release dated December 12, 2017). Additionally, Revelo optioned its Los Azules copper project to Masglas.

Montezuma:

Montezuma is a large property totaling approximately 29,800 hectares, located in the heart of the Domeyko Cordillera porphyry copper belt in northern Chile, which is host to some of the world's largest copper deposits and mines. The property is located along a highly prolific segment of the prospective belt, between the giant Chuquicamata (Codelco) and Centinela-Esperanza (Antofagasta Minerals / Marubeni Corporation) copper mining districts.

Revelo continues to focus its activities on the re-evaluation of historic exploration results, including surface geological mapping and re-logging of drill holes, and continues to look for a partner to advance exploration of the property. The work has reaffirmed the highly prospective nature of the property for porphyry copper-gold-moly systems, and the importance of historic drill results in the furtherance of the exploration of the property (see news release dated December 12, 2017). The property is district-sized in scale and several important target areas have been defined or refined, including:

- Melissa: Porphyry copper-gold target associated with widespread surface hydrothermal alteration and multiple artisanal workings for copper. Not previously drill tested.
- Anomaly B: Porphyry copper-gold target(s) associated with potassic alteration at depth beneath previous drilling, together with possible undrilled extensions under post-mineral cover to the east, southeast and southwest from previously drilled areas. Largely controlled by NE-SW structures associated with the Centinela Fault System, and the possible intersection of the Centinela Faults with the N-S West Fissure Fault System.
- Anomaly A: Porphyry copper-gold target(s) associated with potassic alteration at depth beneath previous drilling, and along fault-confined extensions to the north. Largely controlled by N-S structures associated with the West Fissure Fault System.
- Anomaly L: Porphyry copper-gold target associated with potassic alteration, along strike from previous drilling, along fault-confined extensions to the north and south. Controlled by N-S structures associated with the West Fissure Fault System.
- Arrieros: Porphyry copper-gold-moly targets under a large, post-mineral gravel-filled “pampa”, associated with significant magnetic anomalies and structural splays to the West Fissure Fault System. Not previously drill tested.

Los Azules – Masglas:

Revelo signed a 4-year Option Agreement with Masglas Americas Corporation SpA (“Masglas”) at Los Azules, in which Masglas has the option to acquire a 100% interest in the property by paying US$500,000 in cash to Revelo and completing certain exploration programs including drilling (see news release dated November 27, 2017). If the option is exercised, Masglas will pay Revelo a 2% NSR royalty on all metals produced from Los Azules. For 36 months after exercising the option, Masglas has the right to reduce the royalty to a 1% NSR by making a one-time cash payment to Revelo of US$1 Million. After 36 months, this buy-back option expires.

The 3,700 hectare Los Azules property lies along the southern extensions of the highly productive Paleocene Mineral Belt in northern Chile that contains numerous important copper, gold and silver mines and projects, and to the south of the historically important Inca de Oro mining district. Numerous tourmaline breccia pipes, many with indications of oxide and sulphide copper mineralisation, occur on the property. Additionally, widespread hydrothermal alteration on the property may be related to the possible roots to the breccia district and may yield a valid target. Artisanal mining of oxide copper has taken place on the largest outcropping breccias, immediately west of Los Azules, including at the Q'Inti Breccia Pipe (see earlier description).

Cerro Buenos Aires – Teck:

Revelo signed a 4-year Option Agreement with Teck Resources Chile Limitada (“Teck”) a 100% subsidiary of Teck Resources Limited, (TSX: TECK.A and TECK.B) allowing Teck to acquire a 60% interest in a 1,500-hectare portion of Revelo’s Cerro Buenos Aires property in northern Chile (see news release dated May 29, 2018). The option allows Teck to earn a 60% interest in the property by making cash payments to Revelo totalling US$425,000, and completing exploration expenditures totalling US$4.8 million, over 4 years. Once the option is exercised by Teck, Revelo has 90 days to decide whether to form a joint-venture (JV) 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 (NSR) royalty. Teck has the right to buy-down the royalty by 0.5% by paying Revelo US$2 million, at any time.

Cerro Buenos Aires encompasses about 7,600 Ha of 100% owned tenement comprising both exploration and mining concessions of which Teck is optioning 1,500 Ha to test for a porphyry copper target. The property consists of large outcrops, dominated by the Cerro Buenos Aires hill, displaying characteristics indicative of the upper portions of a porphyry copper and associated high-sulphidation precious and base metals system. A key N-S splay to a regional fault system (Dominador Fault) is present along the eastern margins of the property. Cerro Buenos Aires lies along the Paleocene magmatic belt of northern Chile that hosts some of the most important copper and precious metals deposits in the country, such as Cerro Colorado (BHP Billiton), Spence (BHP Billiton), Sierra Gorda (KGHM & Sumitomo), Nueva Unión's Relincho deposit (Teck-Goldcorp), El Peñon (Yamana Gold) and Guanaco (Austral Gold).

Summary of Copper Portfolio:

Project	Ha	Completed Activities	Future Activities
MONTEZUMA	29,800	• Detail geological mapping • Extensive geochemical database • Extensive magnetics & IP geophysics • > 30,000 m drilling • Complete re-evaluation of prospects and definition of drill targets	• Drill testing
BLOCK 2	3,300	• Detailed geological mapping • No historic drilling	• Geochemical & geophysical surveys • Drill testing
REDONDO-VERONICA	5,000	• Reconnaissance geological mapping • Historic 3rd-party drilling (no data)	• Detailed geological mapping • Geochemical & geophysical surveys • Drill testing
BLOCK 3	10,000	• Reconnaissance geological mapping • Shallow cover drilling over some parts	• Detailed geological mapping • Geochemical & geophysical surveys • Drill testing
BLOCK 4	4,200	• Reconnaissance geological mapping • Historic 3rd party drilling (no data)	• Detailed geological mapping • Geochemical & geophysical surveys • Drill testing
CERRO BLANCO	6,600	• Detailed geological mapping • Limited rock-chip sampling • Ground magnetics geophysical survey • > 600 m drilling	• Geochemical & geophysical surveys • Drill testing

CERRO BUENOS AIRES	7,600	• Detailed geological mapping • Extensive geochemical database • Extensive magnetics & EM geophysics • > 2,000 m drilling	• **Subject to Option, Sale & Royalty Agreement with Teck Resources Chile (1,500 Ha)**
MORROS BLANCOS	7,900	• Detailed geological mapping • Limited geophysics (mag' & IP) • > 5,300 m drilling	• Geochemical & geophysical surveys • Drill testing
Project	**Ha**	**Completed Activities**	**Future Activities**
ALTAMIRA	2,000	• Reconnaissance geological mapping • Historic 3rd party drilling (no data)	• Detailed geological mapping • Geochemical & geophysical surveys • Drill testing
LOS AZULES	3,700	• Detailed geological mapping • Limited IP geophysics • > 5,500m drilling	• **Subject to Option, Sale & Royalty Agreement with Masglas Americas Corporation SpA**
CALVARIO	6,900	• Detailed geological mapping Limited geochemistry • > 4,000m drilling	• Geochemical & geophysical surveys • Drill testing
MIRADOR	7,700	• Reconnaissance geological mapping • Limited geochemistry • No drilling	• Detailed geological mapping • Geochemical & geophysical surveys • Drill testing
SAN VALENTINO	1,100	• Detailed geological mapping • Limited geochemistry • > 1,500m drilling	• Geochemical & geophysical surveys • Drill testing

C. GOLD-SILVER PROJECTS

The north-south trending Paleocene (or Central) Belt of northern Chile, lies parallel to, and immediately to the west of, the Domeyko copper belt. It is host to several important porphyry copper deposits and mines extending from southern Peru (Cuajone, Toquepala, Quellaveco), to northern Chile (Cerro Colorado, Spence, Sierra Gorda, Relincho), but is also host to important bonanza-style, low-sulphidation, epithermal precious metals veins, with the most important deposits discovered to date centred around Yamana Gold's El Peñon, Fortuna and Pampa Augusta Victoria mines. Additionally, high-sulphidation epithermal precious metals deposits also occur, typified by the Guanaco mine to the south of El Peñon. Other, similar, and currently productive and historically productive precious metals deposits are concentrated along the belt over approximately 350 km centred on the El Peñon mine.

Revelo has established an important land position with 2 gold-silver exploration projects located along the Paleocene Belt, namely Las Pampas and Loro. Several of Revelo's royalty interests (see Section A above) are also located along this belt. Revelo optioned its Loro project to Hochschild in September 2017, with Revelo acting as operator of the exploration programme. This project is being drill tested at the time of writing.

Revelo also owns a gold-focused exploration project along the Domeyko Belt at Victoria Sur, which is host to several precious metals targets, the most important of which is a porphyry-gold target at Nueve Vidas. Revelo also controls key tenement at a shear-zone hosted gold target along the Coastal Belt at Orca (previously part of the Morsas IOCG project), near Copiapo.

During the three months ended April 30, 2018, the Company incurred costs of approximately $527,000 (2017 - $190,000) on the combined gold-silver projects. Of this amount, approximately $213,000 (2017 - $169,000) was related to property maintenance, and the Company recovered $358,000 in expenditures and operator fees related to the Hochschild agreement.

Loro – Hochschild:

In the year ended January 31, 2018, Revelo signed an option, sale and royalty agreement with the Chilean subsidiary of Hochschild Mining PLC (LSE: HOC) ("Hochschild") for Loro, in which Hochschild can earn a 100% interest in the property over five years in exchange for a series of in-ground investments and/or drilling commitments totalling US$13 million and/or 30,000 metres, and a series of cash payments to Revelo totalling US$5.3 million (see news release dated September 5, 2017). After exercising the option, Hochschild must also pay a further US$15 million in cash together with a NSR Royalty on future production to Revelo of 1%.

Revelo will operate Phases 1 and 2 of the exploration program totalling 3 years, and Hochschild has the right to request that Revelo continues operating beyond Phase 2 subject to mutual agreement.

Loro is an area of subdued relief with limited outcrop. Geological mapping by Revelo revealed the presence of sub-cropping, low-sulphidation epithermal style quartz veins with highly anomalous gold-silver-arsenic-antimony values in rock chips (from zero to 2.34g/t Au and from zero to 956g/t Ag – see news release dated July 6, 2017). Subsequent to signing the option agreement with Hochschild, further detailed geological mapping combined with ground magnetics surveys and surface soil/colluvium geochemical surveys have been completed, revealing a prospective corridor up to 9 Km long north-south by up to 2 Km east-west on the property. Within this prospective corridor, three sub-zones have been identified, of which the Central Zone is the most important and where most of the sub-cropping veins have been found to date.

Initial drill testing of some of the Central Zone veins was announced in early May 2018 (see news release dated May 2, 2018).

Victoria Sur:

Victoria Sur originally formed part of a larger property along the Domeyko Cordillera porphyry copper belt, known variously as Vaquillas or Victoria. Revelo signed an agreement with Hochschild by which it recovered the 6,600 hectare Victoria Sur portion of the property in exchange for a 1% NSR royalty interest in favour of Hochschild (see news release dated September 19, 2017).

Several targets occur on the property, including low-sulphidation epithermal veins, a porphyry copper-style lithocap, and most importantly a porphyry-gold style target at Nueve Vidas with high-grade gold intercepts in trenches and drill holes (see previously quoted news release). Two principal styles of mineralisation occur at Nueve Vidas and have been reported previously by Revelo (see news releases dated March 4, 2011 and September 3, 2010, on SEDAR):

- lower-grade, potentially bulk-tonnage, porphyry-gold style mineralisation (e.g. 22m @ 0.85g/t Au + 0.39g/t Ag – VCNRC-10-017)
- cross-cutting, high-grade and sulphide rich, gold-silver-base metals structures typically 1m to up to 12m wide (e.g. 2m @ 28.55g/t Au + 69.5g/t Ag – VCNRC-10-004)

Summary of Precious Metals Portfolio:

Project	Ha	Completed Activities	Future Activities
LAS PAMPAS	21,800	• Detailed geological mapping • Extensive geochemical database • Extensive magnetics & EM geophysics • ~10,000m drilling	• Geochemical & geophysical surveys • Drill testing
LORO	4,800	• Detailed geological mapping • Rock & soil geochemical survey • Drill testing underway	• **Subject to Option, Sale & Royalty Agreement with Chilean subsidiary of Hochschild Mining PLC**
VICTORIA SUR	6,600	• Geological mapping • Trenching & rock geochemistry • 3,435m drilling	• Detailed geological mapping • Geochemical & geophysical surveys • Drill testing
ORCA	5,400	• Reconnaissance geological mapping • Reconnaissance geochemical sampling • No drilling	• Detailed geological mapping • Geochemical & geophysical surveys • Drill testing

D. COPPER-GOLD (IOCG) PROJECTS

The north-south trending Coastal Belt is parallel to, and lies immediately west of, the Paleocene Belt described earlier, and is bounded to the west by the Chilean coastline. The belt is host to important IOCG-type (iron-oxide-copper-gold) deposits including copper-gold (-iron) deposits and mines, such as Candelaria (Lundin Mining) and Manto Verde (Mantos Copper); iron-ore deposits and mines, such as El Romeral (CAP), El Tofo (CAP) and El Algarrobo (CAP); and copper-silver “manto” deposits and mines, such as Mantos Blancos (Mantos Copper) and Carolina de Michilla (Haldeman Mining); amongst other deposit types including porphyry copper deposits and a variety of vein and shear-zone hosted deposits.

During the three months ended April 30, 2018, the Company incurred costs of approximately $40,000 (2017 - $142,000) on the combined IOCG projects. Of this amount, approximately $31,000 (2017 - $109,000) was related to property maintenance.

Revelo has 2 projects with IOCG characteristics along the Coastal Belt of northern Chile:

Project	**Ha**	**Completed Activities**	**Future Activities**
T4	2,000	• Detailed geological mapping • Rock & soil geochemical sampling • Ground magnetics survey • No drilling	• Geochemical & geophysical surveys • Drill testing
LAS ANIMAS	4,000	• Reconnaissance geological mapping • Reconnaissance geochemical sampling • No drilling	• Detailed geological mapping • Geochemical & geophysical surveys • Drill testing

Disclaimer: The reader is cautioned that when reference to an historic or an existing mining district is made in the above descriptions, this is to help place the properties into geologic context and is for reference purposes only. There is no evidence to date that similar mineral resources occur on Revelo's properties.

RESULTS OF OPERATIONS

Three Months Ended April 30, 2018

For the three months ended April 30, 2018 ("Q1 2019"), the Company recorded a net loss of $1,507,230 or $0.01 per share compared to a net loss of $1,686,897 or $0.01 per share for the comparative three months ("Q1 2018"). The more significant variances are summarized below.

	Three months ended April 30, 2018	**Three months ended April 30, 2017**	**Variance**
Exploration expenditures	(1,305,596)	(1,264,716)	(40,880)
Exploration recoveries and operator fees	357,574	-	357,574
Management compensation	(154,066)	(202,244)	48,178
Unrealized loss on marketable securities	(250,000)	-	(250,000)
Interest expense	(52,186)	-	(52,186)
Equity loss in an associated entity	-	(76,029)	76,029
	$ (1,404,274)	$ (1,542,989)	$ 138,715

Exploration expenditures for the three months ended April 30, 2018 increased compared to the comparative period ended April 30, 2017. The increase in gross expenditures was the result of ongoing exploration on the Loro project, for which the expenditures and an operator fee are recovered from Hochschild. The Company also had to cover certain land and other exploration costs related to the Montezuma project that were previously paid by Newmont. Further, certain costs in Chile are adjusted by the government to reflect the changing value of the Chilean Peso against the US Dollar. As a result, some Chilean expenditures including salaries and land costs are automatically adjusted.

The increase in expenditures for the three months ended April 30, 2018 was partially offset by recoveries. As part of the Hochschild agreement for the Loro project, the Company recovered $357,574 in expenditures, including operator fees from Hochschild due to Revelo being the operator for the ongoing exploration program. There were no recoveries or operator fees in the comparable three months ended April 30, 2017.

Mario Szotlender, a former director of the Company resigned from the Board of Directors in May of 2017. As a result, management fees for the three months ended April 30, 2018 compared to April 30, 2017 decreased accordingly. The Company continues to apply additional cost saving measures and has accrued, but not paid significant amounts to directors and management.

During the three months ended April 30, 2017, the Company recorded an unrealized loss of $250,000 for a fair value adjustment to the 10,000,000 Austral Gold shares acquired from the sale of the San Guillermo and Reprado projects in November 2017. There was no comparable transaction for the three months ended April 30, 2017.

In October 2017, the Company received a $400,000 loan from EMX Royalty Corp., and in February 2018, the Company received a $1,500,000 loan from Term Oil Inc. As a result of these loans, during the three months ended April 30, 2018, the Company recorded $52,187 in interest expenses. There were no comparable loans or interest for the three months ended April 30, 2017.

During the three months ended April 30, 2018, the Company recorded an equity loss in an associated entity of $Nil compared to $76,029 for Q1 2018 related to its former 49% interest in SCM Montezuma that was increased to 100% because of Newmont's withdrawal in Q1 of fiscal 2018. When the Company acquired control of SCM Montezuma in Q2 of fiscal 2018, it started to account for SCM Montezuma as a wholly owned subsidiary and, as such, an equity loss is no longer recorded.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company considers items included in shareholders' equity as capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

As at April 30, 2018, the Company had a working capital deficit of $1,214,600 (January 31, 2018 – working capital $204,648). 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. 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.

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

The Company has granted 7,625,000 incentive stock options pursuant to the Company's stock option plan and issued 87,496,957 share purchase warrants which could generate additional cash if exercised. Because of the sale agreement for the Reprado and San Guillermo projects, the Company also owns 10,000,000 common shares in Austral Gold (TSX-V: AGLD), currently valued as at the date of this MD&A at approximately $1,050,000 which has been pledged as part of general security agreement for a $1,500,000 loan. See "Risks and Uncertainties" in this MD&A for risks related to the Company's ability to obtain sources of funding. In order to maintain its properties in good standing, the Company is required to make significant annual property maintenance payments. However, these can be terminated at any time without penalty if mineral title is dropped.

The Company is not subject to externally imposed capital requirements as at April 30, 2018.

As at April 30, 2018, the Company had cash of $501,811. Management of cash balances is conducted in-house based on internal investment guidelines. Cash is deposited with major Canadian and Chilean financial institutions. Cash required for immediate operations is held in a chequing account and excess funds may be invested in accordance with the Company's capital resource objectives.

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.

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.

Cash used in Operating Activities

Cash used in operations was $1,047,715 for the three months ended April 31, 2018 (2017 - $1,425,809) and represents expenditures primarily on mineral property maintenance, exploration, and general and administrative expenses for both periods.

Cash Provided by Investing Activities

Cash provided by investing activities for the three months ended April 30, 2018 was $12,921 compared to $66,285 for the comparable period. Cash generated by investing activities during the three months ended April 30, 2018 was the result of sales of three non-key exploration and evaluation projects. The cash generated by investing activities for the three months ended April 30, 2017 was comprised of option payments received.

Cash Generated by Financing Activities

Cash generated in financing activities for the three months ended April 30, 2018 was $1,435,000 (2017 - $1,843,360) and consisted of a loan received from Term Oil Inc, while the cash generated by financing activities in the three months ended April 30, 2017 was the result of a private placement.

SELECTED QUARTERLY INFORMATION

Quarter Ended	April 30, 2018	January 31, 2018	October 31, 2017	July 31, 2017
Exploration expenditures, net	$ 948,022	223,969	$ 422,563	$ 558,210
Net income (loss) for the period	(1,507,230)	720,176	(723,133)	(937,116)
Net income (loss) per share (basic and diluted)	(0.01)	0.01	(0.00)	(0.01)

Quarter Ended	April 30, 2017	January 31, 2017	October 31, 2016	July 31, 2016
Exploration expenditures	$ 1,264,716	$ 478,483	$ 529,531	$ 454,027
Net income (loss) for the period	(1,686,897)	(3,758,551)	(1,165,279)	947,098
Net income (loss) per share (basic and diluted)	(0.01)	(0.03)	(0.01)	0.01

The Company's net loss or net income each quarter varies mainly due to the timing of stock option and share grants, foreign exchange gains and losses related to the Company's holding of United States dollar denominated working capital items and foreign currency controls in Chile, gains or losses on investments held in its portfolio, along with varying levels of operations activities on its exploration projects and due diligence undertaken on new prospects. Annual mineral property fees are paid in March and April each year and are reflected in the increased exploration expenditures during those periods.

Financial Risk Management

The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk and interest rate risk.

Credit Risk

Credit risk arises from cash as well as credit exposures to counterparties of outstanding receivables and committed transactions. There is no significant concentration of credit risk other than cash deposits and amounts receivable. The Company's cash deposits are primarily held with a Canadian chartered bank and receivables are considered collectable, as well as GST due from the federal government. Therefore, credit risk is low.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to pay obligations as they fall due. Financial liabilities, at 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 $30,000 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.

FINANCIAL INSTRUMENTS

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.

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 twelve months. The Company may need to obtain additional capital to fund its administrative and exploration expenditures for the next twelve months.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

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

3 Monthd ended April 30, 2018	Salary or Fees	Share-based Payments	Total
T. Beale, President and CEO	$ 60,000	$ -	$ 60,000
M. Winn, Chairman/former CEO	45,845	-	45,845
Seabord Services Corp.	44,400	-	44,400
R. Rushton, directors - fees	6,000	-	6,000
C. Bird, director - fees	6,000	-	6,000
R. Jannas, director - fees	6,000	-	6,000
	$ 168,245	$ -	$ 168,245

Amounts due to related parties as of April 30, 2018 and April 30, 2017 are as follows:

Related party liabilities	**Items or services**		**April 30, 2018**		**January 31, 2018**
Seabord Services Corp.	Management fees and advances	$	110,114	$	58,308
Seabord Capital Corp.	Management fees and advances	$	177,216	$	125,470
President and CEO	Compensation		157,164		136,164
Various directors	Directors' fees		84,000		66,000
		$	528,494	$	385,942

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.

The Company compensates senior management personnel through salaries and benefits or consulting fees and the amount of compensation is mutually agreed upon by the two parties. The Company believes that the amount of compensation paid to its senior management falls within the normal market range for these kinds of services. The contracts for senior management and Seabord Services Corp. are on-going monthly contractual commitments which can be terminated by either party with sufficient notice.

Related Party Loans

As at April 30, 2018, the Company has entered into four separate related party 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).

There were no changes to the Company's board of directors or management during, or subsequent to the 3 months ended April 30, 2018.

New and Future Accounting Standards

Accounting standards adopted during the year

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 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 liabilties	Amortized cost	Other financial liabiliteis
Advances from joint venture partners	Amortized cost	Other financial liabiliteis
Notes payable	Amortized cost	Other financial liabiliteis

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 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.

Future Accounting Pronouncements

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

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

RISKS AND UNCERTAINTIES

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities. There can be additional risks involved in some countries where pending applications for claims or licenses can be affected by government changes to application procedures.

Some of the Company's mineral properties are located within or near local communities, or surface rights owners. In these areas it may be necessary as a practical matter to negotiate surface access with these local communities or individuals. There can be no guarantee that, despite having the legal right to access a particular mineral property and carry on exploration activities, the Company will be able to negotiate a satisfactory agreement with any such existing land owners or communities for this access. Therefore, the Company or one of its joint venture partners may be unable to carry out exploration activities on a property. In those circumstances where access has been denied by a local community or land owner, the Company may need to rely on the assistance of local officials or the courts to gain access or it may be forced to abandon the property.

No Assurance of Titles or Borders

The acquisition of the right to exploit mineral properties is a very detailed and time-consuming process. There can be no guarantee that the Company has acquired title to any such surface or mineral rights or that these rights will be obtained in the future. To the extent they are obtained, titles to the Company's surface rights or mineral properties may be challenged or impugned and title insurance is generally not available. The Company's mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. Such third-party claims could have a material adverse impact on the Company's operations.

Joint Venture Funding Risk

The Company's strategy includes seeking partners through joint ventures to fund exploration and project development. The main risk of this strategy is that funding partners may not be able to raise sufficient capital to satisfy exploration and other expenditure terms in a particular joint venture agreement. As a result, exploration and development of one or more of the Company's property interests may be delayed depending on whether the Company can find another partner or has enough capital resources to fund the exploration and development on its own.

Commodity Price Risk

The Company is exposed to commodity price risk. Declines in the market price of gold, base metals and other minerals may adversely affect the Company's ability to raise capital or attract joint venture partners to fund its on-going operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of one of its mineral properties to a third party.

Financing and Share Price Fluctuation Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties.

Securities markets can have periods of high price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as Revelo, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

Political, Regulatory and Currency Risks

The Company is currently operating in a country that has a relatively stable political and regulatory environment. However, changing political initiatives may affect the regulatory environment in which the Company operates. The Company's equity financings are sourced in Canadian dollars but for the most part it incurs its exploration expenditures in Chilean pesos and US dollars. At this time, there are no currency hedges in place. Therefore, a weakening of the Canadian dollar against the Chilean peso or US dollar could have an adverse impact on the amount of exploration conducted.

Insured and Uninsured Risks

During exploration, development and eventually metal production from mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labour disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and result in a decline in the value of the securities of the Company.

Environmental and Social Risks

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present. Social risks are generally low in the principal country of operation of the Company but changing social expectations could add new layers of risk to the viability of exploration and development properties.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Key Personnel Risk

Revelo's success is dependent upon the performance of key personnel working in management and administrative capacities or as consultants. The loss of the services of senior management or key personnel could have a material and adverse effect on the Company, its business and results of operations.

Competition

The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company does for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has 167,405,027 common shares outstanding. There are also 7,625,000 stock options outstanding with exercise prices ranging from $0.15 to $0.69 and expiry dates ranging from July 23, 2018 to May 5, 2020. Revelo also has 87,496,957 common share purchase warrants outstanding with exercise prices ranging from $0.11 to $0.42 and expiry dates ranging from July 3, 2018 to April 27, 2019.