



**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED APRIL 30, 2019**

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, 2019 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, 2019	January 31, 2019
<b>ASSETS</b>		
Current assets		
Cash	\$ 77,516	\$ 29,518
Marketable securities (Note 3)	700,000	650,000
Receivables (Note 4)	9,657	9,847
Prepaid expenses and deposits	15,187	10,462
<b>Total current assets</b>	<b>802,360</b>	<b>699,827</b>
Non-current assets		
Property and equipment (Note 7)	155,935	61,773
Exploration and evaluation assets (Note 5)	1,873,652	1,873,652
<b>Total non-current assets</b>	<b>2,029,587</b>	<b>1,935,425</b>
<b>TOTAL ASSETS</b>	<b>2,831,947</b>	<b>2,635,252</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	1,260,463	1,192,598
Current portion of lease liabilities (Note 8)	89,626	-
Notes payable (Note 9 and Note 10)	4,018,018	2,856,116
<b>Total current liabilities</b>	<b>5,368,107</b>	<b>4,048,714</b>
Non-current liabilities		
Lease liabilities (Note 8)	16,198	-
<b>Total non-current liabilities</b>	<b>16,198</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>5,384,305</b>	<b>4,048,714</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		
Share capital (Note 11)	24,640,452	24,640,452
Reserves	7,727,215	7,727,215
Deficit	(34,920,025)	(33,781,129)
<b>TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)</b>	<b>(2,552,358)</b>	<b>(1,413,462)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)</b>	<b>\$ 2,831,947</b>	<b>\$ 2,635,252</b>

**Nature of Operations and Ability to Continue as a Going Concern (Note 1)**  
**Event subsequent to the reporting date (Note 16)**

These condensed consolidated interim financial statements were authorized for issuance by the Board of Directors on June 24, 2019.

**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, 2019	Three months ended April 30, 2018
<b>EXPLORATION EXPENDITURES (Note 6)</b>	\$ 1,086,457	\$ 1,305,596
Less: Recoveries and operator fees	(132,193)	(357,574)
Net exploration expenditures	954,264	948,022
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Administration	16,183	15,704
Amortization (Note 7)	28,239	7,057
Consulting fees (Note 9)	-	18,330
Investor relations and shareholder information	6,189	10,693
Management compensation (Note 9)	108,385	154,066
Professional fees	10,000	25,123
Transfer agent and regulatory fees	6,070	1,492
Travel	16,722	11,435
Total general and administrative expenses	191,788	243,900
<b>Loss from operations</b>	(1,146,052)	(1,191,922)
Foreign exchange loss	(40,970)	(44,540)
Gain on sale of exploration and evaluation assets	-	12,918
Option agreement income (Note 5)	124,533	-
Unrealized gain (loss) on marketable securities (Note 3)	50,000	(250,000)
Interest expense and other	(126,407)	(33,686)
Total loss and comprehensive loss for the period	\$ (1,138,896)	\$ (1,507,230)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding (basic and diluted)	167,405,027	158,235,071

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, 2019	Three months ended April 30, 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (1,138,896)	\$ (1,507,230)
Items not affecting cash:		
Amortization (Note 7)	28,239	7,057
Unrealized (gain) loss on marketable securities (Note 3)	(50,000)	250,000
Gain on sale of exploration and evaluation assets (Note 5)	-	(12,918)
Interest expense on notes payable	126,407	52,187
Interest accretion on lease obligations	2,009	-
Unrealized foreign exchange loss on notes payable	29,901	14,863
<b>Changes in non-cash working capital items:</b>		
Receivables	190	(15,201)
Prepaid expenses and deposits	(4,725)	4,336
Accounts payable and accrued liabilities	67,865	172,262
Advances from joint venture partner	-	(13,071)
<b>Net cash used in operating activities</b>	<b>(939,010)</b>	<b>(1,047,715)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of exploration and evaluation assets	-	12,921
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>12,921</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment on lease obligations	(23,099)	-
Proceeds from the issuance of notes payable (Note 9)	1,010,107	1,435,000
<b>Net cash provided by financing activities</b>	<b>987,008</b>	<b>1,435,000</b>
Net change in cash during the period	47,998	400,206
Cash, beginning of period	29,518	101,605
<b>Cash, end of period</b>	<b>\$ 77,516</b>	<b>\$ 501,811</b>

**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 Shareholders' Equity (Deficiency)
<b>Balance as at January 31, 2019</b>	167,405,027	\$ 24,640,452	\$ 7,727,215	\$ (33,781,129)	\$ (1,413,462)
Loss for the period	-	-	-	(1,138,896)	(1,138,896)
<b>Balance as at April 30, 2019</b>	167,405,027	\$ 24,640,452	\$ 7,727,215	\$ (34,920,025)	\$ (2,552,358)

	Number of common shares	Share capital	Reserves	Deficit	Total Shareholders' Equity (Deficiency)
<b>Balance as at January 31, 2018</b>	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)
<b>Balance as at April 30, 2018</b>	167,405,027	\$ 24,640,452	\$ 7,727,215	\$ (30,660,357)	\$ 1,707,310

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, 2019

(Unaudited - Expressed in Canadian dollars)

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

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

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

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

As at April 30, 2019, the Company has a working capital deficit of \$4,565,747 recorded a net loss of \$1,138,896 and has accumulated a total deficit of \$34,920,025. 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 interim 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 unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

### **Basis of Measurement and Presentation**

These Interim Financial Statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended January 31, 2019 (the “2019 Annual Financial Statements”), which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB.

These Interim Financial Statements have been prepared using accounting policies consistent with those used in the 2019 Annual Financial Statements except as to the accounting standards adopted during the period.

## REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended April 30, 2019

(Unaudited - Expressed in Canadian dollars)

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The preparation of financial statements in conformity of IFRS also requires management to make estimates and judgments that may have a significant impact to these Interim Financial Statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates. The Company's critical accounting estimates and judgments were presented in Note 2 of the 2019 Annual Financial Statements and have been consistently applied in the preparation of these Interim Financial Statements for the periods ended April 30, 2019 and 2018 except as otherwise noted.

These Interim Financial Statements are presented in Canadian dollars, unless otherwise indicated.

#### Significant Accounting Policies

The accounting policies applied by the Company in these 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, 2019, except as described below, 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

##### *Leases*

On February 1, 2019, the Company adopted IFRS 16 Leases which replaces IAS 17 Leases and related interpretations. The new standard eliminates the previous classification of leases as either operating leases or finance leases and introduces a single lessee accounting model which requires lessee to recognize assets and liabilities for all leases unless the underlying asset has a low value or the lease term is twelve months or less. At the commencement date of a lease, the Company recognizes a lease liability and an asset representing the right to use the underlying asset during the lease term (i.e. the "right-of-use" asset). The Company recognizes interest expense on the lease liability and amortization expense on the right-of-use asset.

The Company adopted IFRS 16 using the modified retrospective approach and recognized the right-of-use assets at the amount equal to the lease liabilities. As a result, there was no impact to accumulated deficit upon adoption. In addition, the Company elected to use the exemptions proposed by the standard on lease contracts for which the lease terms end within twelve months as of the date of adoption and lease contracts for which the underlying asset is of low value.

As at February 1, 2019, the Company recognized \$122,401 in right-of-use assets and lease liabilities as follows:

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Lease commitments disclosed as at January 31, 2019	\$	129,177
Effect of discounting		(6,776)
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Lease liability recognized as at February 1, 2019	\$	122,401

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Right-of-use assets includes office and storage space.



## REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended April 30, 2019

(Unaudited - Expressed in Canadian dollars)

### 3. MARKETABLE SECURITIES

As at April 30, 2019 and January 31, 2019, the Company had the following investments:

	April 30, 2019	January 31, 2019
Cost	\$ 1,250,000	\$ 1,250,000
Accumulated unrealized loss	(550,000)	(600,000)
<b>Fair value</b>	<b>\$ 700,000</b>	<b>\$ 650,000</b>

Included in marketable securities is 10,000,000 common shares of Austral Gold of which 6,000,000 shares have been pledged as security pursuant to the terms of the Term Oil loan (Note 9).

### 4. 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, 2019 the current receivables were comprised of refundable taxes including GST in Canada and VAT in Chile.

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

Currency	April 30, 2019	January 31, 2019
Canadian Dollars	\$ 9,657	\$ 9,251
Chilean Pesos	-	596
<b>Receivables</b>	<b>\$ 9,657</b>	<b>\$ 9,847</b>

## REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended April 30, 2019

(Unaudited - Expressed in Canadian dollars)

### 5. EXPLORATION AND EVALUATION ASSETS

	April 30, 2019	January 31, 2019
Las Pampas, Chile	\$ 651,722	\$ 651,722
Cerro Blanco, Chile	100,000	100,000
Cerro Buenos Aires, Chile	100,000	100,000
Magallanes, Chile	-	-
T4, Chile	11,836	11,836
Morros Blancos, Chile	70,030	70,030
Altamira, Chile	-	-
Calvario, Chile	120,041	120,041
Mirador, Chile	120,042	120,042
Colla Kananchiari (formerly Bronce Weste), Chile	-	-
San Valentino, Chile	120,041	120,041
Montezuma, Chile	1	1
Los Azules, Chile	261,122	261,122
Block 2, Chile	1	1
Redondo-Veronica, Chile	25,000	25,000
Block 3, Chile	28,000	28,000
Block 4, Chile	1	1
Limbo, Chile	-	-
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
	\$ 1,873,652	\$ 1,873,652

During the three months ended April 30, 2019, the Company had the following changes to its exploration and evaluation assets:

#### Loro

Hochschild Mining PLC (“Hochschild”) terminated the option agreement on the Loro property, and the Company continues to hold 100% of Loro in good standing. As part of the termination, Hochschild agreed to pay the Company a \$78,677 (US\$50,000) break fee (received) and 2019 license maintenance costs (received). The reimbursement of license costs was recorded as recoveries of current period costs and the break fee was included in loss and comprehensive loss for the three months ended April 30, 2019.

#### Calvario and Mirador

In April 2019, the Company signed an Exploration Option Agreement with Sociedad Quimica Y Minera de Chile S.A., (“SQM”), allowing SQM to acquire up to an 80% interest in two of the Company’s copper-focused projects at Calvario and Mirador in northern Chile. The agreement includes a 5-year option for SQM to explore and earn an 80% interest in the combined properties, with exploration commitments totalling US\$13 million and cash payments to the Company totalling US\$5.225 million over 5 years, and a free carry for the Company through to completion of a Pre-Feasibility Study. As part of the agreement, SQM reimbursed the Company for fiscal 2020 and fiscal 2019 land fees totaling 168,544, of which \$122,688 was included in recoveries of current period expenditures and \$45,856 was included in the loss and comprehensive loss for the three months ended April 30, 2019.

## REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended April 30, 2019

(Unaudited - Expressed in Canadian dollars)

### 6. EXPLORATION EXPENDITURES

During the three months ended April 30, 2019, the Company incurred the following exploration expenditures, including regional exploration and property investigation costs, which were expensed as incurred:

	Calvario	Morros Blancos	Loro	Montezuma	Block 2	Victoria Sur	Block 3	Las Pampas	Mirador	Regional project development	Total
Drilling, related and other	\$ -	\$ -	\$ -	\$ 6,686	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,831	\$ 13,517
Legal and accounting	9,750	1,018	-	3,534	1,012	1,220	164	3,435	9,285	15,807	45,225
Office and administration	729	571	-	1,981	594	684	96	1,992	751	2,147	9,545
Property maintenance	60,064	53,626	9,639	179,427	53,252	64,255	8,616	180,893	62,624	163,233	835,629
Salaries and benefits	13,444	10,523	-	36,520	10,455	12,608	1,691	35,496	13,848	37,021	171,606
Travel	379	296	-	1,029	294	355	48	1,000	390	7,144	10,935
<b>Total Expenditures</b>	<b>84,366</b>	<b>66,034</b>	<b>9,639</b>	<b>229,177</b>	<b>65,607</b>	<b>79,122</b>	<b>10,615</b>	<b>222,816</b>	<b>86,898</b>	<b>232,183</b>	<b>1,086,457</b>
Recoveries	(60,064)	-	(9,505)	-	-	-	-	-	(62,624)	-	(132,193)
<b>Net Expenditures</b>	<b>\$ 24,302</b>	<b>\$ 66,034</b>	<b>\$ 134</b>	<b>\$ 229,177</b>	<b>\$ 65,607</b>	<b>\$ 79,122</b>	<b>\$ 10,615</b>	<b>\$ 222,816</b>	<b>\$ 24,274</b>	<b>\$ 232,183</b>	<b>\$ 954,264</b>

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	Block 4 - Anaconda	Las Pampas	Las Animas	Regional project development	Total
Drilling, related and other	\$ -	\$ -	\$ 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
<b>Total Expenditures</b>	<b>83,943</b>	<b>61,463</b>	<b>321,849</b>	<b>192,914</b>	<b>62,478</b>	<b>82,125</b>	<b>37,333</b>	<b>188,979</b>	<b>27,421</b>	<b>247,091</b>	<b>1,305,596</b>
Recoveries	-	-	(321,084)	-	-	-	-	-	-	-	(321,084)
Operator fees	-	-	(36,490)	-	-	-	-	-	-	-	(36,490)
<b>Net Expenditures</b>	<b>\$ 83,943</b>	<b>\$ 61,463</b>	<b>\$ (35,725)</b>	<b>\$ 192,914</b>	<b>\$ 62,478</b>	<b>\$ 82,125</b>	<b>\$ 37,333</b>	<b>\$ 188,979</b>	<b>\$ 27,421</b>	<b>\$ 247,091</b>	<b>\$ 948,022</b>

## REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended April 30, 2019

(Unaudited - Expressed in Canadian dollars)

### 7. PROPERTY AND EQUIPMENT

	Field equipment	Furniture and equipment	Computer equipment	Vehicles	Right-of-use assets*	Total
<b>Cost</b>						
As at January 31, 2019	\$ 102,905	\$ 24,514	\$ 21,838	\$ 111,263	\$ -	\$ 260,520
Adoption of IFRS 16	-	-	-	-	122,401	122,401
As at April 30, 2019	102,905	24,514	21,838	111,263	122,401	382,921
<b>Accumulated amortization</b>						
As at January 31, 2019	86,182	19,887	20,357	72,321	-	198,747
Additions	836	231	111	5,564	21,497	28,239
As at April 30, 2019	\$ 87,018	\$ 20,118	\$ 20,468	\$ 77,885	\$ 21,497	\$ 226,986
<b>Net book value</b>						
As at January 31, 2019	\$ 16,723	\$ 4,627	\$ 1,481	\$ 38,942	\$ -	\$ 61,773
As at April 30, 2019	\$ 15,887	\$ 4,396	\$ 1,370	\$ 33,378	\$ 100,904	\$ 155,935

\* Right-of-use assets includes office and storage space in Santiago, Chile

Amortization of right-of-use assets is calculated using the straight-line method over the remaining lease term.

### 8. LEASE LIABILITIES

The Company's right-of-use assets are included in property and equipment (Note 7).

Lease liabilities recognized as at February 1, 2019	\$ 122,401
Lease payments made	(23,099)
Interest expense on lease liabilities	2,009
Foreign exchange adjustment	4,513
	105,824
Less: current portion	(89,626)
As at April 30, 2019	\$ 16,198

### 9. NOTES PAYABLE

#### *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 (paid subsequent to April 30, 2019). 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 6,000,000 ordinary shares of Austral.

The fair value of the loan was calculated using an effective interest rate of 15% resulting in \$61,981 of accrued interest during the three months ended April 30, 2019. The total loan outstanding as at April 30, 2019 is \$1,764,232. Including an anniversary fee of \$50,713 equivalent to 3% of the outstanding balance on the 1-year anniversary (February 21, 2019). The balance of the loan is due within 12 months. Subsequent to the three months ended April 30, 2019, the Company paid \$229,226 for accrued interest and anniversary fee to May 31, 2019.

## REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended April 30, 2019

(Unaudited - Expressed in Canadian dollars)

### 9. NOTES PAYABLE (Continued)

#### *Other Notes Payable*

During the three months ended April 30, 2019 the Company received 4 separate loans of US\$760,000 (\$1,021,075) from entities controlled by a director of the Company. These loans carry no interest and have no specific terms of repayment.

As at January 31, 2019 the Company had the following loans outstanding,

- 7 separate loans totalling US\$450,000 (\$604,584) from entities controlled by a director of the Company. These loans carry no interest and have no specific terms of repayment.
- A US\$100,000 (\$134,352) loan from a former director of the Company. This loan carries no interest and has no specific terms of repayment; and
- A \$400,000 loan 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.

All notes payable outstanding as at April 30, 2019 are included as current liabilities. Including interest and any bonuses to be paid, as at April 30, 2019, the total loan amounts outstanding was \$4,018,018 (January 31, 2019 - \$2,856,116) of which \$2,119,435 (January 31, 2019 - \$1,204,577) was owed to related parties.

### 10. RELATED PARTY TRANSACTIONS AND BALANCES

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

	Three months ended	
	April 30, 2019	April 30, 2018
<b>Management</b>		
Management fees	\$ 104,400	\$ 150,245
<b>Directors</b>		
Directors' fees	-	18,000
	\$ 104,400	\$ 168,245

Amounts due to related parties as of April 30, 2019 and January 31, 2019 are as follows:

Related party liabilities	Items or services	Three months	
		ended April 30, 2019	Year ended January 31, 2019
Seabord Services Corp.	Management fees and advances	\$ 309,697	\$ 262,297
Chairman	Management fees	345,611	323,157
President	Compensation	268,164	241,164
Various directors	Directors' fees	138,000	138,000
EMX Royalty Corp.	Loan (Note 9)	493,775	482,071
Director and former director	Loan (Note 9)	1,625,659	722,507
		\$ 3,180,906	\$ 2,169,196

## REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended April 30, 2019

(Unaudited - Expressed in Canadian dollars)

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### 10. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

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, 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.

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.

There were no changes to the Company's Board of Directors or management during the period ended April 30, 2019.

### 11. EQUITY

#### Authorized

As at April 30, 2019, 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 during the three months ended April 30, 2019 and 2018.

For the three months ended April 30, 2019 and 2018, the Company had no changes to its share capital.

#### 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.

There were no changes to the stock options outstanding for the three months ended April 30, 2019.

The following table summarizes the stock options outstanding and exercisable at April 30, 2019:

Date Granted	Expiry Date	Exercise Price	Number Outstanding	Number Exercisable
July 23, 2014	July 23, 2019	\$ 0.25	2,715,000	2,715,000
August 19, 2016	August 19, 2019	0.15	3,415,000	3,415,000
May 5, 2015	May 5, 2020	0.25	800,000	800,000
<b>Total</b>			<b>6,930,000</b>	<b>6,930,000</b>

The weighted average remaining life of the stock options exercisable is 0.36 years (January 31, 2019 – 0.60 years).

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(Unaudited - Expressed in Canadian dollars)

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### 11. EQUITY (Continued)

#### Restricted share units and Performance share units

The Company has 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, 2019.

#### Share Purchase Warrants

The changes in share purchase warrants outstanding are as follow:

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	Number of Warrants	Weighted Average Exercise Price
Balance as at January 31, 2019	67,379,790	\$ 0.24
Expired	(67,379,790)	0.24
Balance as at April 30, 2019	-	-

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#### Share-based Payments

During the three months ended April 30, 2019 and 2018, the Company did not record share-based payment expense.

There were no stock options granted during the three months ended April 30, 2019 and 2018.

### 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, 2019, included \$5,368,107 of accounts payable and accrued liabilities, notes payable, and lease obligations. 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, Chilean pesos, and Unidad de Fomentos (Chilean monetary unit). 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, 2019, the Company is exposed to currency risk through the following assets and liabilities denominated in U.S. dollars, Chilean pesos, and Unidad de Fomentos:

	U.S. Dollars	Chilean Pesos	Unidad de Fomentos	Total
Cash	\$ 232	\$ 38,229,970	\$ -	
Accounts payable and accrued liabilities	(237,949)	(53,129,448)	-	
Notes payable	(1,110,000)	-	-	
Lease liabilities - current	-	-	(1,728)	
Lease liabilities - non current	-	-	(305)	
<b>Net exposure</b>	<b>(1,347,717)</b>	<b>(14,899,478)</b>	<b>(2,033)</b>	
<b>Canadian dollar equivalent</b>	<b>\$ (1,810,686)</b>	<b>\$ (29,908)</b>	<b>\$ (110,823)</b>	<b>\$ (1,951,417)</b>

Based on the above net exposures and assuming 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 \$195,000 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, 2019, and January 31, 2019, 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.



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### 12. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

#### Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties. The Company relies mainly on equity issuances to raise new capital and on entering into joint venture agreements on certain properties which enables it to conserve capital and to reduce risk. In the management of capital, the Company includes the components of equity as well as cash. The Company prepares annual estimates of exploration and administrative expenditures and monitors actual expenditures compared to the estimates. The Company's investment policy is to invest its cash in savings accounts or highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without interest penalty. Management will need additional sources of working capital to continue its currently planned programs, by issuing new shares or the sale of assets.

### 13. FINANCIAL INSTRUMENTS BY CATEGORY

#### Fair Values

The Company's financial instruments consist of cash, marketable securities, receivables, accounts payable and accrued liabilities, notes payable, and lease liabilities. 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, 2019, there were no changes in the classification of financial instruments in comparison to the year ended January 31, 2019, except as to the addition of lease liabilities. The Company has made the following classifications for its financial instruments:

	April 30, 2019	January 31, 2019
<b>Financial assets</b>		
Amortized cost:		
Cash	\$ 77,516	\$ 29,518
Fair value through profit or loss:		
Marketable securities	700,000	650,000
	<u>\$ 777,516</u>	<u>\$ 679,518</u>
<b>Financial liabilities</b>		
Amortized cost:		
Accounts payable and accrued liabilities	\$ 1,260,463	\$ 1,192,598
Lease liabilities current	89,626	-
Lease liabilities non-current	16,198	-
Notes payable	4,018,018	2,856,116
	<u>\$ 5,384,305</u>	<u>\$ 4,048,714</u>

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.

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### **13. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)**

- 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 marketplace.
- 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, 2019, there were no changes in the levels in comparison to the year ended January 31, 2019. 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.

The fair values of the Company's lease obligations are approximated by their carrying values as their interest rates are comparable to current interest rates.

### **14. SUPPLEMENTARY CASH FLOW INFORMATION**

The significant non-cash investing and financing transaction during the three months ended April 30, 2019 included the recognition of \$122,401 of right-to-use assets and lease liabilities related to the adoption of IFRS 16.

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

### **15. Commitment**

As at April 30, 2019, the Company has a contractual obligation of \$8,832 (January 31, 2019 - \$22,060) in connection with a storage facility in Calama, Chile. The full amount of the commitment is current with an option to extend the use of the facility every six months.

### **16. EVENT AFTER THE REPORTING DATE**

Subsequent to the three months ended April 30, 2019, the Company received 3 additional loans totaling US\$350,000 (\$467,685) from entities controlled by a director of the Company. These loans carry no interest and have no specific terms of repayment.