REVELO

RESOURCES CORP.

CONSOLIDATED FINANCIAL STATEMENTS

JANUARY 31, 2020 AND 2019

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Revelo Resources Corp.

Opinion

We have audited the accompanying consolidated financial statements of Revelo Resources Corp. (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred a net loss of $2,291,063 during the year ended January 31, 2020 and, as of that date, the Company's total deficit was $36,072,192. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Glenn Parchomchuk.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Professional Accountants

May 28, 2020

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

	January 31, 2020	January 31, 2019
ASSETS		
Current assets		
Cash	$ 71,264	$ 29,518
Marketable securities (Note 3)	1,057,303	650,000
Receivables (Note 4)	29,757	9,847
Prepaid expenses and deposits	15,344	10,462
Total current assets	1,173,668	699,827
Non-current assets		
Property and equipment (Note 5)	71,223	61,773
Exploration and evaluation assets (Note 6)	1,405,227	1,873,652
Total non-current assets	1,476,450	1,935,425
TOTAL ASSETS	2,650,118	2,635,252
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	1,467,202	1,192,598
Notes payable (Note 8 and Note 10)	4,851,124	2,856,116
Current portion of lease liabilities (Note 9)	36,317	-
Total current liabilities	6,354,643	4,048,714
TOTAL LIABILITIES	6,354,643	4,048,714
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 11)	24,640,452	24,640,452
Reserves	7,727,215	7,727,215
Deficit	(36,072,192)	(33,781,129)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)	(3,704,525)	(1,413,462)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)	$ 2,650,118	$ 2,635,252

Nature of Operations and Ability to Continue as a Going Concern (Note 1)
Events subsequent to the reporting date (Note 17)

These consolidated financial statements were authorized for issuance by the Board of Directors on May 28, 2020.

Approved on behalf of the Board of Directors

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

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

REVELO RESOURCES CORP.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

	Year Ended January 31, 2020	Year Ended January 31, 2019
EXPLORATION EXPENDITURES (Note 7)	$ 1,728,305	$ 3,805,306
Less: Recoveries and operator fees	(187,196)	(2,073,519)
Net exploration expenditures	1,541,109	1,731,787
GENERAL AND ADMINISTRATIVE EXPENSES		
Administration	55,198	58,619
Amortization (Note 5)	112,951	28,226
Consulting fees	15,932	87,969
Investor relations and shareholder information	40,582	31,251
Management compensation	375,700	605,207
Professional fees	56,489	71,408
Transfer agent and regulatory fees	23,031	23,982
Travel	38,747	34,922
Total general and administrative expenses	718,630	941,584
Loss from operations	(2,259,739)	(2,673,371)
Foreign exchange loss	(26,605)	(91,625)
Gain on sale of exploration and evaluation assets (Note 6)	66,036	12,918
Option agreement income (Note 6)	124,533	-
Write-off of exploration and evaluation assets	-	(979,815)
Unrealized gain (loss) on marketable securities (Note 3)	200,000	(650,000)
Interest expense and other	(395,288)	(246,109)
Total comprehensive loss for the year	$ (2,291,063)	$ (4,628,002)
Basic and diluted loss per common share	$ (0.14)	$ (0.28)
Weighted average number of common shares outstanding (basic and diluted) [(1)]	16,740,502	16,740,502

(1) Post 10:1 share consolidation, see Note 1

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

REVELO RESOURCES CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

	Year Ended January 31, 2020	Year Ended January 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	$ (2,291,063)	$ (4,628,002)
Items not affecting cash:		
Amortization (Note 7)	112,951	28,226
Unrealized (gain) loss on marketable securities (Note 3)	(200,000)	650,000
Gain on sale of exploration and evaluation assets (Note 5)	(66,036)	(12,918)
Write-off of exploration and evaluation assets		979,815
Interest and other expenses on notes payable	389,641	264,609
Interest accretion on lease obligations	5,647	-
Unrealized foreign exchange loss	329	21,518
Changes in non-cash working capital items:		
Receivables	(19,910)	81,394
Prepaid expenses and deposits	(4,882)	14,033
Accounts payable and accrued liabilities	274,604	665,261
Advances from joint venture partner	-	(13,071)
Net cash used in operating activities	(1,798,719)	(1,949,135)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of exploration and evaluation assets	327,158	12,921
Option payment received	-	66,423
Net cash provided by investing activities	327,158	79,344
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on lease obligations	(87,270)	-
Payment on note payable	(298,226)	-
Proceeds from the issuance of notes payable (Note 8)	1,898,803	1,797,704
Net cash provided by financing activities	1,513,307	1,797,704
Net change in cash during the year	41,746	(72,087)
Cash, beginning of year	29,518	101,605
Cash, end of year	$ 71,264	$ 29,518

Supplementary Cash Flow Information (Note 15)

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

REVELO RESOURCES CORP.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(Expressed in Canadian Dollars)

	Number of common shares [1]		Share capital		Reserves		Deficit		Total Shareholders' Equity (Deficiency)
Balance as at January 31, 2019	16,740,502	$	24,640,452	$	7,727,215	$	(33,781,129)	$	(1,413,462)
Loss for the year	-		-		-		(2,291,063)		(2,291,063)
Balance as at January 31, 2020	16,740,502	$	24,640,452	$	7,727,215	$	(36,072,192)	$	(3,704,525)

	Number of common shares [1]		Share capital		Reserves		Deficit		Total Shareholders' Equity (Deficiency)
Balance as at January 31, 2018	16,740,502	$	24,640,452	$	7,727,215	$	(29,153,127)	$	3,214,540
Loss for the year	-		-		-		(4,628,002)		(4,628,002)
Balance as at January 31, 2019	16,740,502	$	24,640,452	$	7,727,215	$	(33,781,129)	$	(1,413,462)

(1) Post 10:1 share consolidation, see Note 1

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

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

Revelo Resources Corp. (the "Company" or "Revelo"), 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, B.C. V6C 1X8, Canada. Revelo is a publicly traded company, listed on the TSX Venture Exchange ("TSX-V") under the trading symbol RVL. The Company's principal business activities are the acquisition and exploration of mineral properties in Chile.

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

Subsequent to January 31, 2020, the Company completed a 10:1 share consolidation of all its issued and outstanding shares. All share amounts and per share amounts have been adjusted accordingly as at February 1, 2018.

As at January 31, 2020, the Company has a working capital deficit of $5,180,975, recorded a net loss of $2,291,063 for the year, and has accumulated a total deficit of $36,072,192. With its current plans for the year and the budgets associated with those plans, in order to continue funding its administrative and exploration expenditures from the date of these consolidated financial statements, the Company will need to obtain additional cash and anticipates either financing or selling one or more of its assets. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Measurement and Presentation

These consolidated financial statements have been prepared on a historical cost basis except for assets measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These consolidated financial statements are presented in Canadian dollars ("CAD"), which is also the Company's functional currency.

(Expressed in Canadian dollars)

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassification

Certain comparative figures have been reclassified to conform to the current period presentation.

Basis of Consolidation

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

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

Subsidiaries

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

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

Foreign Currency Translation

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

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

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

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

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

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

Exploration and Evaluation Assets

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

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

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

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

Financial instruments

The Company's financial instruments consist of cash, marketable securities, receivables, accounts payable and accrued liabilities, and notes payable. All financial instruments are initially recorded at fair value and designated as follows:

Cash and receivables are classified as financial assets at amortized cost and accounts payable and accrued liabilities and notes payable are classified as financial liabilities at amortized cost. Both financial assets at amortized cost and financial liabilities at amortized cost are measured at amortized cost using the effective interest method.

Marketable securities are classified as fair value through profit or loss ("FVTPL").

Transaction costs on initial recognition of financial instruments classified as FVTPL are expensed as incurred. Transaction costs incurred on initial recognition of financial instruments classified as amortized cost are recognized at their fair value amount and offset against the related asset or liability. Financial assets are derecognized when the contractual rights to the cash flows from the asset expire.

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities are derecognized only when the Company's obligations are discharged, cancelled or they expire. On derecognition, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability obtained) is recognized in profit or loss.

Impairment

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Impairment of Long-lived Assets

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

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

Restoration, Rehabilitation and Environmental Obligations

Restoration, rehabilitation and environmental obligations are recognized for the expected obligations related to the retirement of long-lived tangible assets that arise from the acquisition, construction, development or normal operation of such assets. A restoration, rehabilitation or environmental obligation is recognized in the period in which it is incurred and when a reasonable estimate of the fair value of the liability can be made with a corresponding cost recognized by increasing the carrying amount of the related long-lived asset. The restoration, rehabilitation or environmental cost is subsequently allocated in a rational and systematic method over the underlying asset's useful life. The initial fair value of the liability is accreted, by charges to operations, to its estimated future value. As at January 31, 2020 and 2019, the Company has no known restoration, rehabilitation or environmental obligations.

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share Capital

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

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

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

Earnings (loss) per share

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

Share-based Payments

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

The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that have vested.

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

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

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Segment Reporting

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

Investments in Associated Companies

The Company accounts for its long-term investments in affiliated companies over which it has significant influence using the equity basis of accounting, whereby the investment is initially recorded at cost, adjusted to recognize the Company's share of earnings or losses and reduced by dividends received.

The Company assesses its equity investments for impairment if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the equity investment and that the event or events has an impact on the estimated future cash flow of the investment that can be reliably estimated. Objective evidence of impairment of equity investments includes:

- Significant financial difficulty of the associated companies;
- Becoming probable that the associated companies will enter bankruptcy or other financial reorganization; or,
- National or local economic conditions that correlate with defaults of the associated companies.

<u>Classification of investments as subsidiaries, joint ventures, associated company and portfolio investments</u>

Classification of investments requires judgement as to whether the Company controls, has joint control of or significant influence over the strategic financial and operating decisions relating to the activity of the investee. In assessing the level of control or influence that the Company has over an investment, management considers ownership percentages, board representation as well as other relevant provisions in shareholder agreements. If an investor holds 20% or more of the voting power of the investee, it is presumed that the investor has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the investor holds less than 20% of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence can be clearly demonstrated.

Income Taxes

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

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

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Significant Accounting Estimates and Critical Judgements

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

Significant Accounting Estimates

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

<u>Estimated useful lives of property and equipment</u>

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

<u>Share-based compensation</u>

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

<u>Private company investments</u>

An analysis of fair value is prepared for private company investments. The analysis uses public stock prices for comparable entities, observable index comparisons, transaction prices for same or similar instruments and information from brokers and other analysis. The key assumptions driving the valuation of the Company’s private company investments include, but are not limited to, the value at which a recent financing was completed by the investee, significant changes in general market conditions and company specific information. For those investments valued based on general market condition and company specific information, these inputs can be highly judgmental.

<u>Recovery of deferred tax assets</u>

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

(Expressed in Canadian dollars)

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Critical Accounting Judgments

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

Functional currency

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

Exploration and evaluation assets

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

Accounting standards adopted during the year

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:

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

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

(Expressed in Canadian dollars)

3. MARKETABLE SECURITIES

As at January 31, 2020 and 2019, the Company had the following investments:

	January 31, 2020	January 31, 2019
Cost	$ 1,457,303	$ 1,250,000
Accumulated unrealized loss	(400,000)	(600,000)
Fair value	$ 1,057,303	$ 650,000

Included in marketable securities are 10,000,000 common shares of Austral Gold Limited (TSXV: AGLD)("Austral Gold") pledged as security pursuant to the terms of the Term Oil loan (Note 8) and 2,700,000 common shares of Atacama Copper Exploration Limited ("Atacama") acquired through the sale of exploration assets (Note 6). During the year ended January 31, 2020, 4,000,000 Austral Gold shares were released from the security agreement, and the remaining 6,000,000 common shares were released from the security agreement subsequent to January 31, 2020 upon full repayment of the loan by the Company (Note 8). The Company recorded an unrealized gain of $200,000 (2019 – unrealized loss of $650,000) on the Austral shares during the year ended January 31, 2020.

4. RECEIVABLES

The Company's receivables arise from goods and services tax and value added tax receivable from government taxation authorities, and recovery of exploration expenditures from joint venture partners.

As at January 31, 2020 and 2019, the receivables were as follows:

Category	January 31, 2020	January 31, 2019
Refundable taxes	$ 12,934	$ 9,847
Recoverable exploration expenditures	16,823	-
Receivables	$ 29,757	$ 9,847

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

Currency	January 31, 2020	January 31, 2019
Canadian Dollars	$ 12,864	$ 9,251
Chilean Pesos	16,893	596
Receivables	$ 29,757	$ 9,847

(Expressed in Canadian dollars)

5. PROPERTY AND EQUIPMENT

	Field equipment	Furniture and equipment	Computer equipment	Vehicles	Leasehold improvements	Right-of-use assets*	Total
Cost							
As at January 31, 2018 and January 31, 2019	$ 102,905	$ 24,514	$ 21,838	$ 111,263	$ 29,617	$ -	$ 290,137
Adoption of IFRS 16	-	-	-	-	-	122,401	122,401
As at January 31, 2020	102,905	24,514	21,838	111,263	29,617	122,401	412,538
Accumulated amortization							
As at January 31, 2018	82,001	18,730	19,722	50,068	29,617	-	200,138
Additions	4,181	1,157	635	22,253	-	-	28,226
As at January 31, 2019	86,182	19,887	20,357	72,321	29,617	-	228,364
Additions	3,345	925	444	22,253	-	85,984	112,951
As at January 31, 2020	$ 89,527	$ 20,812	$ 20,801	$ 94,574	$ 29,617	$ 85,984	$ 341,315
Net book value							
As at January 31, 2019	$ 16,723	$ 4,627	$ 1,481	$ 38,942	$ -	$ -	$ 61,773
As at January 31, 2020	$ 13,378	$ 3,702	$ 1,037	$ 16,689	$ -	$ 36,417	$ 71,223

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

6. EXPLORATION AND EVALUATION ASSETS

	January 31, 2020	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
T4, Chile	-	11,836
Morros Blancos, Chile	70,030	70,030
Calvario, Chile	120,041	120,041
Mirador, Chile	120,042	120,042
San Valentino, Chile	-	120,041
Montezuma, Chile	1	1
Los Azules, Chile	-	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
Las Animas, Chile	-	75,426
Loro, Chile	6,550	6,550
Victoria Sur, Chile	1	1
Orca (formerly Morsas), Chile	183,838	183,838
	$ 1,405,227	$ 1,873,652

During the year ended January 31, 2020, the Company did not write down any properties. During the year ended January 31, 2019, management decided to write down the Altamira, Block 2, Block 3, and Block 4 projects in Chile to nominal values and recorded a total write down of $979,815. The Company allowed the licenses for Altamira to lapse during the year ended January 31, 2019 and continues to hold a 100% interest in the Block 2, Block 3, and Block 4 projects and has kept the licenses in good standing, and continues to engage with potential partners to advance the exploration programs on the projects.

6. EXPLORATION AND EVALUATION ASSETS (Continued)

During the year ended January 31, 2020, the Company completed the sale of three exploration projects to third parties in exchange for Net Smelter Return ("NSR") royalties as follows:

- The Los Azules project was sold to Masglas Americas Corporation SpA ("Masglas") for $327,158 (US$ 250,000) and a 2% NSR royalty on all future metal production. A gain of $66,036 was recorded on the sale.
- The San Valentino, T4, and Las Animas projects were sold to Atacama for 2,700,000 common shares of Atacama. The Company will retain a 1.5% NSR royalty interest on precious metals and base metals from T4 and Las Animas, and a 1% NSR royalty interest on precious metals and base metals at San Valentino. There was no gain or loss recorded on the sale.

During the year ended January 31, 2019, the Company sold three, non-core exploration projects which had been previously written down to third parties in exchange for NSR royalty interests, as follows:

- The Magallanes project was sold to a Chilean subsidiary of Austral for a cash payment of $6,536 and a 1% NSR on future production of all metals. A gain of $6,535 was recorded on the sale.
- The Limbo project was also sold to a Chilean subsidiary of Austral for a cash payment of $6,385 and a 1% NSR on future production of all metals. A gain of $6,384 was recorded on the sale.
- The Colla Kananchiari (formerly Bronce Weste) project was sold to Masglas for a 1% NSR on future production of precious metals plus a 0.5% NSR on future production of base metals. Masglas subsequently renamed the project Colla Kananchiari and a loss of $1 was recorded on the sale.

Las Pampas, Cerro Blanco, Cerro Buenos Aires

As at January 31, 2020, the Company owns a 100% interest in the Las Pampas, Cerro Blanco, and Cerro Buenos Aires projects. Hochschild Mining PLC ("Hochschild") retains a 1% NSR royalty on any and all future production from portions of these properties.

Cerro Buenos Aires

On May 29, 2018, the Company signed an Option Agreement with Teck Resources Chile Limitada ("Teck"), a subsidiary of Teck Resources Limited, allowing Teck to acquire a 60% interest in a portion of Revelo's Cerro Buenos Aires property. Teck can earn its 60% interest by making cash payments to Revelo totaling US$425,000 and incurring exploration expenditures totaling US$4,800,000 over 4 years. Once the option is exercised by Teck, Revelo has the option to form a joint-venture company with Teck (with Revelo holding a 40% interest) to advance the property, or to convert its interest into a 1.5% NSR royalty. Teck has the right to buy-down the NSR royalty by 0.5% by paying Revelo US$2,000,000, at any time.

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$13,000,000, 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 year ended January 31, 2020.

6. EXPLORATION AND EVALUATION ASSETS (Continued)

San Valentino, T4 and Las Animas

In July 2019, the Company signed an agreement with Atacama a private Canadian company for the sale of a 100% interest in the Company's copper-focused projects at San Valentino, T4 and Las Animas in northern Chile in exchange for shares of Atacama, a royalty interest over any further production from the properties, and nominal cash. The agreement includes a 100% sale and transfer of the properties from the Company to Atacama. As consideration for the transaction, Atacama issued 2,700,000 common shares (Note 3) to the Company, representing 15% of the outstanding shares of Atacama. The Company retained a 1.5% NSR royalty interest on precious metals and base metals at T4 and Las Animas, and a 1% NSR royalty interest on precious metals and base metals at San Valentino.

The Atacama shares received were valued at $207,303 which was the cost of the projects sold.

As part of the agreement, Atacama made a cash payment of approximately US$29,000 ($38,785), equivalent to the 2018 property taxes paid on the properties and will make a further cash payment of approximately US$15,100. The payments received were accounted for as recoveries of expenditures.

Montezuma

Montezuma is comprised of 100% owned tenements including both exploration and mining concessions in Northern Chile. The Company holds a 100% interest in the Montezuma project and is subject to a 1% NSR royalty on all metals.

Los Azules

Los Azules was subject to a four year option agreement with Masglas that was entered into in November 2017 that allowed Masglas to earn a 100% interest in the Los Azules property in exchange for certain cash payments and in ground expenditures, together with a 2% NSR royalty interest over the property in favor of Revelo. In July 2019, Masglas and Revelo agreed to an accelerated earn-in that provided Masglas an immediate 100% ownership in the property for a total of $327,158 (US$250,000) in cash (received). Revelo will retain a 2% NSR royalty on all future metal production from Los Azules. For a period of 36 months Masglas has the right to reduce the royalty to a 1% NSR royalty by making a one-time cash payment to Revelo of US$1,000,000. After 36 months, this buy-back option expires.

Block 2, Redondo-Veronica, Block 3, Block 4, Morros Blancos, and Orca

As at January 31, 2020, Block 2, Redondo-Veronica, Block 3, Block 4, Morros Blancos, and Orca were 100% owned tenements comprising both exploration and mining concessions.

6. EXPLORATION AND EVALUATION ASSETS (Continued)

Loro

In September 2017, the Company signed a definitive agreement with Hochschild for the Company's gold-silver Loro project. The agreement allowed Hochschild to earn a 100% interest in the Loro project over a maximum of five years in exchange for a series of (a) cash payments totaling US$5,300,000, and (b) in-ground investments totaling US$13,000,000 and/or drilling commitments totaling 30,000 meters.

Contiguous with the agreement for the Loro project, the Company and Hochschild concluded additional agreements:

- for the Company to recover the Victoria Sur project from Hochschild in exchange for a 1% NSR royalty interest in favour of Hochschild; and
- the reductions on existing NSR royalty interests at the Company's Las Pampas, Cerro Blanco, and Cerro Buenos Aires projects (formerly one single project, Las Pampas) in favour of Hochschild from 2% to 1%.

During the year ended January 31, 2020, Hochschild terminated the option agreement on the Loro property. 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.

The Company continues to hold 100% of Loro in good standing.

Victoria Sur

Contiguous with the agreement entered into with Hochschild for the Loro project, the Company and Hochschild concluded an additional agreement that included the Company recovering the Victoria Sur project (previously subject to a joint venture agreement between the Company and Hochschild) from Hochschild in exchange for a 1% NSR royalty interest in favour of Hochschild. As a result of the uncertainty of these NSR royalty interests becoming payable, the acquisition of Victoria Sur has been recorded at a nominal value.

(Expressed in Canadian dollars)

7. EXPLORATION EXPENDITURES

During the year ended January 31, 2020, 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 4	Las Pampas	Mirador	Regional project development	Total
Drilling, related and other	$ -	$ -	$ -	$ 29,677	$ -	$ -	$ -	$ -	$ -	$ 6,342	$ 36,019
Legal and accounting	16,168	3,755	569	15,067	3,131	3,417	3,473	11,747	16,142	48,717	122,186
Office and administration	3,052	2,621	397	10,540	2,279	2,385	2,528	8,438	3,361	10,455	46,056
Property maintenance	65,537	66,399	18,890	236,765	55,287	60,435	61,325	207,747	73,828	158,912	1,005,125
Salaries and benefits	35,150	30,181	4,575	121,118	25,172	27,470	27,921	94,428	38,706	97,348	502,069
Travel	381	327	50	1,312	273	298	302	1,023	419	12,465	16,850
Total Expenditures	120,288	103,283	24,481	414,479	86,142	94,005	95,549	323,384	132,456	334,238	1,728,305
Recoveries	(68,200)	-	(9,311)	-	-	-		-	(70,900)	(38,785)	(187,196)
Net Expenditures	$ 52,088	$ 103,283	$ 15,170	$ 414,479	$ 86,142	$ 94,005	$ 95,549	$ 323,384	$ 61,556	$ 295,453	$ 1,541,109

During the year ended January 31, 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	Redondo-Veronica	Victoria	Block 4 - Anaconda	Las Pampas	Las Animas	Regional project development	Total
Drilling, related and other	$ -	$ -	$ 1,508,211	$ 13,437	$ -	$ 237	$ -	$ -	$ -	$ -	$ 1,521,885
Legal and accounting	4,082	3,259	-	14,094	2,674	6,840	2,936	30,460	3,483	89,439	157,267
Office and administration	10,307	8,229	-	35,996	7,218	8,821	7,916	37,509	8,795	48,235	173,026
Property maintenance	74,724	59,660	11,531	238,206	48,488	60,370	53,233	253,931	63,766	236,638	1,100,547
Salaries and benefits	26,320	21,014	293,265	90,586	17,243	22,526	18,928	94,982	22,460	110,967	718,291
Travel	231	185	121,535	5,766	152	198	166	835	197	5,026	134,290
Total Expenditures	115,664	92,347	1,934,542	398,085	75,775	98,992	83,179	417,717	98,701	490,304	3,805,306
Recoveries	-	-	(1,934,542)	-	-	-	-	-	-	-	(1,934,542)
Operator fees	-	-	(138,977)	-	-	-	-	-	-	-	(138,977)
Net Expenditures	$ 115,664	$ 92,347	$ (138,977)	$ 398,085	$ 75,775	$ 98,992	$ 83,179	$ 417,717	$ 98,701	$ 490,304	$ 1,731,787

8. NOTES PAYABLE

Term Oil Loan

In February 2018, the Company borrowed $1,500,000 from Term Oil Inc. ("Term Oil"), 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 in May 2019). The loan had 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 interest over all its present and-after acquired personal property, a guarantee of the Company's subsidiary Minera Mena Chile Ltda., and the Austral shares (Note 3).

In September 2019, Term Oil agreed to extend the term of the loan to December 31, 2019, and in exchange, the Company agreed to pay an extension fee of $50,000 to be paid at the time of settlement.

The fair value of the loan was calculated using an effective interest rate of 15% resulting in $241,386 of accrued interest (2019 - $216,081) during the year ended January 31, 2020. In May 2019, the Company paid a total of $298,226 (US $220,363) for accrued interest and the anniversary fee equivalent to 3% of the outstanding balance on the 1-year anniversary ($50,713). The total loan outstanding as at January 31, 2020 was $1,694,953.

Subsequent to the year ended January 31, 2020, the Company fully repaid the loan balance outstanding including principal, interest, and the $50,000 extension fee (Note 17). The full 10,000,000 Austral shares and other assets pledged as security have been released from the security agreement and the Company has no further continuing obligations to Term Oil.

Other Notes Payable

As at January 31, 2020 the Company had the following loans outstanding:

- 19 separate loan advances totalling US$1,850,000 ($2,446,364) and $47,500 of which 12 of these loan advances totalling US$1,400,000 ($1,851,303) and $47,500 were received during the year ended January 31, 2020 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 ($132,235) 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 EMX Royalty Corp. (TSX-V: EMX; NYSE American: EMX)("EMX") 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. As at January 31, 2020 the balance owing to EMX was $530,071 (2019 - $480,071). This loan was settled subsequent to January 31, 2020.

All notes outstanding as at January 31, 2020 are included as current liabilities. Including interest and any bonuses to be paid, as at January 31, 2020, the total loan amounts outstanding was $4,851,124 (January 31, 2019 - $2,856,116) of which $3,156,171 (January 31, 2019 - $1,204,577) was owed to related parties.

Subsequent to the year ended January 31, 2020, by way of cash payments and a shares for debt arrangement, the Company settled all loans outstanding to Term Oil, EMX, and other related parties including any interest, bonus payments, and extension fees (Note 17).

(Expressed in Canadian dollars)

9. LEASE LIABILITIES

The Company's right-of-use assets are included in property and equipment (Note 5).

Lease liabilties recognized as at February 1, 2019	$	122,401
Lease payments made		(87,270)
Interest expense on lease liabilities		5,647
Foreign exchange adjustment		(4,461)
		36,317
Less: current portion		(36,317)
As at January 31, 2020	$	-

10. RELATED PARTY TRANSACTIONS AND BALANCES

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

		Year Ended January 31, 2020		Year Ended January 31, 2019
Management				
Management fees	$	375,700	$	605,207
Directors				
Directors' fees		-		72,000
	$	375,700	$	677,207

Amounts due to related parties as of January 31, 2020 and January 31, 2019 are as follows:

Related party liabilities	Items or services		Year ended January 31, 2020		Year ended January 31, 2019
Seabord Services Corp.	Management fees and loans (Note 8)	$	550,512	$	262,297
Chairman	Management fees		340,168		323,157
President	Compensation		394,256		241,164
Various directors	Directors' fees		138,000		138,000
EMX Royalty Corp.	Loan (Note 8)		530,071		482,071
Director and former director	Loans (Note 8)		2,499,588		722,507
		$	4,452,595	$	2,169,196

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 year ended January 31, 2020.

(Expressed in Canadian dollars)

11. EQUITY

Authorized

As at January 31, 2020, the authorized share capital of the Company was an unlimited number of common shares and preferred shares without par value.

Share Capital

No preferred shares have been issued from incorporation to January 31, 2020.

For the years ended January 31, 2020 and 2019, 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.

The changes in stock options outstanding are as follows:

	Number of Options	Weighted Average Exercise Price
Balance as at January 31, 2018	762,500	$ 2.40
Expired	(65,000)	6.90
Cancelled	(4,500)	2.10
Balance as at January 31, 2019	693,000	2.01
Expired	(613,000)	1.94
Balance as at January 31, 2020	80,000	2.50
Exercisable as at January 31, 2020	80,000	$ 2.50

The following table summarizes the stock options outstanding and exercisable at January 31, 2020:

Date Granted	Expiry Date	Exercise Price	Number Outstanding	Number Exercisable
May 5, 2015*	May 5, 2020	$ 2.50	80,000	80,000
Total			80,000	80,000

*Expired unexercised subsequent to the year ended January 31, 2020.

The weighted average remaining life of the stock options exercisable is 0.26 years (January 31, 2019 – 0.51 years).

(Expressed in Canadian dollars)

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 January 31, 2020.

Share Purchase Warrants

The changes in share purchase warrants outstanding are as follow:

	Number of Warrants	Weighted Average Exercise Price
Balance as at January 31, 2018	8,749,696	$ 2.20
Expired	(2,011,717)	1.32
Balance as at January 31, 2019	6,737,979	2.41
Expired	(6,737,979)	2.41
Balance as at January 31, 2020	$ -	$ -

The weighted average remaining life of the share purchase warrants outstanding and exercisable is Nil years (January 31, 2019 – 0.22 years).

Share-based Payments

There were no stock options granted during the years ended January 31, 2020 and 2019 and there was no share-based payment expense recorded during the years ended January 31, 2020 or 2019.

12. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being the acquisition and exploration of mineral properties. Exploration and evaluation assets, exploration expenditures and property and equipment are located in Chile and substantially all of the Company's other assets and expenditures are located and incurred in Canada.

13. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial Risk Management

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

13. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

Credit Risk

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

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to pay obligations as they fall due. Financial liabilities, at January 31, 2020, included $6,354,643 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 January 31, 2020, 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	$ 25,244	$ 21,655,270	$ -	
Accounts payable and accrued liabilities	(287,243)	(24,356,261)	-	
Notes payable	(1,950,000)	-	-	
Lease liabilities - current	-	-	(1,099)	
Lease liabilities - non current	-	-	(69)	
Net exposure	(2,211,999)	(2,700,991)	(1,168)	
Canadian dollar equivalent	$ (2,925,056)	$ (4,473)	$ (60,418)	$ (2,989,947)

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 $299,000 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 January 31, 2020, 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.

(Expressed in Canadian dollars)

13. 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 through the sale of assets.

14. FINANCIAL INSTRUMENTS BY CATEGORY

Fair Values

The Company's financial instruments consist of cash, marketable securities, receivables, accounts payable and accrued liabilities, and notes payable. Classification of financial instruments depends on the purpose for which the financial instruments were acquired or issued, their characteristics, and the Company's designation of such instruments.

As at January 31, 2020, 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:

	January 31, 2020	January 31, 2019
Financial assets		
Amortized cost:		
Cash	$ 71,264	$ 29,518
Receivables	16,823	-
Fair value through profit or loss:		
Marketable securities	1,057,303	650,000
	$ 1,145,390	$ 679,518
Financial liabilities		
Amortized cost:		
Accounts payable and accrued liabilities	$ 1,467,202	$ 1,192,598
Notes payable	4,851,124	2,856,116
	$ 6,318,326	$ 4,048,714

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.

(Expressed in Canadian dollars)

14. 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 January 31, 2020, 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 Atacama private company shares (Note 3) are valued within level 3 of the fair value hierarchy.

The carrying values of cash, receivables, accounts payable and accrued liabilities, and notes payable (except the Term Oil loan) 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 key assumptions driving the valuation of the Company's private company investments include, but are not limited to, the value at which a recent financing was completed by the investee, significant changes in general market conditions and company specific information. For those investments valued based on general market condition and company specific information, these inputs can be highly judgmental.

15. SUPPLEMENTARY CASH FLOW INFORMATION

The significant non-cash investing and financing transactions during the year ended January 31, 2020 included the following:

a) Recognition of $122,401 of right-of-use assets and lease liabilities related to the adoption of IFRS 16; and
b) Receiving shares in a private entity valued at $207,303 related to the sale of exploration and evaluation assets (Note 6).

There were no significant non-cash investing and financing transactions during the year ended January 31, 2019.

16. INCOME TAXES

The provision for income taxes differs from the amount calculated using a prorated Canadian federal and provincial statutory income tax rate of 27% (2019 – 27%) as follows:

	2020	2019
Loss for the year	$ (2,291,063)	$ (4,628,002)
Expected income tax expense	(618,587)	(1,249,561)
Permanent differences and other	1,630,335	(1,108,904)
Effect of lower tax rates in foreign jurisdictions	31,228	39,417
Changes in unrecognized deductible temporary differences	(1,042,976)	2,319,048
	$ -	$ -

(Expressed in Canadian dollars)

16. INCOME TAXES (Continued)

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

		2020		2019
Deferred tax assets:				
Exploration and evaluation assets	$	3,258,000	$	3,961,000
Share issue costs and other		186,000		209,000
Non-capital losses available for future periods		9,218,000		9,535,000
Unrecognized deferred tax assets	$	12,662,000	$	11,386,000

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

	Expiry date		2020		2019
Temporary differences:					
Exploration and evaluation assets	No expiry	$	14,438,000	$	16,672,000
Share issue costs and other	2041 to 2044	$	183,000	$	219,000
Non - capital losses available for future periods in Canada	2027 to 2040	$	10,766,000	$	10,020,000
Non - capital losses available for future periods in Chile	No expiry	$	25,244,000	$	27,318,000

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

17. EVENTS SUBSEQUENT TO THE REPORTING DATE

Subsequent to the year ended January 31, 2020, the Company:

a) Completed the sale of 20 generative net smelter return royalty interests over exploration properties in Chile for proceeds of US$ 1,500,000. Two of the royalties were sold to an arm's length property owner, which exercised a right of first refusal, for $485,000 (US$338,000) and 18 were sold to EMX for $1,643,000 (US$ 1,162,000);

b) Sold 10,000,000 common shares of Austral Gold for proceeds of $879,000;

c) Fully repaid loan balances owing to EMX and Term Oil including principal, interest, and any bonus or extension fees totaling $536,000 and $1,708,000 respectively;

d) Complete a 10:1 share consolidation effective April 29, 2020;

e) Converted $3,283,000 in debt including $2,492,000 in cash loans and $791,000 in unpaid fees owed to certain related parties and consultants into shares at $0.15 per share (post-consolidation shares). A further $513,000 in unpaid fees was forgiven by certain related parties; and

f) Signed a Binding Letter Agreement ("BLA") with West Pacific Ventures Corp. ("WPV"), a private Canadian company, which will allow WPV to acquire a 100% interest in eight of Revelo's copper-focused projects. Under the terms of the BLA, Revelo will receive new shares in WPV that in turn will be exchanged for shares of a public company shell ("PubCo"). The transaction will result in a Reverse Take-Over ("RTO") of PubCo, with the resulting company seeking to concurrently list on the Canadian Securities Exchange ("CSE") after having raised a minimum of $4 million. Revelo will on closing of the RTO hold 19.9% of the issued and outstanding shares of PubCo. Revelo received US$125,000 in cash on signing of the BLA and will receive a further cash payment of US$175,000 on signing of definitive documentation.