



**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED JULY 31, 2020**

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 six months ended July 31, 2020 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)

	July 31, 2020	January 31, 2020
<b>ASSETS</b>		
Current assets		
Cash	\$ 25,425	\$ 71,264
Marketable securities (Note 3)	-	1,057,303
Receivables (Note 4)	25,351	29,757
Prepaid expenses and deposits	7,361	15,344
<b>Total current assets</b>	<b>58,137</b>	<b>1,173,668</b>
Non-current assets		
Property and equipment (Note 5)	30,257	71,223
Exploration and evaluation assets (Note 6)	1,082,197	1,405,227
<b>Total non-current assets</b>	<b>1,112,454</b>	<b>1,476,450</b>
<b>TOTAL ASSETS</b>	<b>1,170,591</b>	<b>2,650,118</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	275,744	1,467,202
Notes payable (Note 9 and Note 11)	268,265	4,851,124
Lease liabilities (Note 10)	8,374	36,317
<b>Total current liabilities</b>	<b>552,383</b>	<b>6,354,643</b>
<b>TOTAL LIABILITIES</b>	<b>552,383</b>	<b>6,354,643</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		
Share capital (Note 12)	27,887,043	24,640,452
Reserves	7,658,268	7,727,215
Deficit	(34,927,103)	(36,072,192)
<b>TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)</b>	<b>618,208</b>	<b>(3,704,525)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)</b>	<b>\$ 1,170,591</b>	<b>\$ 2,650,118</b>

**Nature of Operations and Ability to Continue as a Going Concern (Note 1)**

**Events subsequent to the reporting date (Note 18)**

These condensed consolidated interim financial statements were authorized for issuance by the Board of Directors on September 25, 2020.

**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 INCOME AND COMPREHENSIVE INCOME**  
(Unaudited - Expressed in Canadian Dollars)

	Three months ended July 31, 2020	Three months ended July 31, 2019	Six months ended July 31, 2020	Six months ended July 31, 2019
<b>EXPLORATION EXPENDITURES (Note 7)</b>	\$ 236,190	\$ 255,169	\$ 970,120	\$ 1,341,626
Less: Recoveries and operator fees	-	(36,085)	(13,128)	(168,278)
Net exploration expenditures	236,190	219,084	956,992	1,173,348
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>				
Administration	11,390	11,197	27,256	27,380
Amortization (Note 5)	12,974	28,238	40,966	56,477
Investor relations and shareholder information	7,046	3,570	19,917	9,759
Management compensation	56,606	108,384	113,230	216,769
Professional fees	29,441	17,590	42,142	27,590
Transfer agent and regulatory fees	8,481	8,906	19,253	14,976
Travel	-	9,259	1,364	25,981
Total general and administrative expenses	125,938	187,144	264,128	378,932
<b>Loss from operations</b>	<b>(362,128)</b>	<b>(406,228)</b>	<b>(1,221,120)</b>	<b>(1,552,280)</b>
Foreign exchange gain (loss)	(7,972)	62,002	(46,648)	21,032
Gain on sale of exploration and evaluation assets	29,559	66,036	29,559	66,036
Option agreement income	-	-	-	124,533
Change in fair value of fair value through profit or loss assets	(207,303)	(100,000)	192,697	(50,000)
Gain on settlement of debt	-	-	538,479	-
Gain on sale of royalty interests	-	-	1,997,735	-
Loss on sale of marketable securities	-	-	(369,886)	-
Interest expense and other	(236)	(73,740)	(44,674)	(200,147)
Total comprehensive income (loss) for the period	\$ (548,080)	\$ (451,930)	\$ 1,076,142	\$ (1,590,826)
Basic and diluted income (loss) per common share <sup>(1)</sup>	\$ (0.01)	\$ (0.03)	\$ 0.03	\$ (0.10)
Weighted average number of common shares outstanding (basic and diluted) <sup>(2)</sup>	38,627,083	16,740,502	38,627,083	16,740,502

(1) Existing stock options and share purchase warrants are not included in the income (loss) per share computation of diluted income (loss) per share if inclusion would be anti-dilutive. For the periods presented in which the inclusion of stock options and warrants would be anti-dilutive, the basic and diluted losses per share are the same.

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

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)

	Six months ended July 31, 2020	Six months ended July 31, 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss) for the period	\$ 1,076,142	\$ (1,590,826)
Items not affecting cash:		
Amortization (Note 5)	40,966	56,477
Change in fair value of fair value through profit or loss assets	(192,697)	50,000
Gain on sale of exploration and evaluation assets (Note 5)	(29,559)	(66,036)
Gain on sale of royalty interests	(1,997,735)	-
Gain on settlement of debt	(538,479)	-
Realized loss on sale of marketable securities	369,886	-
Interest and other expenses on notes payable	43,960	196,472
Interest accretion on lease obligations	714	3,674
Unrealized foreign exchange loss	(2,265)	(14,535)
<b>Changes in non-cash working capital items:</b>		
Receivables	4,406	(7,460)
Prepaid expenses and deposits	7,983	(5,182)
Accounts payable and accrued liabilities	104,110	186,316
<b>Net cash used in operating activities</b>	<b>(1,112,568)</b>	<b>(1,191,100)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of exploration and evaluation assets	175,923	327,158
Proceeds on sale of royalty interests	2,174,401	-
Proceeds on disposal of marketable securities	880,114	-
<b>Net cash provided by investing activities</b>	<b>3,230,438</b>	<b>327,158</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment on lease obligations	(27,859)	(45,702)
Payments on note payable	(2,241,478)	(298,226)
Proceeds from the issuance of notes payable	132,777	1,486,408
Share issue costs	(27,149)	-
<b>Net cash (used in) provided by financing activities</b>	<b>(2,163,709)</b>	<b>1,142,480</b>
Net change in cash during the period	(45,839)	278,538
Cash, beginning of period	71,264	29,518
<b>Cash, end of the period</b>	<b>\$ 25,425</b>	<b>\$ 308,056</b>

**Supplementary Cash Flow Information (Note 16)**

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

**REVELO RESOURCES CORP.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**

(Expressed in Canadian Dollars)

	Number of common shares <sup>(1)</sup>	Share capital	Reserves	Deficit	Total Shareholders' Equity (Deficiency)
<b>Balance as at January 31, 2020</b>	16,740,502	\$ 24,640,452	\$ 7,727,215	\$ (36,072,192)	\$ (3,704,525)
Shares issued for settlement of debt	21,886,581	3,282,987	-	-	3,282,987
Share issuance costs in cash	-	(36,396)	-	-	(36,396)
Stock options expired during the period	-	-	(68,947)	68,947	-
Income for the period	-	-	-	1,076,142	1,076,142
<b>Balance as at July 31, 2020</b>	<b>38,627,083</b>	<b>\$ 27,887,043</b>	<b>\$ 7,658,268</b>	<b>\$ (34,927,103)</b>	<b>\$ 618,208</b>

	Number of common shares <sup>(1)</sup>	Share capital	Reserves	Deficit	Total Shareholders' Equity (Deficiency)
<b>Balance as at January 31, 2019</b>	16,740,502	\$ 24,640,452	\$ 7,727,215	\$ (33,781,129)	\$ (1,413,462)
Loss for the period	-	-	-	(1,590,826)	(1,590,826)
<b>Balance as at July 31, 2019</b>	<b>16,740,502</b>	<b>\$ 24,640,452</b>	<b>\$ 7,727,215</b>	<b>\$ (35,371,955)</b>	<b>\$ (3,004,288)</b>

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

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 Six Months Ended July 31, 2020

(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, 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 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.

On April 29, 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, 2019.

As at July 31, 2020, the Company had a working capital deficit of \$494,246, recorded net income of \$1,076,142 for the six months then ended, and has accumulated a total deficit of \$34,927,103. 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.

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 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”).

## REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended July 31, 2020

(Unaudited - Expressed in Canadian dollars)

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

#### Basis of Measurement and Presentation

These condensed interim consolidated 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, 2020 (the "2020 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 2020 Annual Financial Statements except as to the accounting standards adopted during the period.

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 2020 Annual Consolidated Financial Statements and have been consistently applied in the preparation of these Consolidated Interim Financial Statements for the periods ended July 31, 2020 and 2019 except as otherwise noted.

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

#### Reclassification

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

### 3. MARKETABLE SECURITIES

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

	July 31, 2020	January 31, 2020
Cost	\$ -	\$ 1,457,303
Accumulated unrealized loss	-	(400,000)
<b>Fair value</b>	<b>\$ -</b>	<b>\$ 1,057,303</b>

Included in marketable securities are 2,700,000 common shares of Atacama Copper Exploration Limited ("Atacama") acquired through the sale of exploration assets. During the period ended July 31, 2020, the Company sold 10,000,000 common shares of Austral Gold Limited (TSXV: AGLD) ("Austral Gold") for total proceeds of \$880,114 (2019 - \$Nil) and recorded a loss on sale of marketable securities of \$369,886 (2019 - \$Nil), and recorded a fair value adjustment to the Atacama shares of \$207,303 (2019 - \$Nil).



## REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended July 31, 2020

(Unaudited - Expressed in Canadian dollars)

### 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 July 31, 2020 and January 31, 2020, the receivables were as follows:

Category	July 31, 2020	January 31, 2020
Refundable taxes	\$ 25,351	\$ 12,934
Recoverable exploration expenditures	-	16,823
<b>Receivables</b>	<b>\$ 25,351</b>	<b>\$ 29,757</b>

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

Currency	July 31, 2020	January 31, 2020
Canadian Dollars	\$ 25,338	\$ 12,864
Chilean Pesos	13	16,893
<b>Receivables</b>	<b>\$ 25,351</b>	<b>\$ 29,757</b>

### 5. PROPERTY AND EQUIPMENT

	Field equipment	Furniture and equipment	Computer equipment	Vehicles	Right-of-use assets*	Total
<b>Cost</b>						
As at July 31, 2020 and January 31, 2020	\$ 102,905	\$ 24,514	\$ 21,838	\$ 111,263	\$ 122,401	\$ 382,921
<b>Accumulated amortization</b>						
As at January 31, 2020	89,527	20,812	20,801	94,574	85,984	311,698
Additions	1,338	370	156	11,126	27,976	40,966
As at July 31, 2020	\$ 90,865	\$ 21,182	\$ 20,957	\$ 105,700	\$ 113,960	\$ 352,664
<b>Net book value</b>						
As at January 31, 2020	\$ 13,378	\$ 3,702	\$ 1,037	\$ 16,689	\$ 36,417	\$ 71,223
As at July 31, 2020	\$ 12,040	\$ 3,332	\$ 881	\$ 5,563	\$ 8,441	\$ 30,257

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

## REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended July 31, 2020

(Unaudited - Expressed in Canadian dollars)

### 6. EXPLORATION AND EVALUATION ASSETS

	July 31, 2020	January 31, 2020
Las Pampas, Chile	\$ 651,722	\$ 651,722
Cerro Blanco, Chile	-	100,000
Cerro Buenos Aires, Chile	-	100,000
Morros Blancos, Chile	-	70,030
Calvario, Chile	120,041	120,041
Mirador, Chile	120,042	120,042
Montezuma, Chile	1	1
Block 2, Chile	1	1
Redondo-Veronica, Chile	-	25,000
Block 3, Chile	-	28,000
Block 4, Chile	1	1
Loro, Chile	6,550	6,550
Victoria Sur, Chile	1	1
Orca (formerly Morsas), Chile	183,838	183,838
	\$ 1,082,197	\$ 1,405,227

During the six months ended July 31, 2020, the Company had the following changes or agreements to its exploration and evaluation assets:

#### *Calvario and Mirador*

In June 2020, Sociedad Quimica Y Minera de Chile (NYSE: SQM) (“SQM”) (terminated its options agreements entered into in April 2019 that allowed SQM to acquire up to an 80% interest in the Company’s Calvario and Mirador copper projects. Revelo continues to hold 100% interest in the projects and has paid the 2020 land costs to keep the licenses in good standing.

#### *EMX Royalty Corp. and Maslas America Corp Royalty Sale*

During the six months ended July 31, 2020, the Company completed the sale of 20 generative net smelter return (“NSR”) royalty interests over exploration properties in Chile for total proceeds of \$2,174,400 (US\$1,500,000) to EMX Royalty Corp. (TSX-V: EMX; NYSE American: EMX) (“EMX”) and Masglas America Corp. (“Masglas”). Included in comprehensive income (loss) for the period is a gain on sale of royalty interests of \$1,997,735, and \$176,669 was applied against capitalized costs.

#### *West Pacific Ventures Corp. Binding Letter of Intent*

In May 2020, the Company 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 the Company’s copper-focused projects including Arrieros, Block 2, Block 3, Block 4, Redondo-Veronica, Cerro Blanco, Cerro Buenos Aires, and Morros Blancos. Under the terms of the BLA, the Company 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 \$4,000,000. On closing of the RTO the Company will hold 19.9% of the issued and outstanding shares of PubCo. Upon signing the binding letter of intent the Company received \$175,923 (US\$125,000) in cash. Subsequent to the six months ended July 31, 2020, the Company received a further cash payment of \$232,258 (US\$175,000) upon signing of the definitive property sale and purchase agreement. Included in comprehensive income (loss) for the period is a gain on sale of exploration and evaluation assets of \$29,559, and \$146,364 was applied against capitalized costs.

## REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Six Months Ended July 31, 2020

(Expressed in Canadian dollars)

### 7. EXPLORATION EXPENDITURES

During the period ended July 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	Redondo-Veronica	Victoria	Block 2	Block 3	Block 4	Orca	Cerro Buenos Aires			Las Pampas	Mirador	Regional project development	Total	
Drilling, related and other	\$ -	\$ -	\$ -	\$ 11,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,311
Legal and accounting	713	2,641	626	8,813	2,200	2,902	377	1,328	1,210	1,299	1,957	1,957	4,526	308	91,275	122,131		
Office and administration	198	732	174	2,513	645	804	111	389	355	360	576	817	1,332	85	2,336	11,427		
Property maintenance	13,889	51,419	12,195	147,411	42,808	56,516	7,339	25,838	23,550	25,294	38,099	54,044	88,129	6,001	-	592,532		
Salaries and benefits	4,307	15,946	3,782	53,219	13,287	17,527	2,278	8,020	7,309	7,845	11,815	16,760	27,331	1,861	26,992	218,279		
Travel	30	109	26	13,181	91	120	16	55	50	54	81	115	188	13	311	14,440		
<b>Total Expenditures</b>	<b>19,137</b>	<b>70,847</b>	<b>16,803</b>	<b>236,448</b>	<b>59,031</b>	<b>77,869</b>	<b>10,121</b>	<b>35,630</b>	<b>32,474</b>	<b>34,852</b>	<b>52,528</b>	<b>73,693</b>	<b>121,505</b>	<b>8,268</b>	<b>120,914</b>	<b>970,120</b>		
Recoveries	(11,174)	-	-	-	-	-	-	-	-	-	-	-	-	(1,954)	-	(13,128)		
<b>Net Expenditures</b>	<b>\$ 7,963</b>	<b>\$ 70,847</b>	<b>\$ 16,803</b>	<b>\$ 236,448</b>	<b>\$ 59,031</b>	<b>\$ 77,869</b>	<b>\$ 10,121</b>	<b>\$ 35,630</b>	<b>\$ 32,474</b>	<b>\$ 34,852</b>	<b>\$ 52,528</b>	<b>\$ 73,693</b>	<b>\$ 121,505</b>	<b>\$ 6,314</b>	<b>\$ 120,914</b>	<b>\$ 956,992</b>		

During the period ended July 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 2	Block 3	Block 4	Orca	Cerro Buenos Aires			Las Pampas	Mirador	Regional project development	Total
Drilling, related and other	\$ -	\$ -	\$ -	\$ 15,716	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,691	\$ 22,407
Legal and accounting	12,281	2,054	167	7,002	18	2,135	1,889	340	1,967	1,375	135	135	6,496	11,837	19,459	67,291	
Office and administration	1,496	1,292	105	4,405	12	1,343	1,239	223	1,290	865	88	88	4,215	1,527	2,798	20,985	
Property maintenance	60,465	60,776	14,241	191,477	544	63,186	55,857	10,058	58,163	40,694	4,000	4,000	192,223	62,443	91,698	909,826	
Salaries and benefits	22,247	19,214	1,559	65,503	172	19,976	17,675	3,183	18,405	12,865	1,265	1,265	60,771	22,716	39,059	305,874	
Travel	391	338	27	1,151	3	351	310	56	323	226	22	22	1,068	399	10,556	15,243	
<b>Total Expenditures</b>	<b>96,880</b>	<b>83,674</b>	<b>16,099</b>	<b>285,254</b>	<b>749</b>	<b>86,991</b>	<b>76,970</b>	<b>13,860</b>	<b>80,148</b>	<b>56,025</b>	<b>5,510</b>	<b>5,510</b>	<b>264,772</b>	<b>98,922</b>	<b>170,261</b>	<b>1,341,626</b>	
Recoveries	(58,837)	-	(9,311)	-	-	-	-	-	-	-	-	-	-	(61,345)	(38,785)	(168,278)	
<b>Net Expenditures</b>	<b>\$ 38,043</b>	<b>\$ 83,674</b>	<b>\$ 6,788</b>	<b>\$ 285,254</b>	<b>\$ 749</b>	<b>\$ 86,991</b>	<b>\$ 76,970</b>	<b>\$ 13,860</b>	<b>\$ 80,148</b>	<b>\$ 56,025</b>	<b>\$ 5,510</b>	<b>\$ 5,510</b>	<b>\$ 264,772</b>	<b>\$ 37,577</b>	<b>\$ 131,476</b>	<b>\$ 1,173,348</b>	

## REVELO RESOURCES CORP.

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Six Months Ended July 31, 2020

(Expressed in Canadian dollars)

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### 8. DEBT SETTLEMENT

During the six months ended July 31, 2020 the Company converted \$2,491,511 in notes payable owed to entities controlled by a director and former director of the Company (Note 9) and \$791,476 in unpaid fees owed to certain related parties and consultants into 21,886,581 common shares at \$0.15 per share. A further \$513,399 in unpaid fees was forgiven by certain related parties resulted in a gain on settlement of debt and was included in comprehensive income (loss) for the period.

### 9. NOTES PAYABLE

#### *Term Oil Inc. and EMX Royalty Corp.*

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) and agreed to a \$50,000 extension fee in September 2019. The loan had a term of 18 months and was 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 October 2017, the Company borrowed \$400,000 from EMX a Company with a common director. This loan carried an interest rate of 1% per month and included a \$20,000 cash bonus due on or before December 31, 2017.

During the six months ended July 31, 2020, the Company fully repaid the loan balance to Term Oil and EMX including principal, interest, and any bonus or extension fees totalling \$1,707,593 and \$536,252 respectively. The Company recorded a gain of \$25,140 on the settlement of the Term Oil loan. The full 10,000,000 Austral shares and other assets pledged as security have been released from the security agreement with Term Oil and the Company has no further continuing obligations to Term Oil or EMX.

#### *Other Notes Payable*

During the six months ended July 31, 2020, \$2,491,511 of notes payable owed to entities controlled by a director and former director were converted to 16,610,073 common shares at \$0.15 per share (Note 8).

As at July 31, 2020, the Company had \$268,265 (US\$200,000) in notes payable outstanding of which \$132,777 (US\$100,000) was received during the six months then ended from entities controlled by a director of the Company.

These loans carry no interest and have no specific terms of repayment.

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### 10. LEASE LIABILITIES

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

Lease liabilities as at January 31, 2020	\$	36,317
Lease payments made		(27,859)
Interest expense on lease liabilities		714
Foreign exchange adjustment		(798)
		8,374
Less: current portion		(8,374)
As at July 31, 2020	\$	-

### 11. 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		Three months ended	
	July 31, 2020	July 31, 2019	July 31, 2020	July 31, 2019
<b>Management</b>				
Management fees	\$ 52,500	\$ 104,400	\$ 105,000	\$ 208,800
	\$ 52,500	\$ 104,400	\$ 105,000	\$ 208,800

Amounts due to related parties as at July 31, 2020 and January 31, 2020 are as follows:

Related party liabilities	Items or services	Six months ended	
		July 31, 2020	Year ended January 31, 2020
Seabord Services Corp.	Management fees and loans (Note 8)	\$ 55,718	\$ 550,512
Chairman	Management fees	-	340,168
President	Compensation	10,500	394,256
Various directors	Directors' fees	-	138,000
EMX Royalty Corp.	Loan (Note 8)	-	530,071
Director and former director	Loans (Note 8)	268,265	2,499,588
		\$ 334,483	\$ 4,452,595

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 July 31, 2020.

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### 12. EQUITY

#### Authorized

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

#### Share Capital

Effective April 29, 2020, the Company completed a 10:1 share consolidation. All shares, options, and warrants outstanding reflect the consolidation.

For the six months ended July 31, 2020 the Company issued 21,886,581 common shares at \$0.15 per common shares pursuant to debt settlement agreements for the settlement of \$3,282,987 in debt (Note 8). The Company paid or accrued \$36,396 in fees related to the share issuance.

For the six months ended July 31, 2019, the Company had no changes to its share capital.

#### Stock Options

The following table summarizes changes in stock options outstanding and exercisable during the six months ended July 31, 2020:

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	Number of	Weighted Average
	Options	Exercise Price
<b>Balance as at January 31, 2020</b>	80,000	\$ 2.50
Expired	(80,000)	2.50
<b>Balance as at July 31, 2020</b>	-	-

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Consistent with the Company's significant accounting policies, the original compensation of \$68,947 recorded for the fair value of options expired in the period has been reversed and charged to deficit.

#### 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 July 31, 2020.

#### Warrants

There were no warrants outstanding as July 31, 2020 and January 31, 2020.

### 13. 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.

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### 14. 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.

#### 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 July 31, 2020, included \$552,383 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 July 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	\$ 16,158	\$ 1,370,307	\$ -	
Accounts payable and accrued liabilities	(7,270)	(63,454,298)	-	
Notes payable	(200,000)	-	-	
Lease liabilities - current	-	-	(169)	
<b>Net exposure</b>	<b>(191,112)</b>	<b>(62,083,991)</b>	<b>(169)</b>	
<b>Canadian dollar equivalent</b>	<b>\$ (256,343)</b>	<b>\$ (109,749)</b>	<b>\$ (8,390)</b>	<b>\$ (374,482)</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 \$37,000 in the Company's pre-tax loss.

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

#### Interest Rate Risk

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

#### 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.

### 15. 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 July 31, 2020, there were no changes in the classification of financial instruments in comparison to the year ended January 31, 2020. The Company has made the following classifications for its financial instruments:

	July 31, 2020	January 31, 2020
<b>Financial assets</b>		
Amortized cost:		
Cash	\$ 25,425	\$ 71,264
Receivables	-	16,823
Fair value through profit or loss:		
Marketable securities	-	1,057,303
	\$ 25,425	\$ 1,145,390
<b>Financial liabilities</b>		
Amortized cost:		
Accounts payable and accrued liabilities	\$ 275,744	\$ 1,467,202
Notes payable	268,265	4,851,124
	\$ 544,009	\$ 6,318,326



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### 15. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

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

- Level 1: inputs represent quoted prices in active markets for identical assets or liabilities. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: inputs other than quoted prices that are observable, either directly or indirectly. Level 2 valuations are based on inputs, including quoted forward prices for commodities, market interest rates, and volatility factors, which can be observed or corroborated in the 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 July 31, 2020, there were no changes in the levels in comparison to the year ended January 31, 2020.

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 approximate their fair value because of the short-term nature of these instruments.

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.

### 16. SUPPLEMENTARY CASH FLOW INFORMATION

The significant non-cash investing and financing transactions during the six months ended July 31, 2020 included the following:

- a) Recognition of \$Nil (2019 - \$122,401) of right-of-use assets and lease liabilities related to the adoption of IFRS 16 leases;
- b) Recording the elimination of \$791,476 (2019 - \$Nil) of accounts payable and accrued liabilities and \$2,491,511 (2019 - \$Nil) in loans from the issuance of 21,886,581 (2019 - \$Nil) common shares; and
- c) Accrual of \$9,247 (January 31, 2019 - \$Nil) of shares issue costs included in accounts payable and accrued liabilities.

### 17. COMMITMENTS

As at July 31, 2020, the Company has a contractual obligation of \$8,374 (January 31, 2020 - \$36,317) in connection with a storage facility and office space in Chile. The full amount of the commitments are current with an option to extend the use of the facilities.

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### **18. EVENTS SUBSEQUENT TO THE REPORTING DATE**

Subsequent to the six months ended July 31, 2020 the Company the Company entered into a conditional non-binding letter of intent with Austral Gold Limited pursuant to which Austral would purchase all the outstanding shares of Revelo in exchange for shares in Austral and cash subject to further due diligence, negotiation and satisfaction of material conditions including entering into a definitive agreement.