

Revelo Announces Corporate Reorganization & Vision for the Future

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Vancouver, February 6, 2020 - [Revelo Resources Corp.](#) (TSXV: RVL) ("Revelo" or the "Company") is pleased to announce that a review of its exploration strategy has concluded that key changes are required, centered on exploration of the Company's gold portfolio, while leveraging the copper portfolio through partners and spinouts. As a result, Revelo intends to initiate a series of initiatives as outlined below.

- The Company will repay \$2.23 million in 3rd party debt from the expected proceeds of the sale of 20 royalties to [EMX Royalty Corp.](#) (US\$1.5 million - see news release dated January 20, 2020) and the sale of marketable securities held by the Company.
- The Company will consolidate all its issued and outstanding common shares with ten (10) pre-consolidation shares being exchanged for one (1) post-consolidated share.
- The Company will write off certain debt and settle remaining debt totalling \$3.8 million to insiders of the Company as follows:
 - Chairman of the Company to write-off \$513,000 in accrued fees owed to companies controlled by him;
 - Chairman to convert \$2.36 million in cash loans to the Company into shares;
 - CEO to convert \$373,000 in fees accrued over 30 months into shares;
 - Directors and other consultants to convert \$550,000 in accrued fees and cash loans into shares.
- The foregoing cumulative debt, after write-offs, of \$3.28 million will be converted at \$0.15 (post-consolidation) per share resulting in 21,886,576 shares being issued. Shareholder approval will be required to convert portions of the Chairman's and CEO's debt.
- The Company will continue to reduce corporate and exploration costs. The Chairman has waived all fees since January 2019; the CEO has reduced his fees by 50% effective December 2019; all compensation to the board has been waived since January 2019; the Exploration Manager in Chile agreed to a reduction of pay by 50% effective since May 2019; and further cost reductions continue to be made to overheads in Canada and Chile.
- The Company will carry out a private placement financing in the near term, the terms of which will be announced once determined.
- Pro-forma shares outstanding (post-consolidation and debt settlement, and prior to raising of capital) will be 38,627,079 shares.

Over the past three years, a combination of cash loans and accrued fees from management, together with loans from Term Oil Inc. and [EMX Royalty Corp.](#), has provided the capital for Revelo to operate. These actions were taken during a period of subdued equity markets in order for the Company to protect and preserve its property portfolio, as well as to continue pursuing its business model in terms of generating joint-venture agreements and selling royalty interests.

EXPLORATION STRATEGY GOING FORWARD AND PORTFOLIO OVERVIEW

After an extensive review of its business, the Company has decided to abandon its reliance on third-party funding for exploration of its projects and will now focus on sole-funded exploration of its gold portfolio. Additionally, Revelo will look to create value for its shareholders from its copper portfolio through

partnerships and spinouts where we can direct or influence the exploration initiatives.

Once the sale of the 20 royalties to EMX is complete, Revelo will have 4 gold projects and 11 copper projects, as outlined below:

Gold-Silver Portfolio - Self-Funded Exploration

The Company has four gold exploration projects in Chile totalling almost 40,000 hectares:

- The Las Pampas and Loro projects comprise a strategic landholding within the Paleocene Mineral Belt, south and southwest of the multi-million ounce El Peñon district (Yamana Gold). Limited "proof-of-concept" historic drilling at both projects has identified low-sulphidation epithermal "bonanza" veins with extensive geochemical and geophysical anomalies that require further exploration follow-up.
- The Victoria Sur project is located along the Domeyko Mineral Belt, Chile's main copper belt, where several gold and silver mines have operated in the past. Previous exploration at Victoria Sur, including drilling, identified a porphyry gold style target with significant gold intercepts in trenches and drill holes, and higher-grade gold-silver intercepts in high-sulphidation epithermal structures. Several other targets on the property require follow up, including an extensive gold-bearing "lithocap".
- The Orca project is located along the Coastal Mineral Belt, close to the world-class Candelaria copper-gold-iron deposit. Orca comprises a series of highly anomalous gold-bearing ductile shear zones with small-scale artisanal mines extending over several kilometers.

Copper Portfolio - Joint Ventured Projects

The Company has three porphyry copper projects in the Paleocene copper and precious metals belt under joint venture totalling 16,100 hectares. A further project, totalling 16,300 hectares, located along the Domeyko copper belt is subject to a letter agreement regarding a possible joint venture.

- The Calvario and Mirador projects are located along the Paleocene belt and are subject to a joint venture with SQM Chile. As operator, SQM has the right to earn an 80% interest by spending US\$13 million and paying the Company US\$5.225 million over five years. Initiation of activities is dependent on a surface rights agreement.
- At Cerro Buenos Aires, Teck Chile has joint ventured 1,500 hectares and can earn 60% by spending US\$4.8 million and paying the Company US\$425,000 over four years. Teck, the operator, has drilled porphyry style alteration associated with a magnetic anomaly which, in Revelo's opinion, suggests the potential for a porphyry copper target at depth.
- The Montezuma project is subject to a Letter Agreement with BMR Group PLC. Revelo will operate the project and will have a carried 30% interest through the completion of a Preliminary Economic Assessment study. Operatorship will help the Company to offset the Company's burn rate in Chile.

Copper Portfolio: Sole Funded Projects

- The Company has assembled five 100%-owned copper projects covering approximately 29,800 hectares along the Domeyko porphyry copper belt, namely Arrieros, Block 2, Block 3, Block 4, and Redondo Veronica, which are located between and along trend from super-giant copper mines such as Chuquicamata and La Escondida. The projects, prospective for porphyry copper-moly-gold, are characterised by extensive post-mineral cover with a variety of known porphyry prospects around the periphery and, in some cases, existing undrilled geophysical anomalies. To advance the projects to drill-ready status, further geophysical surveys are needed. Revelo is considering spinning these projects into a new company with the objective of raising finance to carry out the exploration program, and to identify, drill test and discover new copper deposits.

- The Company has assembled three 100%-owned lithocap-related copper exploration projects - Cerro Blanco, Cerro Buenos Aires, and Morros Blancos - covering approximately 22,100 hectares in the Paleocene mineral belt of northern Chile, along trend from the giant Spence and Sierra Gorda copper mines. The projects are prospective for porphyry copper-moly-gold deposits and are characterised by extensive outcropping, high-level "lithocap"-style hydrothermal alteration, post-mineral cover, and significant geochemical and geophysical anomalies. The projects could be advanced to drill-ready status with about six months of additional field work. To fund this work, and to identify, drill test and discover new copper-gold deposits, Revelo is considering spinning these projects out into a new company.

Equity Holdings

Revelo currently owns 10 million shares in one public company - Austral Gold Ltd (TSXV: AGLD) - and 2.7 million shares in one private company - Atacama Copper Exploration Ltd. If the agreement with BMR at Montezuma closes, Revelo will also receive shares in BMR which Revelo understands intends to list on the London Stock Exchange. Finally, should the two proposed copper spinouts into the two private companies be successfully completed, Revelo will then own shares in both of those private companies.

This portfolio makes Revelo an important tenement holder in Chile and continues to give shareholders significant exposure to potential discovery along some of the world's most important and prolific mineral belts that are host to multiple world-class deposits.

RESTRUCTURING OF DEBT AND SHARE CONSOLIDATION

The Company's Board believes that the debt restructuring and share consolidation are necessary to provide the Company with a clean balance sheet in order to attract new capital and position the Company to unlock value within the exploration portfolio and make a discovery.

Third-Party Debt Repayment - To February 29, 2020 the Company will owe [EMX Royalty Corp.](#) approximately \$534,000 and Term Oil Inc. approximately \$1.69 million. The Company will pay back 100% of the EMX debt and \$1.45 million of the Term Oil debt through the sale of 20 royalties to [EMX Royalty Corp.](#) (subject to completion). The remaining \$246,000 debt to Term Oil will be repaid through the sale of marketable securities held by the Company. Revelo expects that all third-party debt will be repaid by the end of February 2020.

Share Consolidation - Revelo currently has 167,405,027 common shares issued and outstanding and, upon the 10:1 consolidation being completed, will have 16,740,503 common shares issued and outstanding. The Company does not intend to change its name in connection with the consolidation, although its CUSIP number and ISIN will change. The Board has approved the share consolidation. The share consolidation is not subject to shareholder approval as the Company's Articles provide the Board with the authority to complete a consolidation up to a maximum of 10 to 1. Consolidation of the shares is subject only to TSX-V approval.

Settlement of Board & Management Debt - To February 29, 2020, the Company will have debts totalling approximately \$3.8 million owed to directors, management and advisors from cash loans together with salaries, fees and services accrued from early 2017. The following is the breakdown of the debt and the plans for write-offs and conversion:

- The Chairman of Revelo has agreed to the following settlements of certain debts owed to him or companies controlled by him:
 - Companies controlled by the Chairman have advanced cash loans totalling \$2.36 million to Revelo over the past 30 months to help fund operating expenses. The Chairman has agreed to convert his cash loans into post-consolidation common shares at a price of \$0.15 per share resulting in the issuance of 15,729,348 common shares.
 - The Chairman has agreed to waive all professional fees since January 2019 and has also agreed to write-off \$287,000 of fees previously accrued between 2017 and 2019. An outstanding balance of \$52,500 will be converted into post-consolidation common shares at a price of \$0.15 per share resulting in the issuance of 350,000 common shares.
 - A company controlled by the Chairman (Seaboard Services Corp.) provided accounting, corporate, and administrative services to the Company from December 2017 until December 2018. The Chairman has agreed to write-off \$226,000 of fees for these services, and an outstanding balance of \$32,500 will be converted into post-consolidation common shares at a price of \$0.15 per share resulting in the issuance of 216,667 common shares.
 - A company controlled by the Chairman (Seaboard Management Corp. "SMC") provided accounting, corporate, and administrative services to the Company since January 2019. All fees accrued by SMC to December 31, 2019 for these services (\$157,000) will be converted into post-consolidation common shares at a price of \$0.15 per share resulting in the issuance of 1,046,667 common shares. Effective November 1, 2019, SMC also agreed to reduce its fee by 50%.
 - The issuance of 17,342,682 shares to the Chairman, combined with his existing share holdings in Revelo, will result in him becoming a Control Person of the Company owning approximately 47.75% of the outstanding shares of Revelo post-consolidation and post-debt conversion. As required by TSX-V policy, the Company will seek shareholder approval, by way of an ordinary resolution, for the Chairman to become a Control Person of the Company.
- The CEO has agreed to convert \$373,000 of professional fees owed into post-consolidation shares at a price of \$0.15 per share resulting in 2,487,760 common shares being issued. These fees have been accrued over a period of approximately 30 months. Additionally, the CEO has agreed to cut his professional fees by 50% effective December 1, 2019.
- Directors and consultants have agreed to convert \$308,000 of fees and loans owed into post-consolidation shares at a price of \$0.15 per share resulting in 2,056,135 common shares being issued. Directors' fees were accrued from early 2017 until January 2019, following which the Directors have waived all fees. Revelo does not intend to pay any further fees to Directors in the foreseeable future.
- The conversion of some portions of the debt and deferred fees into common shares of the Company is subject to receipt of TSX-V approval.

PRO-FORMA SHARE STRUCTURE

Pro-Forma - including rollback and debt conversion but prior to any new financing.

Capitalisation Overview - Current (January 2020)		Pro-Forma - (February 2020)	
Outstanding Shares	167,405,027	Outstanding Shares after 10:1 Rollback	16,740,502
Share Price	\$0.015	Share Price (Pro-Forma)	\$0.15
Market Capitalisation	\$2.51M	Market Capitalisation	\$2.51M
		Debt Conversion to Shares	\$3.28M
		New Shares for Debt	21,886,577
Options (@ \$0.25 - Expire May 2020)	800,000	Options after 10:1 Rollback (@ \$2.50)	80,000
		New Outstanding Shares	38,627,079
		New Market Capitalisation	\$5.79M
Fully Diluted Shares	168,205,027	New Fully Diluted Shares	38,707,079
Austral Gold Shares (10M) (Approx. Value)	\$700,000		
Atacama Copper Shares (2.7M - private)	TBD	Atacama Copper Shares (2.7M - private)	TBD

Cash	\$0	Cash	\$0.43M
Notes Payable	\$5.75M	Notes Payable	\$0.24M

Qualified Person

Demetrius Pohl, PhD., Certified Professional Geoscientist (CPG), an independent geological consultant to Revelo, is the Company's Qualified Person for the purposes of National Instrument 43-101 Standards of Disclosures for Mineral Projects of the Canadian Securities Administrators and has verified the data disclosed and approved the written disclosure of the technical information contained in this news release.

ABOUT REVELO

Revelo is a Canadian company listed on the TSX Venture Exchange (TSXV: RVL). Revelo has interests in an outstanding portfolio of projects prospective for gold and copper located along proven mineral belts in one of the world's top mining jurisdictions - Chile. The Company has a vision to reward shareholders with wealth-generating mineral discoveries along Chile's prime mineral belts, through leveraged and more efficient capital deployment, exploration, discovery and monetization.

For more information, please visit Revelo's website at www.reveloresources.com.

All dollar numbers in this news release are in Canadian Dollars, unless otherwise stated.

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

ON BEHALF OF THE BOARD

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Neither the TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.

FORWARD-LOOKING STATEMENT

This news release contains certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical fact, that address events or developments that Revelo expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "indicate" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although Revelo believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements.

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