***RIO CRISTAL RESOURCES CORPORATION***
***MANAGEMENT'S DISCUSSION AND ANALYSIS***
***For the three months ended June 30, 2014***

## Introduction

The following Management's Discussion and Analysis (the "MD&A") of Rio Cristal Resources Corporation ("Rio Cristal" or the "Company") has been prepared as of August 28, 2014 and is intended to supplement and complement the Company's condensed interim consolidated financial statements for the three months ended June 30, 2014.

All dollar amounts are expressed in United States dollars unless otherwise noted.

## Forward-Looking Information

The information contained herein contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking statements relate to information that is based on assumptions of management, forecasts of future results, and estimates of amounts not yet determinable. Any statements that express predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be "forward-looking statements". Statements concerning reserves and mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered as a property is developed, and in the case of mineral reserves, such statements reflect the conclusion based on certain assumptions that the mineral deposit can be economically exploited.

Forward-looking statements include, but are not limited to, statements with respect to the future price of zinc, copper, gold, silver and other metals, the estimation of mineral resources and reserves, the realization of mineral resource and reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, timing of completion of studies and reports, success of exploration and development activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of exploration operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, completion of acquisitions and their potential impact on the Company and its operations, limitations on insurance coverage and the timing and possible outcome of pending litigation. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to the completion and integration of acquisitions and actual effects of the acquisitions; risks related to joint venture operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of future economic evaluations; changes in project parameters as plans continue to be refined; future prices of precious and base metals; possible variations in ore resources, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed elsewhere in this MD&A. Forward-looking statements are based on certain assumptions that management believes are reasonable at the time they are made. In making the forward-looking statements in this MD&A, the Company has applied several material assumptions, including, but not limited to, the assumption that: (1) market fundamentals will result in sustained zinc, copper, gold and silver demand and prices; and (2) any additional financing needed will be available on reasonable terms. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Investors are cautioned against attributing undue certainty to forward-looking statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

## Overview

The Company was incorporated under the *Business Corporations Act* (British Columbia) on November 24, 2006 under the name "Rio Cristal Zinc Corporation". In June 2009, the Company changed its name to “Rio Cristal Resources Corporation”. The Company’s shares are traded on the TSX-V exchange in Canada and the Bolsa de Valores de Lima (“BVL”) in Peru.

The Company’s head office is located at Suite 302, 8047 199 Street, Langley, British Columbia V2Y 0E2 and the registered and records office is located at 10th Floor, 595 Howe Street, Vancouver, British Columbia V6C 2T5.

Rio Cristal is a publicly traded exploration company without any mineral producing properties and does not have revenues from any mineral properties.

The Company focused much of its resources in the past on the Bongará zinc project but divested itself of the Bongará project at the end of the prior year. Any future acquisition is dependent upon obtaining a future prospect on reasonable acquisition terms and also subject to future financing of the Company.

The Company had a net working capital deficit of $1.5 million as at June 30, 2014 compared to a net working capital deficit of $1.4 million as at March 31, 2014. The cash balance at June 30, 2014 was $7,577 compared to $6,613 as at March 31, 2014. As at June 30, 2014 current liabilities were $1.5 million compared to $1.4 million as at March 31, 2014.

The Company’s financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations, realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. There are events and conditions that cast substantial doubt on the validity of that assumption. The Company will require additional financing in the near future for general working capital purposes. Furthermore, as the Company does not have a source of revenue, it will require ongoing financing in the future for working capital, general and administrative purposes and in order to conduct any future exploration programs. Ongoing general and administrative and regulatory expenses will necessitate additional financing in the future. Factors that could affect the availability of financing include fluctuations in the Company’s share price, the state of international debt and equity markets, investor perceptions and expectations, and global financial and metals markets. The Company believes it will be able to obtain the necessary financing to meet its requirements on an ongoing basis; however, there can be no assurance that the necessary financing will be obtained, and such financing, if available, may be very dilutive to the Company's shares and shareholders. As it has in the past, the Company plans to obtain additional financing through, but not limited to, the issuance of additional equity.

**Current Developments**

Effective April 7, 2014, the subsidiary, Cerro La Mina S.A., was dissolved.

Effective December 30, 2013 Corey Dean resigned his position as VP, Legal and Secretary of the Company, in order to devote more time to his current business activities. In addition, on September 18, 2013, Steven Krause resigned his position as CFO and Erick Bethel resigned as Director. Also, at the AGM in September, Charles Preble and Andy Swarthout did not stand for re-election though they have agreed to continue as advisors to the Board.

Effective July 31, 2013, the Company consolidated its share capital on a ten for one basis. The consolidation was done in order to provide the Company with greater flexibility for junior exploration and financing of the Company. The Company plans to maintain its listing on the TSX Venture Exchange and Bolsa de Valores de Lima ("Lima Stock Exchange").

Effective May 16, 2013, the Company terminated its option agreement to acquire the Bongará zinc property in Northern Peru due to the Company's lack of working capital and lack of available funding. The Company will continue to seek strategic partners and investors to continue exploration on mineral projects in Peru.

**Results of Operations**

***For the Three Months Ended June 30, 2014***

The Company's net loss for the three month period ended June 30, 2014 (the "Current Quarter") was significantly lower at $65,849 or $0.00 per share compared to a net loss of $280,430 or $0.02 per share for the three month period ended June 30, 2013 (the "Comparative Quarter"). The reduction in loss resulted mainly from the decrease in general office expenses, exploration expenses and salaries and consulting costs in the Current Quarter.

Operating expenses were lower in the Current Quarter at $46,856, compared with $282,114 in the Comparative Quarter (decrease of $235,258 over the Comparative Quarter) due mainly to: lower general office expenses (decrease of $103,818 over the Comparative Quarter), lower exploration expenditures (decrease of $60,880 over the Comparative Quarter), and lower salaries and consulting costs (decrease of $43,000 over the Comparative Quarter) all due to the Company divesting itself of the Bongara property, the closure of the Peru office, the decrease in staff and the resulting efforts by the Company to reduce expenditures.

**Summary of Quarterly Results**

The following table sets out selected unaudited quarterly financial information of Rio Cristal and is derived from the unaudited quarterly consolidated financial statements prepared by management.

| Period | Revenues $ | Income (Loss) from Continued Operations $ | Basic and Fully Diluted Loss per Share from Continued Operations $ |
|---|---|---|---|
| 1st Quarter 2015 | Nil | (65,849) | (0.00) |
| 4th Quarter 2014 | Nil | (73,590) | (0.00) |
| 3rd Quarter 2014 | Nil | (97,459) | (0.01) |
| 2nd Quarter 2014 | Nil | (44,055) | (0.00) |
| 1st Quarter 2014 | Nil | (280,430) | (0.02) |
| 4th Quarter 2013 | Nil | (1,945,981) | (0.13) |
| 3rd Quarter 2013 | Nil | (436,573) | (0.03) |
| 2nd Quarter 2013 | Nil | (503,444) | (0.03) |

Quarterly results will vary in accordance with the Company's exploration and financing activities.

The costs have declined in the four most recent quarters as a result of a reduction of overhead costs and reduced activity of the Company.

**Liquidity and Capital Resources**

The Company had a net working capital deficit of $1.5 million as at June 30, 2014 compared to a net working capital deficit of $1.4 million as at March 31, 2014. The cash balance at June 30, 2014 was $7,577 compared to $6,613 as at March 31, 2014. As at June 30, 2014 current liabilities were $1.5 million compared to $1.4 million as at March 31, 2014.

**Investing Activity**

During the three months ended June 30, 2014 and June 30, 2013, the Company had no investing activity.

**Financing Activity**

During the three months ended June 30, 2014, the Company received a loan of $9,000 from a previous director compared to $64,000 received from related parties in the three months ended June 30, 2013.

**Going Concern**

The business of mining and exploration involves a high degree of risk and there can be no assurance that exploration programs will result in profitable mining operations.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet any future property, exploration, and administrative requirements.

The Company has a net working capital deficit of $1.5 million and will need to complete further financing arrangements in the near term. There can be no assurance that a financing will be completed on a timely basis. In the interim, the Company has relied on loans from its Directors and Officers in order to provide working capital for ongoing expenses.

## Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares, all without nominal or par value. The Company completed a 10:1 share consolidation on July 31, 2013 which was approved by the shareholders at the AGM on September 12, 2012.

The table below summarizes the Company's common shares and securities convertible into common shares as at August 28, 2014:

| | | Price | Expiry date | Number of common shares |
|---|---|---|---|---|
| Common shares, issued and outstanding | | | | 17,259,163 |
| Securities convertible into common shares | | | | |
| Warrants | CDN | $0.80 | January 20, 2015 | 442,913 |
| | | $1.00 | January 20, 2015 | 178,000 |
| Options | CDN | $1.00 | May 20,2015 | 50,000 |
| | | $1.80 | May 2, 2016 | 90,000 |
| | | $1.35 | February 1, 2017 | 15,000 |
| | | $1.10 | April 3, 2017 | 110,000 |
| | | | | **18,145,076** |

As at June 30, 2014, of the 265,000 options outstanding, 265,000 had vested.

## Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

## Transactions with Related Parties for the Three months Ended June 30, 2014

*Trading transactions*

Certain of the Company's officers and directors render services to the Company as sole proprietors or through companies in which they are an officer, director or partner.

| | **Nature of transactions** |
|---|---|
| DuMoulin Black (ended December 30, 2013) | Legal fees |
| Avisar Chartered Accountants (ended September 18, 2013) | Accounting fees |

The Company incurred the following fees and expenses in the normal course of operations in connection with related parties. Expenses have been measured at the exchange amount which is determined on a cost recovery basis.

| | Three months Ended June 30, 2014 $ | Three months Ended June 30, 2013 $ |
|---|---|---|
| Legal fees (ended December 30, 2013) | - | 30,000 |
| Accounting fees (ended September 18, 2013) | - | 14,664 |
| | - | 44,664 |

Due to related parties consists of $611,141 owing to individuals or companies whose officers, directors or partners were also officers or directors of the Company. As of June 30, 2014, the amount includes director and officer loans of $109,051 and accrued interest of $10,164. The loans are unsecured, have a term of one year, and bear annual interest of 6%. The remaining deferred salaries payable of $491,926 is unsecured, non-interest bearing and due on demand.

*Compensation of key management personnel*

For the three months ended June 30, 2014 and for the year ended March 31, 2014, all salaries to key management personnel have not been paid and are included within due to related parties in the Company's consolidated statement of financial position. The remuneration of the directors, chief executive officer, president and chief financial officer (collectively the key management personnel) during the three months ended June 30, 2014 and 2013 were as follows:

| | Three months Ended June 30, 2014 $ | Three months Ended June 30, 2013 $ |
|---|---|---|
| Salaries | **7,500** | 50,500 |
| Share-based compensation | **126** | 14,851 |
| | **7,626** | 65,351 |

**Critical Accounting Policies**

The details of Rio Cristal's accounting policies are presented in Note 4 of the audited consolidated financial statements for the year ended March 31, 2014.

**Critical Accounting Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The significant estimates and judgments are unchanged from those disclosed in the Company's annual financial statements for the year ended March 31, 2014.

**Financial instruments and financial risk**

The Company's financial instruments are exposed to certain financial risks which are discussed in detail within Note 7 to the Company's March 31, 2014 audited financial statements and Note 6 to the Company's June 30, 2014 interim condensed financial statements. These were also discussed in the Company's March 31, 2014 annual management discussion and analysis.

## Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning Rio Cristal's general and administrative expenses and resource property costs is provided in the Company's interim condensed consolidated statement of loss and comprehensive loss contained in its interim condensed consolidated financial statements for June 30, 2014 and 2013 that is available on Rio Cristal's website at www.riocristalresources.com or on its SEDAR Page Site accessed through www.sedar.com.

## Controls and Procedures

In connection with Exemption Orders issued in November 2007 and revised in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

## Disclosure Controls and Procedures

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose.

TSX-V listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a TSX-V issuer to design and implement on a cost effective basis DC&P and ICFR as defined in Multinational Instrument 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

## Approval

The Audit Committee of Rio Cristal has approved the disclosure contained in this MD&A.

## Additional Information

Additional information relating to Rio Cristal is on SEDAR at www.sedar.com.