

**RIO CRISTAL RESOURCES CORPORATION**

**(An Exploration Stage Company)**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited – Prepared by Management)**

**Six Months Ended September 30, 2013 and 2012**

**EXPRESSED IN US DOLLARS**

**Reader's Note:**

These unaudited condensed interim consolidated financial statements for the six months ended September 30, 2013 and 2012 of Rio Cristal Resources Corporation ("Rio Cristal" or the "Company") have been prepared by Management and have not been reviewed by the Company's auditors.

**Rio Cristal Resources Corporation***(An exploration stage company)***Interim Consolidated Statements of Financial Position***(Expressed in US dollars)*

	Note	September 30, 2013 \$	March 31, 2013 \$
<b>ASSETS</b>			
<b>Current</b>			
Cash		21,623	8,240
Amounts receivable		6,137	30,297
Prepaid expenses		1,409	11,368
		<b>29,169</b>	49,905
<b>Plant and Equipment</b>	4	<b>17,379</b>	29,934
		<b>46,548</b>	79,839
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		527,598	129,123
Due to related parties	8	741,715	796,949
		<b>1,269,313</b>	926,072
<b>Derivative liability – warrants</b>	6	<b>12,351</b>	71,071
		<b>1,281,664</b>	997,143
<b>SHAREHOLDERS' EQUITY (DEFICIT)</b>			
Share capital	7	20,478,240	19,978,240
Shares issuable		-	500,000
Contributed surplus		2,140,073	2,133,400
Deficit		(23,853,429)	(23,528,944)
		<b>(1,235,116)</b>	(917,304)
		<b>46,548</b>	79,839

Nature of Operations *(note 1)*Going Concern *(note 2)*Contingency *(note 11)*

ON BEHALF OF THE BOARD:

Signed "Tom Findley" Director

Signed "Charles D. Preble" Director

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

**Rio Cristal Resources Corporation**

(An exploration stage company)

**Interim Consolidated Statements of Loss and Comprehensive Loss**

(Expressed in US dollars)

	Note	For the three months ended September 30, 2013 \$	For the three months ended September 30, 2012 \$	For the six months ended September 30, 2013 \$	For the six months ended September 30, 2012 \$
<b>Operating Expenses</b>					
Amortization		2,118	7,802	5,108	16,429
Exploration and evaluation costs	5	-	217,961	60,880	650,069
General office expenses		26,556	115,107	133,321	223,132
Investor relations		1,772	1,045	1,961	3,216
Professional fees		42,735	68,517	88,081	100,623
Salaries and consulting		21,832	20,319	72,332	71,647
Share-based compensation	7	(8,771)	52,479	6,673	202,269
Travel		-	-	-	1,966
<b>Loss before other items</b>		<b>86,242</b>	<b>483,230</b>	<b>368,356</b>	<b>1,269,351</b>
Impairment of equipment		7,447	-	7,447	-
Change in fair market value of warrants	6	(62,712)	(1,784)	(58,720)	(34,015)
Finance income		(15)	(116)	(39)	(721)
Finance expense		5,527	-	9,828	-
Foreign exchange gain		7,566	22,114	(2,387)	15,893
<b>Net Loss and Comprehensive Loss for the Period</b>		<b>44,055</b>	<b>503,444</b>	<b>324,485</b>	<b>1,250,508</b>
<b>Loss per Share – Basic and Diluted</b>		<b>0.00</b>	<b>0.03</b>	<b>0.02</b>	<b>0.09</b>
<b>Weighted Average Number of Shares Outstanding</b>		<b>17,009,163</b>	<b>14,676,043</b>	<b>16,307,439</b>	<b>14,675,521</b>

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

**Rio Cristal Resources Corporation***(An exploration stage company)***Interim Consolidated Statements of Cash Flows****For the Periods Ended September 30***(Expressed in US dollars)*

	Note	For the six months ended September 30, 2013 \$	For the six months ended September 30, 2012 \$
<b>Operating Activities</b>			
Loss for the period		(324,485)	(1,250,508)
Adjustments for			
Amortization	4	5,108	16,429
Non-cash change in fair market value of warrants	6	(58,720)	(34,015)
Share-based compensation expenses		6,673	202,269
Impairment of equipment	4	7,447	-
Financing costs		9,828	-
		(354,149)	(1,065,825)
Changes in current assets and liabilities			
Amounts receivable		24,160	31,463
Prepaid expenses		9,959	8,691
Accounts payable and accrued liabilities		171,413	(11,249)
Cash used in operating activities		(148,617)	(1,036,920)
<b>Financing Activities</b>			
Funds from related parties		162,000	163,648
Cash provided by financing activities		162,000	163,648
<b>Net Increase (Decrease) in Cash Position</b>		<b>13,383</b>	<b>(873,272)</b>
Cash Position – Beginning of period		8,240	890,642
<b>Cash Position – End of period</b>		<b>21,623</b>	<b>17,370</b>
<b>Cash paid for interest</b>		<b>-</b>	<b>-</b>
<b>Cash paid for taxes</b>		<b>-</b>	<b>-</b>

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

**Rio Cristal Resources Corporation***(An exploration stage company)***Interim Consolidated Statements of Changes in Equity (Deficiency)***(Expressed in US dollars)*

	Share Capital (Number of Shares)	Share Capital (Amount) \$	Common Share Subscriptions \$	Contributed Surplus \$	Deficit \$	Total \$
<b>March 31, 2012</b>	14,924,658	19,831,847	1,660	1,889,751	(19,895,882)	1,827,376
Common shares subscribed	1,384	1,660	(1,660)	-	-	-
Share-based compensation expense	-	-	-	202,269	-	202,269
Net loss for the period	-	-	-	-	(1,250,508)	(1,250,508)
<b>September 30, 2012</b>	14,926,042	19,833,507	-	2,092,020	(21,146,390)	779,137
Common shares issued on private placement	602,913	147,351	-	-	-	147,351
Finders units issued on private placement	18,000	6,225	-	-	-	6,225
Share issue costs on private placement	-	(8,843)	-	-	-	(8,843)
Shares issuable for mineral properties - Bongara	-	-	500,000	-	-	500,000
Share-based compensation expense	-	-	-	41,380	-	41,380
Net loss for the period	-	-	-	-	(2,382,554)	(2,382,554)
<b>March 31, 2013</b>	15,546,955	19,978,240	500,000	2,133,400	(23,528,944)	(917,304)
Common shares subscribed	1,712,208	500,000	(500,000)	-	-	-
Share-based compensation expense	-	-	-	6,673	-	6,673
Net loss for the year	-	-	-	-	(324,485)	(324,485)
<b>September 30, 2013</b>	<b>17,259,163</b>	<b>20,478,240</b>	<b>-</b>	<b>2,140,073</b>	<b>(23,853,429)</b>	<b>(1,235,116)</b>

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

**Rio Cristal Resources Corporation**

*(An exploration stage company)*

**Notes to the Condensed Interim Consolidated Financial Statements****September 30, 2013**

*(Expressed in US dollars)*

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**1. Nature of Operations**

Rio Cristal Resources Corporation ("Rio Cristal" or the "Company") is in the business of acquiring and exploring mineral properties located in Peru. The Company is publicly traded with shares listed on the TSX Venture Exchange and the Lima Stock Exchange. The Company's head office is located at Suite 206, 9440 202 Street, Langley, British Columbia V3G 2M6 and the registered and records office is located at 10th Floor, 595 Howe Street, Vancouver, British Columbia V6C 2T5.

The Company has focused much of its resources in the past on the Bongará zinc project, located in Northern Peru. The Company had an option to acquire 100% interest in the project by making cash payments, issuing common shares of the Company, or a combination of both. The Company has allowed this option to lapse and therefore does not have any active exploration projects.

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 activities in Peru are subject to the impact of changes in legal, tax and regulatory regimes at the national level and changes in community relations, labor and political issues at the local level. While the Company actively monitors all such changes and makes plans accordingly, factors beyond the Company's control could adversely impact its operations in Peru. The Company believes that the current conditions in Peru are stable and conducive to conducting business. The Company's current and future mineral exploration and mining activities could be impacted by adverse political or economic developments. The adverse developments may include the imposition of unfavourable government regulations on foreign investment.

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**2. Going Concern**

These consolidated 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 and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Several adverse conditions cast significant doubt on the validity of this assumption. The Company has incurred losses since inception and has an accumulated deficit of \$23,853,429 at September 30, 2013. The Company has limited resources, has no source of operating cash flow and has no assurances that sufficient funding will be available to meet its administrative overhead and conduct further exploration and development on new properties, should any new properties be acquired.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its requirements. However, there can be no assurance the Company will be successful in these initiatives. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

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**Rio Cristal Resources Corporation**

*(An exploration stage company)*

**Notes to the Condensed Interim Consolidated Financial Statements**

**September 30, 2013**

*(Expressed in US dollars)*

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**3. Basis of Preparation**

The interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended March 31, 2013, which have been prepared in accordance with IFRS as issued by the IASB.

The following standards became effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company adopted these standards and they did not have a material impact on its consolidated financial statements.

- a) IFRS 10, Consolidated Financial Statements ("IFRS 10"), was issued in May 2011 and will supersede the consolidation requirements in SIC-12, Consolidation – Special Purpose Entities ("SIC-12"), and IAS 27, Consolidated and Separate Financial Statements ("IAS 27").
- b) IFRS 11, Joint Arrangements ("IFRS 11"), was issued in May 2011 and will supersede existing IAS 31, Joint Ventures ("IAS 31").
- c) IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12"), was issued in May 2011 and is a new and comprehensive standard on disclosure requirements for all forms of interest in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities.
- d) IFRS 13, Fair Value Measurements ("IFRS 13") was issued in May 2011 and sets out, in a single IFRS, a framework for measuring fair value. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This definition of fair value emphasizes that fair value is a market-based measurement, not an entity specific measurement. In addition, IFRS 13 also requires specific disclosures about fair value measurement.
- e) IAS 1, Presentation of Items of Other Comprehensive Income ("OCI") ("IAS 1"), was revised in June 2011 to change the disclosure of items presented in OCI, including a requirement to separate items presented in OCI into two groups based on whether or not they may be recycled to profit or loss in the future.
- f) IFRIC 20, Stripping Costs in the Production Phase of a Mine ("IFRIC 20") was issued in October 2011. This interpretation provides guidance on the accounting for the costs of stripping activity in the production phase when two benefits accrue to the entity: usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods.

The interim condensed consolidated financial statements were approved by the Board of Directors on August 21, 2013.

All dollar amounts are presented in US dollars unless otherwise specified.

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**Rio Cristal Resources Corporation***(An exploration stage company)***Notes to the Condensed Interim Consolidated Financial Statements****September 30, 2013***(Expressed in US dollars)***4. Equipment**

	<b>Exploration Equipment \$</b>
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At March 31, 2013	
Cost	145,905
Accumulated depreciation	(115,971)
<b>Balance as at March 31, 2013</b>	<b>29,934</b>
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Period ended September 30, 2013	
Balance as at March 31, 2013	29,934
Amortization	(5,108)
Impairment	(7,447)
<b>Balance as at September 30, 2013</b>	<b>17,379</b>
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At September 30, 2013	
Cost	62,097
Accumulated depreciation	(44,718)
<b>Balance as at September 30, 2013</b>	<b>17,379</b>

**5. Resource Property Costs****Cumulative capitalized acquisition costs**

	<b>Bongara \$</b>
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Balance at March 31, 2012	1,156,265
Option payment issuable	500,000
Write off of costs	(1,656,265)
<b>Balance at March 31 and September 30, 2013</b>	<b>-</b>

***Bongara Project, Peru***

By agreement dated April 17, 2007 and as amended on November 15, 2007, the Company acquired 100% of Cerro La Mina S.A. ("CLM") from a company controlled by the founding shareholder of the Company, Compania Minera Pilar del Amazonas ("Amazonas"). CLM held the right to acquire 100% of the rights to the Bongara Project in the Amazonas Region of Peru. In exchange, the Company issued 5,000,000 common shares to the founding shareholder pursuant to the amended agreement dated November 15, 2007. The 5,000,000 shares were being valued on the following time schedule provided the property option agreement remained in good standing: an initial 5% tranche of property shares (250,000 shares) were valued on January 29, 2008 which is the date the common shares were listed on the TSXV and subsequent valuation of 5% each nine months thereafter for the

**Rio Cristal Resources Corporation***(An exploration stage company)***Notes to the Condensed Interim Consolidated Financial Statements****September 30, 2013***(Expressed in US dollars)*

following eighteen months, and 10% each nine months thereafter over the next forty-eight months, provided that no more than 2,500,000 of the shares may be released pursuant to the foregoing formula until the Issuer had completed a preliminary economic assessment as defined in National Instrument 43-101 in respect of the Project and met certain other conditions. As at March 31, 2013 the Company had released 2,500,000 shares from escrow. No value had been attributed to the remaining 2,500,000 shares at March 31, 2013 due to the performance conditions described above.

On March 26, 2009, the Company amended its Mining Concession Transfer Agreement ("Concession Transfer Agreement") with Amazonas on its Bongara claim block in northern Peru.

In order to acquire the Bongara concessions, the Company at its option, was required to make the following payments, under the amended agreement, to a company controlled by the founding shareholder:

<b>Amount</b>	<b>Date</b>
<b>\$</b>	
40,000	Paid on acquisition of CLM
40,000	Paid August 22, 2007
100,000	Paid March 12, 2008
25,000	Paid June 1, 2009
50,000	669,696 shares issued March 15, 2010
125,000	Paid March 14, 2011
300,000	2,483,740 shares issued March 14, 2012 and 13,841 shares issued on June 8, 2012
500,000	17,122,077 shares issued on June 14, 2013
600,000	March 15, 2014
600,000	March 15, 2015
600,000	March 15, 2016
600,000	March 15, 2017
2,500,000	March 15, 2018
<b>6,080,000</b>	

In the six months ended September 30, 2013, management decided not to renew its option and as a result has written off its acquisition costs totalling \$1,656,265 related to the project. Pursuant to the property lease agreement, the remaining 2,500,000 shares that have not been released from escrow have been cancelled.

**Rio Cristal Resources Corporation***(An exploration stage company)***Notes to the Condensed Interim Consolidated Financial Statements****September 30, 2013***(Expressed in US dollars)*

Exploration costs for the period ending September 30 are as follows:

	<b>For the three months ended September 30, 2013 \$</b>	For the three months ended September 30, 2012 \$	<b>For the six months ended September 30, 2013 \$</b>	For the six months ended September 30, 2012 \$
<b>Bongara</b>				
Assaying and sampling	-	6,805	-	8,673
Community Relations	-	13,811	1,335	37,885
Geophysics	-	139	2,326	139
Mining rights	-	604	-	87,045
Salary and consulting	-	139,357	1,636	347,451
Supplies and general	-	21,090	51,733	76,907
Travel	-	24,916	1,220	58,603
	-	206,722	58,250	616,703
<b>IGV</b>	-	10,745	1,828	32,142
<b>Generative</b>	-	494	802	1,224
<b>Costs for the Period</b>	-	217,961	60,880	650,069

**6. Derivative Liability – Warrants**

Warrants issued in private placements that have an exercise price denominated in a currency other than the Company's functional currency meet the definition of a derivative liability and are recorded as a financial liability and are marked-to-market each period. Subsequent changes in the fair value of the warrants will be recognized as gains or losses in the statement of loss and comprehensive loss until they are fully exercised.

On January 21, 2013, a total of 620,913 warrants were granted as part of units in a private placement transaction (Note 7). Of the total granted, 602,913 warrants have an exercise price denominated in Canadian dollars and are accounted for using marked-to-market accounting policy. The remaining 18,000 warrants were granted to agents for services provided for a capital raising transaction and have an exercise price denominated in Canadian dollars but are not classified as a financial liability of the Company. The initial fair value of these warrants have been recognized as a share issuance costs and included in contributed surplus.

The changes in financial liability warrants during the six months ended September 30, 2013 and the year ended March 31, 2013 were as follows:

	Warrants Outstanding	Weighted Average Exercise Price (Cdn\$)
Balance – March 31, 2012	738,798	\$1.50
Granted	620,913	\$0.90
Expired	(738,798)	\$1.50
<b>Balance – March 31, 2013 and September 30, 2013</b>	<b>620,913</b>	<b>\$0.90</b>

**Rio Cristal Resources Corporation***(An exploration stage company)***Notes to the Condensed Interim Consolidated Financial Statements****September 30, 2013***(Expressed in US dollars)*

The changes in the fair market value of the financial liability warrants for the six months ended September 30, 2013 and the year ended March 31, 2013 were as follows:

	\$
Derivative warrant liability – March 31, 2012	35,086
Derivative warrants issued	90,643
Fair market value change	(54,658)
Derivative warrant liability – March 31, 2013	71,071
Fair market value change	(58,720)
<b>Derivative warrant liability – September 30, 2013</b>	<b>12,351</b>

**7. Capital****Authorized share capital**

Unlimited common shares without par value

On July 31, 2013, the Company completed a 10:1 share consolidation which was approved by the shareholders at the AGM on September 18, 2012.

On June 14, 2013, the Company issued 1,712,208 shares relating to the option payment on the Bongara property owing at March 15, 2013.

On January 21, 2013, the Company issued 602,913 units as part of a non-brokered private placement for total proceeds of \$237,994. The units were issued in two parts. The first is for 442,913 units (the "First Units") of the Company at the price of Cdn\$0.35 per First Unit, each First Unit consisting of one common share and one non-transferable warrant. The second involved an issuance to certain Directors and an officer of 160,000 units (the "Second Units") at a price of Cdn\$0.50 per Second Unit, each Second Unit consisting of one Share and one non-transferable warrant.

Each first Warrant entitles the holder to purchase one additional Share (a "Warrant Share") at an exercise price of \$0.60 for the first year and \$1.00 for the second year. Each second Warrant shall entitle the holder to purchase a Warrant Share at an exercise price of \$1.00 for two years.

In addition, commencing on the date that is four months and one day after the closing of the private placement, if the closing price of the Company's common shares on the TSX Venture Exchange (the "Exchange"), is at a price equal to or greater than \$1.20 for a period of ten (10) consecutive trading days, the Company will have the right to accelerate the expiry date of all Warrants by giving written notice to the holders of the Warrants which will then expire on the date that is not less than thirty (30) days from the date of the notice.

As part of the non-brokered private placement, a finder's fee was paid consisting of: (i) a cash commission of \$4,254; and (ii) the issuance of 18,000 Second Units (the "Finder's Fee Units"). The warrants attached to the First Units and Second Units have been valued initially at \$65,395 (Cdn\$64,798) and \$25,248 (Cdn\$25,035), respectively, based upon the Black Scholes model which utilizes the following weighted average assumptions:

**Rio Cristal Resources Corporation***(An exploration stage company)***Notes to the Condensed Interim Consolidated Financial Statements****September 30, 2013***(Expressed in US dollars)*

	<b>2013</b>
Expected dividend yield	0.00%
Expected stock price volatility	118%
Risk-free interest rate	1.19%
Expected life of options	2.0 years

The Finder's Fee Units have been valued at Cdn\$0.50 per unit totaling \$9,060 (Cdn\$9,000). Each Finder's Fee Unit has the same terms as the Second Units. The warrants attached to the Finder's Fee Units have been valued at \$2,835 (Cdn\$2,816) based upon the Black Scholes model which utilizes the same weighted average assumptions as shown above.

On June 8, 2012, the Company issued 1,384 additional common shares related to the option payment on the Bongara property in the prior period. Due to a change in the calculation method, the number of shares required to be issued increased, but the total value of the shares did not change.

**Share Purchase Options**

The Company has established a share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than five years from the date of grant or such lesser period as determined by the Company's board of directors. The exercise price of an option is not less than the closing price on the TSX Venture Exchange on the last trading day preceding the grant date. Options begin vesting on the grant date based on a schedule outlined in the share purchase option plan. The option plan provides that the aggregate number of shares reserved for issuance under the plan which may be made subject to options at any time and from time to time (including those issuable upon the exercise of pre-existing options) shall not exceed 10% of the total number of issued and outstanding shares, on a non-dilutive basis, as constituted on the grant date of such options. At September 30, 2013 a total of 1,121,749 options remain reserved under the Plan exclusive of the 579,167 options outstanding.

## a) Movements in share options

The changes in share options during the period ended September 30, 2013 and the year ended March 31, 2013 were as follows:

	<b>September 30, 2013</b>		March 31, 2013	
	<b>Number of options</b>	<b>Weighted average exercise price (in CDN\$)</b>	Number of options	Weighted average exercise price (in CDN\$)
Options outstanding, beginning of the year	<b>632,500</b>	<b>1.44</b>	620,500	2.19
Granted	-	-	255,000	1.10
Forfeited	<b>(23,333)</b>	<b>1.10</b>	(129,500)	1.59
Expired	<b>(30,000)</b>	<b>5.00</b>	(113,500)	4.30
Options outstanding, end of the year	<b>579,167</b>	<b>1.27</b>	632,500	1.44

## b) Fair value of share options granted

During the year ended March 31, 2013, the Company granted 255,000 options to employees, officers, directors and consultants of the Company at a weighted average exercise price of Cdn\$1.10. These stock options were valued at a total of Cdn\$259,806 with a weighted average fair

**Rio Cristal Resources Corporation***(An exploration stage company)***Notes to the Condensed Interim Consolidated Financial Statements****September 30, 2013***(Expressed in US dollars)*

value of Cdn\$1.00. The allocation of fair value was estimated using the Black-Scholes option pricing model with the following weighted average assumptions.

	Year ended March 31, 2013
Expected dividend yield	0%
Expected stock price volatility	174%
Risk-free interest rate	1.54%
Expected life of options	4.21 years

Option pricing models require the input of subjective assumptions including the expected price volatility and the expected option life. Changes in these assumptions can materially affect the estimated fair value of the stock options granted. The stock options vest in one-third increments, a third of the stock options vest on the grant date, the remaining stock options vest on the anniversary of the grant date over a two year period.

c) A summary of the Company's options as at September 30, 2013 is as follows:

Outstanding Options	Options Exercisable	Price per Share	Remaining Contractual Life (Years)	Expiry Date
135,000	135,000	Cdn\$1.00	0.83	April 30, 2014
87,500	87,500	Cdn\$1.00	1.89	May 20, 2015
157,500	157,500	Cdn\$1.80	2.84	May 2, 2016
15,000	15,000	Cdn\$1.70	3.04	July 12, 2016
15,000	10,000	Cdn\$1.35	3.59	February 1, 2017
169,167	128,333	Cdn\$1.10	3.76	April 3, 2017
<b>579,167</b>	<b>533,333</b>			

The weighted average exercise price of the options exercisable at September 30, 2013 is Cdn\$1.29.

**8. Related Party Transactions**

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the Company and other related parties are disclosed below.

## a) 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	Legal fees
Avisar Chartered Accountants (ended September 18, 2013)	Accounting fees

**Rio Cristal Resources Corporation***(An exploration stage company)***Notes to the Condensed Interim Consolidated Financial Statements****September 30, 2013***(Expressed in US dollars)*

The Company incurred the following fees and expenses in the normal course of operations in connection with related parties.

	<b>Three months ended September 30, 2013 \$</b>	Three months ended September 30, 2012 \$	<b>Six months ended September 30, 2013 \$</b>	Six months ended September 30, 2012 \$
Legal fees	<b>28,528</b>	51,398	<b>57,856</b>	57,765
Accounting fees	<b>14,444</b>	15,079	<b>29,108</b>	40,321
	<b>42,972</b>	66,477	<b>86,964</b>	98,086

Due to related parties consists of \$741,715 owing to individuals or companies whose officers, directors or partners were also officers or directors of the Company. The amount includes director and officer loans of \$109,585. These loans are unsecured, have a term of one year, and bear annual interest of 6%. As of September 30, 2013, interest of \$5,299 has been accrued. The remaining deferred salaries and services payable of \$626,831 is unsecured, non-interest bearing and due on demand.

b) Compensation of key management personnel

For the six months ended September 30, 2013, all salaries to key management personnel have not been paid and have been accrued in the due to related parties balance. The remuneration of the directors, chief executive officer, and president and chief financial officer (collectively the key management personnel) during the six months ended September 30, 2013 and 2012 were as follows:

	<b>Note</b>	<b>Three months ended September 30, 2013 \$</b>	Three months ended September 30, 2012 \$	<b>Six months ended September 30, 2013 \$</b>	Six months ended September 30, 2012 \$
Salaries	(i)	<b>21,833</b>	50,500	<b>72,233</b>	101,000
Share-based compensation	(ii)	<b>(8,820)</b>	9,626	<b>6,031</b>	38,227
		<b>13,013</b>	60,126	<b>78,264</b>	139,227

- (i) As of September 30, 2013, the unpaid salary owing to the chief executive officer and president totals \$456,345.
- (ii) Share-based compensation represents the expense for the six months ended September 30, 2013 and 2012, translated at the respective grant date foreign exchange rates. The value of the 1,900,000 in the six months ended September 30, 2012 options granted to key management personnel was determined using the Black-Scholes option pricing model with the following assumptions:

	<b>Six months ended September 30, 2012</b>
Share price on day of grant	\$0.11
Expected dividend yield	0%
Expected stock price volatility	172%
Risk-free rate	1.54%
Expected life of options	4.43 years

**Rio Cristal Resources Corporation***(An exploration stage company)***Notes to the Condensed Interim Consolidated Financial Statements****September 30, 2013***(Expressed in US dollars)***9. Segmented Information**

Details of identifiable assets and net loss by geographic area are as follows:

<b>Total Assets</b>	<b>September 30, 2013 \$</b>	<b>March 31, 2013 \$</b>
Canada	<b>20,045</b>	41,205
Peru	<b>26,503</b>	38,634
	<b>46,548</b>	79,839

<b>Total Non-Current Assets</b>	<b>September 30, 2013 \$</b>	<b>March 31, 2013 \$</b>
Peru	<b>17,379</b>	29,934

<b>Net Loss</b>	<b>For the three months ended September 30, 2013 \$</b>	<b>For the three months ended September 30, 2012 \$</b>	<b>For the six months ended September 30, 2013 \$</b>	<b>For the six months ended September 30, 2012 \$</b>
Canada	<b>9,614</b>	<b>164,317</b>	<b>81,802</b>	318,797
Peru	<b>34,441</b>	<b>339,127</b>	<b>242,683</b>	931,711
	<b>44,055</b>	<b>503,444</b>	<b>324,485</b>	1,250,508

**11. Contingent Liability**

The Company has received notice of two claims against the Company from the Environmental Supervising Agency ("OEFA") with respect to sanctioning administrative procedures. They are for \$27,400 and \$13,700 and the Company has filed writs contradicting the charges.