RIO CRISTAL RESOURCES CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
For the Three and Nine Month Periods Ended December 31, 2012

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 February 28, 2013 and is intended to supplement and complement the Company's unaudited Condensed Interim Consolidated Financial Statements for the three and nine month periods ended December 31, 2012 and the Audited Consolidated Financial Statements for the year ended March 31, 2012, which were prepared in accordance with International Financial Reporting Standards ("IFRS").

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. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". 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; (2) the proposed development of its mineral projects will be viable operationally and economically and proceed as expected; and (3) 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 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.

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

The Company has focused much of its resources in the past on the Bongará zinc project, which is its core project and is located in Peru.

Current Developments

On January 21, 2013, the company announced the closing of a non-brokered private placement of $235,020. Several of the Company’s Directors and an Officer invested in the placement. TSXV regulations limit the participation of Directors and other insiders to 25% of a placement under 5 cents, and as a result, the placement had two parts. The Company issued 4,429,128 units (the "First Units") of the Company at the price of $0.035 per First Unit, each First Unit consisting of one common share (a "Share") and one non-transferable warrant for proceeds of $155,020. The second involved an issuance to certain Directors and an officer of 1,600,000 units (the "Second Units") at a price of $0.05 per Second Unit, each Second Unit consisting of one Share and one non-transferable warrant for proceeds of $80,000.

In addition to investing in the private placement, several of the directors and officers have loaned the Company a total of $240,000 as at February 28, 2013.

In January 2013, the Company announced an update concerning its resource estimate and technical report on its Bongará project. The Company has filed an amended and restated National Instrument 43-101 ("NI 43-101") technical report dated effective January 25, 2013. The amended and restated technical report replaces the technical report and mineral resource estimate prepared by Mr. Brophy on behalf of the Company and filed on the SEDAR website on March 2, 2012. Mr. Brophy has determined in conjunction with the Company to remove from the report the calculation of any mineral resources. Mr. Brophy has determined that additional metallurgical analysis is required in order to produce a resource estimate required for a NI 43-101 compliant mineral resource. The Company plans to work towards preparation of a NI 43-101 compliant resource estimate at Bongará after additional metallurgical work is completed by the Company. Completion of such additional work remains subject to additional funding.

On November 6, 2012, the Company provided an update on activities whereby the Company has disclosed it has embarked on discussions with possible new joint venture partners, and that the Company seeks to bring in new equity financing in order to obtain needed working capital.

On October 26, 2012, the Company announced that MMR Exploration Ltd. (“MMRE”) withdrew from negotiations to form a joint venture with the Company on its Bongará zinc project. Previously, the Company had reached an Agreement in Principle (the “Agreement”) with MMRE to form a joint venture wherein MMRE had the right to earn up to a 70% interest in the Company’s Peruvian subsidiary, Cerro La Mina S.A. (“CLM”), through the staged expenditure of USD$10 million plus the completion of a feasibility study on the Company’s Bongará zinc project (Bongará).

On September 17, 2012 the Company announced that the shareholders of the Company approved a 10:1 consolidation of its shares. The Company intends to complete the share consolidation in the future.

BONGARÁ ZINC PROJECT, PERU
Current Operations and Status

The Bongará Concessions (“Concessions”) are a group of contiguous claims totaling 18,413 hectares located approximately 740 km north of Lima, Peru in the Region of Amazonas. The Bongará Concessions contain several early stage prospects that are believed to be Mississippi Valley Type (“MVT”) zinc prospects.

The Company’s zinc concessions are adjacent to the Corianta zinc oxide mine to the west, which is currently on standby. To the south, the Project is adjacent to the Florida Canyon zinc-lead deposit, an advanced joint-venture exploration project being conducted by Votorantim Metais and Solitario Exploration & Royalty Corp (TSX: SLR).

The Company’s Bongará Concessions consist of four separate exploration zones listed below, which are at varying stages of exploration. Due to limitations on available financing, no drilling was done on the Concessions. No drilling has been completed on the Bongará project in the current fiscal year:

- o Cristal Project: This target covers an area of approximately 2.5 km by 1.5 km. This exploration zone has seen the majority of exploration to date, including 7,306 meters of drilling to identify high-grade zinc oxides near surface, and to test for sulfides in lower horizons. Drilling was completed in July 2011 and results were issued in the Company's September 2, 2011 press release. An initial resource from Cristal of 1,273,000 tonnes with an average zinc grade of 7.55% equaling 211.9 million pounds of contained zinc and using a 2% cut-off grade was announced on February 21, 2012. During 2012, the Company has carried out limited surface exploration and mapping at the Cristal Project.

- Alto Cristal: This exploration zone is situated four kilometers west of the Cristal Project and was the target of early reconnaissance, geological mapping and geochemical sampling. To date, no drilling has been planned.

- San Jose: This exploration zone is located 10 km south-southwest of Cristal and consists of previously discovered zinc sulfide showings. The Company drilled two scout holes totaling 1,407 meters in 2011. While the two holes at the San Jose Project did not reach the zinc sulfide targets in the Chambara Formation(a favorable limestone which hosts many of the large zinc ore bodies in Peru), extensive zinc sulfide anomalies were intersected. For example, a vertical hole (720 meters) intersected 95 meters with a weighted average grade of 0.17% zinc at and below the Aramachay - Chambara contact. Similar grades were found in the inclined hole (697 meters), which culminated in limestone grading 0.38% zinc; the highest of 254 assays taken from the two drill holes. No further exploration has taken place in 2012.

- Florida: This exploration zone shows similar structural control and stratigraphy observed at Votorantim Metais and Solitario Resources Florida Canyon advanced zinc/lead exploration project. Exploration at the Florida North Project took place in -2008, and consisted of preliminary mapping and sampling to identify to drill targets. No further exploration has taken place in the Florida exploration zone in 2012.

The remaining concessions are claims that surround the above principal target areas and have been subjected to limited exploration, and no drilling, but which are believed to contain potential for additional targets with additional exploration.

Results of Operations

For the Nine months Ended December 31, 2012

The Company's net loss for the nine months ended December 31, 2012 (the "Current Period") was $1.7 million or $0.01 per share compared to a net loss of $3.8 million or $0.03 per share for the nine month period ended December 31, 2011 (the "Comparative Period"). The decrease of $2.1 million resulted mainly from a $1.9 million decrease in exploration expenditures in the Current Period.

Operating expenses were significantly lower in the Current Period at $1.7 million, compared with $3.9 million in the Comparative Period due mainly to: lower exploration expenditures (decrease of $1.9 million over the Comparative Period) due to decreased expenditures on all of the Company's mineral properties; and lower investor relations expenses and general office expenses (decrease of $0.2 million and $0.1 million respectively over the Comparative Period) due to efforts by the Company to reduce expenditures.

For the Three Months Ended December 31, 2012

The Company's net loss for the three month period ended December 31, 2012 (the "Current Quarter") was $0.4 million or $0.00 per share compared to a net loss of $1.4 million or $0.01 per share for the three month period ended December 31, 2011 (the "Comparative Quarter"). The decrease resulted mainly from a $0.8 million decrease in exploration expenditures in the Current Quarter.

Operating expenses were significantly lower in the Current Quarter at $0.4 million, compared with $1.4 million in the Comparative Quarter due mainly to: lower exploration expenditures (decrease of $0.8 million over the Comparative Period) due to decreased expenditures on all of the Company's mineral properties; as well as lower general office expenses, investor relations costs and professional fees due to 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 Condensed Interim Consolidated Financial Statements prepared by management. Rio Cristal's Condensed Interim Consolidated Financial Statements for the three and nine month periods ended December 31, 2012 and the year ended March 31, 2012 are prepared in accordance with International Accounting Standards ("IAS") 34 and policies consistent under IFRS, while interim financial statements for fiscal 2011 under Canadian GAAP are updated to be in compliance with IFRS.

Period	Revenues $	Income (Loss) from Continued Operations $	Basic and Fully Diluted Loss per Share from Continued Operations $
3rd Quarter 2013	Nil	(436,573)	(0.00)
2nd Quarter 2013	Nil	(503,444)	(0.00)
1st Quarter 2013	Nil	(747,064)	(0.01)
4th Quarter 2012	Nil	(986,371)	(0.01)
3rd Quarter 2012	Nil	(1,367,920)	(0.01)
2nd Quarter 2012	Nil	(1,332,679)	(0.01)
1st Quarter 2012	Nil	(1,050,090)	(0.01)
4th Quarter 2011	Nil	(586,786)	(0.01)

Quarterly results will vary in accordance with the Company's exploration and financing activities. In addition results are contingent upon the Company having sufficient funds to conduct exploration programs on its exploration projects.

The decreases in loss during the first, second and third quarters of 2013 and the fourth quarter of 2012 are due primarily to reduced spending on the Company's exploration projects.

The decrease in loss during the fourth quarter of 2011 and the increase in loss in the third quarter of 2011 is a result of the revaluation of the Company's derivative warrants using a marked-to-market approach. In addition, the Company increased spending on its exploration, including drilling expenses.

Liquidity and Capital Resources

The Company had a net working capital deficit of $0.9 million as at December 31, 2012 compared to a net working capital of $0.5 million as at March 31, 2012. The cash balance at December 31, 2012 was $25 thousand compared to $0.9 million as at March 31, 2012. As at December 31, 2012 current liabilities were $0.9 million compared to $0.4 million as at March 31, 2012. During the nine months ended December 31, 2012, the Company received $229,000 of loans from directors and officers of the Company.

Investing Activity

During the nine month period ended December 31, 2012, the Company disposed of some equipment for $9,322. In the Comparative Period, the Company purchased $91,242 of exploration and technical equipment for use in Peru.

Going Concern

The business of mining and exploration involves a high degree of risk and there can be no assurance that current 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 or result in material impairment of its properties. 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. Additionally, even though the Company's current relationships with local communities are in good standing, these relationships are subject to change, which may be beyond the Company's control.

The recoverability of amounts shown for resource properties is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties. The business of mining and exploration involves a high degree of risk and there can be no assurance that current 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 its property, exploration, and administrative requirements. The Company has a net working capital deficit of $0.9 million and will need to complete a share financing in the near term. However, there can be no assurance that a financing will be completed on a timely basis.

Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares, all without nominal or par value.

The table below summarizes the Company's common shares and securities convertible into common shares as at February 28, 2013:

		Price	Expiry date	Number of common shares
Common shares, issued and outstanding				155,289,553
Securities convertible into common shares				
Options	CDN	$0.27	March 11, 2013	100,000
		$0.50	April 13, 2013	150,000
		$0.50	June 4, 2013	150,000
		$0.10	April 30, 2014	1,370,000
		$0.10	May 20, 2015	945,000
		$0.32	March 1, 2016	100,000
		$0.18	May 2, 2016	1,800,000
		$0.17	July 12, 2016	300,000
		$0.135	February 1, 2017	150,000
		$0.11	April 3, 2017	2,550,000
				162,904,553

As at December 31, 2012, 6,061,665 options outstanding had vested.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties for the Nine months Ended December 31, 2012

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	Accounting fees
Global Vista	Investor relations and rent

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.

	Note	Nine months Ended December 31, 2012 $	Nine months Ended December 31, 2011 $
Legal fees		57,765	29,422
Accounting fees		55,453	77,275
Investor relations fees		-	37,800
Rent		-	13,500
	(i)	113,218	157,997

Amounts due to related parties are unsecured, non-interest bearing and due on demand. Due to related parties as at December 31, 2012 of $650,574 are due to officers, directors, or companies whose officers, directors or partners were also officers or directors of the Company.

Compensation of key management personnel

All salary compensation for the nine months December 31, 2012 has not been paid and is accrued in the amounts owing to related parties as at December 31, 2012.

The remuneration of the directors, chief executive officer, president and chief financial officer (collectively the key management personnel), during the nine months ended December 31, 2012 and 2011 were as follows:

	Note	Nine months Ended December 31, 2012 $	Nine months Ended December 31, 2011 $
Salaries		151,500	151,500
Share-based compensation	(i)	47,853	48,689
		199,353	200,189

(i) Share-based compensation represents the expense for the nine months ended December 31, 2012, translated at the grant date foreign exchange rates.

Critical Accounting Policies and Estimates

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, 2012. The following policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.

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. These estimates and assumptions are based on the Company's experience and Management's expectations about future events that are believed to be reasonable under the circumstances, and they are continually being evaluated based on the new facts and experience. Actual results may differ from these estimates and assumptions. Significant areas requiring the use of management estimates include the carrying value of mineral properties and property, plant and equipment and stock-based compensation. Factors that could affect these estimates include risks inherent in mineral exploration and development, changes in reclamation requirements and changes in government policy.

Resource Properties

The Company is in the process of exploring its mineral properties and has adopted the policy of capitalizing significant acquisition costs for property rights. Mineral exploration costs and maintenance payments are expensed prior to the determination that a property has economically recoverable ore reserves and maintenance payments. Option payments are considered acquisition costs once the Company has the intention of exercising the option agreement.

Capitalized costs for a producing mine or asset are amortized on a unit-of-production method based on the estimated life of ore reserves, while capitalized costs for prospects abandoned are written off.

Management reviews and evaluates the carrying value of its mineral properties for impairment when events or changes in circumstances indicate that the carrying amount of the related asset may not be recoverable. If the total estimated future operating cash flows on an undiscounted basis are less than the carrying amount of the asset, an impairment loss is recognized and assets are written down to fair value which is normally determined using the discounted value of future cash flows. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses whether carrying value can be recovered by considering alternative methods of determining fair value. When it is determined that a mineral property is impaired it is written down to its estimated fair value.

Ownership in mineral properties involves certain interest risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many mineral properties. The Company has investigated ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

Impairment of Non-financial Assets

The carrying amounts of non-financial assets are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indicators of impairment, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units or CGUs). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Non-financial assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstances indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior periods. A reversal of an impairment loss is recognized in the statement of loss.

Financial instruments carrying value and fair value

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, price or credit risks arising from its financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

The Company holds cash balances and incurs payables that are denominated in Canadian Dollars and Peruvian Soles. These balances are subject to fluctuations in the exchange rate between the Canadian Dollar, Peruvian Soles and the United States Dollar, resulting in currency gains or losses for the Company.

Capital management

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 and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or obtain debt financing. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors. In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

Management of financial risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and Peru and a portion of its expenses are incurred in Canadian dollars and Peruvian Soles. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar and the Peruvian Sol to the US dollar could 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. At December 31, 2012, the

Company is exposed to currency risk through the following assets and liabilities denominated in Canadian dollars and Peruvian Soles:

	December 31, 2012	
	Canadian Dollars $	Peruvian Soles
Cash and cash equivalents	9,693	1,241
Receivables	-	8,915
Accounts payable and accrued liabilities	(142,575)	(465,723)

Based on the above net exposures as at December 31, 2012 and assuming that all other variables remain constant, a 10% depreciation or appreciation of the US dollar against the Canadian dollar would result in an increase/decrease of $13 thousand in the Company's loss for the period. Likewise, a 10% depreciation or appreciation of the US dollar against the Peruvian Sol would result in an increase/decrease of $18 thousand in the Company's loss for the period.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit risk the Company is exposed to be 100% of cash and cash equivalents, short term investments and receivables.

The Company's cash and cash equivalents are held through large Canadian financial institutions. Short-term investments (including those presented as part of cash and cash equivalents) are composed of financial instruments issued by Canadian banks. These investments mature at various dates over the current operating period. Other assets consist of HST receivable from the government of Canada and other receivables.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the investments included in cash and cash equivalents is limited because these investments are generally held to maturity. Based on the amount of cash and cash equivalents invested as at December 31, 2012 and assuming that all other variables remain constant, a 0.5% change in the applicable interest rate would result in a minimal increase/decrease of interest earned by the Company per annum.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements by taking into account anticipated cash expenditures for its exploration and other operating activities, and its holdings of cash and cash equivalents and short-term investments.

As at December 31, 2012, the Company had a cash balance of $24,802 to settle accounts payable and accrued liabilities and amounts owed to related parties of $920,372. The Company will pursue equity financing as required to meet its commitments. There is no assurance that such financing will be available or that it will be available on favorable terms. The business of mining and exploration involves a high degree of risk and there can be no assurance that current 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 or result in material impairment of its properties. The Company believes that the current political conditions in Peru are stable and conducive to conducting business, yet 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 unfavorable government regulations on foreign investment, in addition, even though the Company's current relationships with local communities are in good standing, this may be subject to change, which may be beyond the Company's control.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its requirements. The Condensed Interim 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.

Price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market prices of precious and base metals. Market prices of precious and base metals are affected by numerous factors including central bank policies, producer hedging activities, the value of the US dollar relative to other major currencies, global demand and supply and global political and economic conditions. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The carrying value of the Company's mineral property costs could be adversely affected by any reductions in the long term prices of gold, copper and zinc.

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 Condensed Interim Consolidated Statement of Loss and Comprehensive Loss contained in its Condensed Interim Consolidated Financial Statements for December 31, 2012 and 2011 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 unaudited Condensed Interim Consolidated Financial Statements and the Audited 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 in accordance with Canadian generally accepted accounting principles.

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.