RIO CRISTAL RESOURCES CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Nine Months Ended December 31, 2013

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 March 3, 2014 and is intended to supplement and complement the Company's condensed interim consolidated financial statements for the nine months ended December 31, 2013.

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; (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 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 has focused much of its resources in the past on the Bongará zinc project, located in Northern Peru. The Company has divested itself of the Bongará project and is reviewing other mineral projects in Peru as well as possibilities of merging with another exploration company. Any future property acquisition is dependent on the Company’s ability to obtain financing.

The Company has divested itself of its Bongará project and is actively pursuing and reviewing other prospects in South America across various mineral commodities with the objective to acquiring a project that will lead to a significant resource discovery in the future. 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 $1.3 million as at December 31, 2013 compared to a net working capital deficit of $0.9 million as at March 31, 2013. The cash balance at December 31, 2013 was $16,816 compared to $8,240 as at March 31, 2013. As at December 31, 2013 current liabilities were $1.3 million compared to $0.9 million as at March 31, 2013.

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, 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 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 each of 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 Nine Months Ended December 31, 2013

The Company's net loss for the nine months ended December 31, 2013 (the "Current Period") was $0.42 million or $0.03 per share compared to a net loss of $1.69 million or $0.11 per share for the nine months ended December 31, 2012 (the "Comparative Period"). The reduction in loss resulted primarily from a decrease in exploration expenditures, share-based compensation, and general office expenses in the Current Period.

Operating expenses were significantly lower in the Current Period at $0.46 million, compared with $1.71 million in the Comparative Period (decrease of $1.25 million over the Comparative Period) mainly due to: lower exploration expenditures (decrease of $0.81 million over the Comparative Period) due to decreased expenditures on the Company's projects as a result of the termination of the option agreement to acquire the Bongará property; lower share-based compensation (decrease of $0.23 million over the Comparative Period) due to a lower share price and a decreased number of options vesting; and lower general office expenses (decrease of $0.16 million over the Comparative Period) due to the closure of the Peru office and a decrease in staff in the Current Period

For the Three Months Ended December 31, 2013

The Company's net loss for the three month period ended December 31, 2013 (the "Current Quarter") was $0.10 million or $0.01 per share compared to a net loss of $0.44 million or $0.03 per share for the three month period ended December 31, 2012 (the "Comparative Quarter"). The decrease resulted mainly from a decrease in exploration expenditures in the Current Quarter.

Operating expenses were significantly lower in the Current Quarter at $0.10 million, compared with $0.44 million in the Comparative Quarter (decrease of $0.34 million over the Comparative Quarter) due mainly to: lower exploration expenditures (decrease of $0.22 million over the Comparative Quarter) as a result of decreased expenditures on all of the Company's mineral properties; lower share based compensation (decrease of $0.04 million over the Comparative Quarter); and lower general office expenses (decrease of $0.07 million over the Comparative Quarter) 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 unaudited quarterly condensed interim consolidated financial statements prepared by management.

Period	Revenues $	Income (Loss) from Continued Operations $	Basic and Fully Diluted Loss per Share from Continued Operations $
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)
1st Quarter 2013	Nil	(747,064)	(0.05)
4th Quarter 2012	Nil	(986,371)	(0.07)

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 costs have reduced in the current quarter 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 $1.3 million as at December 31, 2013 compared to a net working capital deficit of $0.9 million as at March 31, 2013. The cash balance at December 31, 2013 was $16,816 compared to $8,240 as at March 31, 2013. As at December 31, 2013 current liabilities were $1.3 million compared to $0.9 million as at March 31, 2013.

Investing Activity

During the nine months ended December 31, 2013 the Company had no investing activity. In the comparative period ending December 31, 2012, the Company received proceeds of $9,322 from the disposal of equipment.

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 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. Although 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.

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 $1.3 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 March 3, 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	April 30, 2014	95,000
		$1.00	May 20, 2015	60,000
		$1.80	May 2, 2016	100,000
		$1.35	February 1, 2017	15,000
		$1.10	April 3, 2017	116,667
				18,266,743

As at December 31, 2013, 345,000 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, 2013

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

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.

	Nine months Ended December 31, 2013 $	Nine months Ended December 31, 2012 $
Legal fees	**75,394**	57,765
Accounting fees	**29,108**	55,453
	104,502	113,218

Due to related parties consists of $592,952 owing to officers or directors of the Company. As of December 31, 2013, the amount includes director and officer loans of $109,103 and accrued interest of $6,923. The loans are unsecured, have a term of one year, and bear annual interest of 6%. The remaining deferred salaries payable of $476,926 is unsecured, non-interest bearing and due on demand.

Compensation of key management personnel

For the nine months ended December 31, 2013, salaries unpaid to key management personnel are included within due to related parties in the Company's condensed interim 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 nine months ended December 31, 2013 and 2012 were as follows:

	Nine months Ended December 31, 2013	Nine months Ended December 31, 2012
	$	$
Salaries	**79,833**	151,500
Share-based compensation	**9,094**	47,853
	88,927	199,353

The value of the 1,900,000 options granted to key management personnel in the prior fiscal year was determined using the Black-Scholes option pricing model with the following assumptions:

	Year Ended March 31, 2013
Share price on day of grant	$0.11
Expected dividend yield	0%
Expected stock price volatility	172%
Risk-free interest rate	1.54%
Expected life of options	4.43 years

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, 2013. 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 resource property costs and property, plant and equipment, stock-based compensation, and the evaluation of the Company's ability to continue as a going concern. 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 capitalizes the direct costs of acquiring mineral property interest. Option payments are considered acquisition costs if the Company has the intention of exercising the underlying option.

Exploration and evaluation costs are charged to the statement of loss in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration and development costs are capitalized. Exploration costs include value-added taxes because the recoverability of these amounts is uncertain.

Ownership in mineral properties involves certain inherent 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 characteristic of many mineral properties.

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, not carried at fair value, consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and amounts due to related parties. 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.

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 is 100% of cash and receivables.

The Company's cash equivalents are held through large Canadian financial institutions. Amounts receivable consist of GST receivable from the government of Canada.

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 available 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, 2013, the Company had a cash balance of $16,816 to settle accounts payable and accrued liabilities, amounts owed to related parties and loans payable of $1,346,048. The Company will pursue financing arrangements 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. 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.

Price risk

The Company is subject to price risk from fluctuations in the market price of gold, copper and zinc, which in turn is 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 consolidated statement of loss and comprehensive loss contained in its condensed interim consolidated financial statements for December 31, 2013 and 2012 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 condensed interim 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.