RIO2 LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024

The following management's discussion and analysis ("MD&A") was prepared as at November 15, 2024, and is management's assessment of the operating results and financial condition of Rio2 Limited ("Rio2" or the "Company") together with its subsidiaries. This MD&A should be read in conjunction with both the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2024, the audited consolidated financial statements for the years ended December 31, 2023 and 2022 and the related notes thereto.

The unaudited condensed interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting* ("IAS 34"). All dollar amounts are expressed in United States dollars unless otherwise stated.

The Company's common shares are currently traded on the TSX Venture Exchange ("TSXV") under the symbol "RIO", as well as on the Bolsa de Valores de Lima ("BVL") under the symbol "RIO", and the OCTQX Best Market under the symbol "RIOFF". The Company's registered office is located at Suite 6000, 1 First Canadian Place, 100 King St. West, Toronto, Ontario M5X 1E2 and its head office is located at Suite 1500, 701 West Georgia Street, Vancouver, British Columbia V7Y 1C6.

Additional information relating to the Company can be found on SEDAR+ at www.sedarplus.ca or may be obtained by contacting the Company at info@rio2.com.

DESCRIPTION OF BUSINESS

Rio2 is a mining company focused on development and mining operations with a team that has proven technical skills and successful capital markets track record. Rio2 is focused on taking its Fenix Gold Project (the "Project") in Chile to production in the shortest possible timeframe based on a staged development strategy. Rio2 and its wholly-owned subsidiary, Fenix Gold Limitada, are companies with high environmental standards and responsibility with the firm conviction that it is possible to develop mining projects that respect the three pillars (Social, Environment, and Economics) of responsible development. Rio2 is committed to applying environmental standards beyond those that are mandated by regulators, seeking to protect and preserve the environment of the territories that we operate in.

The Company will need to successfully complete certain milestones to be able to achieve its main business objective of advancing the Fenix Gold Project to production.

CORPORATE UPDATES

On January 8, 2024, Rio2 announced that, in accordance with the shares for services agreements announced on January 25, 2023 and March 27, 2023, it issued 253,273 common shares at a deemed price of C$0.38 per share to directors and officers of the Company. The value of the shares issued was $72,108.

On April 8, 2024, Rio2 announced receipt of the formal Resolución de Calificación Ambiental (Environmental Qualification Resolution, or the "RCA") for its Fenix Gold Project, following the approval of the Project's Environmental Impact Assessment previously announced on December 20, 2023. The receipt of the RCA allowed Fenix Gold to advance permitting activities for the Project.

On April 17, 2024, the Company closed a private placement (the "April 2024 Offering") of 59,030,000 common shares at a price of C$0.39 per share for gross proceeds of C$23,021,700.

For the April 2024 Offering, the Company entered into an agency agreement with a syndicate of agents, under which the Company sold, on a brokered "best efforts" basis, 25,640,000 shares pursuant to the listed issuer financing exemption available under Part 5A of NI 45-106 – Prospectus Exemptions (the "LIFE offering") and 33,390,000 shares pursuant to other exemptions under NI 45-106. The agents received a cash commission of C$900,000.

In the third quarter 2024, Rio2 started using the proceeds from the April 2024 Offering in preparation for the construction financing of the Fenix Gold Project. The Company used the proceeds towards completing lead order purchases for the mine construction, permitting activities, environmental monitoring, community relations activities, concession fees and general corporate purposes.

On May 16, 2024, Rio2 announced that it held its Annual General Meeting of Shareholders ("AGM") on May 15, 2024. Shareholders voted in favour of all items of business, including the election of all director nominees. Shareholders approved and ratified the 2023 Rio2 Stock Option Plan and approved amendments to the Company's Share Incentive Plan. At the AGM, disinterested shareholders approved security-based compensation to non-arm's length parties.

On August 12, 2024, Rio2 announced that it changed its auditors from Grant Thornton LLP (the "Former Auditor") to PricewaterhouseCoopers LLP (the "Successor Auditor"). The Former Auditor resigned as the auditor of the Company effective August 8, 2024, and the board of directors of the Company appointed the Successor Auditor on August 8, 2024, until the next annual shareholder meeting of the Company.

On August 12, 2024, Rio2 also announced the publication of its 2023 ESG Report. This report represents a comprehensive review of the Company's Environmental, Social, and Governance factors related to Rio2's development activities at its Fenix Gold Project in Chile for the year 2023. Rio2 is committed to the principles of responsible mining and best practices in corporate governance. The complete report is available online at: https://www.onyen.com/published/RIO_2023_Annual_749.html

On September 30, 2024, the Company received the principal Sectorial Permits it required to begin construction at its Fenix Gold Project. These Sectorial Permits are the 1) Mining Methods; 2) Process Plant; 3) Waste Dumps & Stockpiles; and 4) Closure Plan. These Sectorial Permits represent the last governmental authorization required to enable the start of the construction phase and subsequent operation of a mine at the Fenix Gold Project.

On October 21, 2024, the Company announced that it arranged a mine construction financing package for the construction of the Fenix Gold Project. The financing package is comprised of a US$120 million financing package with Wheaton, in addition to a public offering of common shares and a private placement of common shares with Wheaton.

The financing package with Wheaton (the "Wheaton Financing") is comprised of (i) a US$100 million flexible prepay arrangement, (ii) a US$20 million contingent cost overrun facility in the form of a standby loan facility and (iii) a CAD$5 million private placement of common shares.

Concurrent to the Wheaton Financing, the Company and Wheaton also agreed to an amendment (the "Gold Stream Amendment") to the existing Precious Metals Purchase Agreement ("PMPA") that was entered into on November 15, 2021. More details about the Wheaton Financing and the Gold Stream Amendment can be found in the Subsequent Events section of this MD&A.

On October 29, 2024, the Company closed its private placement of 7,692,308 common shares to Wheaton at a price of C$0.65 per share for gross proceeds of C$5 million, equivalent to US$3.6 million.

On October 29, 2024, the Company closed a public offering of 97,307,710 common shares at a price of CAD$0.65 per share for gross proceeds of C$63.2 million, equivalent to US$45.5 million.

REVIEW OF PROPERTIES

The Company's mineral properties consist solely of the Fenix Gold Project. With receipt of the Sectorial Permits on September 30, 2024, it is management's position that the technical feasibility and commercial viability of the Fenix Gold Project has been demonstrated. Accordingly, the Fenix Gold Project has transitioned from Exploration and Evaluation Assets under IFRS 6 to mineral properties under IAS 16. Mineral properties are not depreciated until the related assets are ready for its intended use. The Company's mineral properties balance is comprised of:

	Fenix Gold Project Exploration and Evaluation Assets	Fenix Gold Project Mineral Properties	Fenix Gold Project Total
Balance, December 31, 2022	$ 64,773,833	$ -	$ 64,773,833
Community initiatives	57,991	-	57,991
Geological and drilling	1,029	-	1,029
Engineering studies	276,973	-	276,973
Field support	912,023	-	912,023
Reclassification to property and equipment	(2,759,860)	-	(2,759,860)
Balance, December 31, 2023	$ 63,261,989	$ -	$ 63,261,989
Community initiatives	309,238	-	309,238
Geological and drilling	95,763	-	95,763
Environmental	35,169	-	35,169
Engineering studies	932,029	-	932,029
Field support	702,802	-	702,802
Reclassification to mineral properties	(65,336,990)	65,336,990	-
Balance, September 30, 2024	$ -	$ 65,336,990	$ 65,336,990

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected quarterly financial information and is derived from the financial statements prepared by the Company's management in accordance with IFRS Accounting Standards or IAS 34.

Quarter Ended	Revenue	Net Loss (Gain)	Loss (Gain) Per Share	Total Assets
September 30, 2024	$ -	$ 5,111,488	$ 0.01	$ 120,038,022
June 30, 2024	-	2,786,543	0.01	120,695,961
March 31, 2024	-	1,200,412	0.01	105,885,267
December 31, 2023	-	4,513,782	0.02	108,417,985
September 30, 2023	-	1,508,499	0.01	109,605,419
June 30, 2023	-	4,786,484	0.02	112,589,589
March 31, 2023	-	1,546,949	0.01	114,157,483
December 31, 2022	-	(1,404,260)	(0.01)	115,060,990

The Company's Fenix Gold Project has been in the exploration and evaluation stage and has recently entered into its development stage. Accordingly, the Company has incurred losses and is likely to continue incurring losses until the start of commercial production.

During the quarter ended December 31, 2022 there was a net gain, primarily due to a gain on disposition of exploration and evaluation assets, which occurred when Rio2 sold a non-core royalty package.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

The principal business activity during the three months ended September 30, 2024 was the further advancement of the Fenix Gold Project.

The Company recorded a net loss of $5,111,488 compared to a net loss of $1,508,499 for the same period in 2023. The increase in the net loss during the three months ended September 30, 2024 as compared to the net loss during the three months ended September 30, 2023 was primarily due to foreign exchange loss, accrued delay ounces on PMPA and employment costs.

The principal increases in expenses during the period were as follows:

- Employment costs of $1,030,204 for the three months ended September 30, 2024, compared to $633,582 for the three months ended September 30, 2023. In 2023, there was lower headcount of staff due to the layoffs of employees that occurred after the EIA for the Fenix Gold Project was initially rejected in 2022. Once the EIA was approved in December 2023, Rio2 was able to begin rebuilding its team and hence for the three months ended September 30, 2024 there is a larger employment costs expense than in the comparative period.

- Office and miscellaneous expense of $197,664 for the three months ended September 30, 2024, compared to $122,094 for the three months ended September 30, 2023. The increase was due to the hiring of additional staff in Chile and Peru after the approval of the EIA in December 2023, and an associated increase in office expenses supporting the Fenix Gold Project.

- Advisory fees of $164,507 for the three months ended September 30, 2024, compared to $67,464 for the three months ended September 30, 2024. The increase was due to a financial advisor being engaged to arrange a financing package for the construction of the Fenix Gold Mine in March 2023, as well as engineering consultants being involved in the advisory of the financing package.

- Accrued delay ounces expense on the PMPA of $1,379,115 for the three months ended September 30, 2024 compared to $nil for the three months ended September 30, 2023. Pursuant to the PMPA, Rio2 had 24 months after the initial tranche of $25 million was received to begin selling ounces of gold to WPMI, or otherwise would incur a delay payment. The first sale should have occurred on March 25, 2024. Rio2 has elected to defer any delivery of the delay payment contemplated by the PMPA. The monthly amount of delay payment that is recognized is 435 ounces of gold, multiplied by the amount of the advanced deposit of $25 million received by Rio2, divided by $50 million. This results in Rio2 recognizing an accrual of delay ounces on the PMPA of 217.50 ounces of gold per month, beginning on March 25, 2024. The accrual is calculated each month based on the cumulative balance of gold ounces to be delivered. The accrual is revalued each period using the market price of gold at period-end less the purchase price receivable for the gold ounces accrued. The accrued balance has been added to the deferred revenue balance.

- Accretion expense on deferred revenue of $943,283 for the three months ended September 30, 2024, compared to $795,463 for the three months ended September 30, 2023. This is due to the deposit of $25 million from WPMI received in March 2022, and the obligation under IFRS Accounting Standards to recognize accretion expense on the financing component on the deferred revenue.

- Foreign exchange loss of $1,006,292 for the three months ended September 30, 2024, compared to a foreign exchange gain of $872,547 for the three months ended September 30, 2023. Rio2 Limited, the parent company of the consolidated group of companies, has a Canadian dollar functional currency, while all of the subsidiaries have a United States dollar functional currency.

Due to United States dollar intercompany loans owing from the subsidiaries to Rio2 Limited, there was a foreign exchange loss in Rio2 Limited due to the weakening of the United States dollar during the period. There is no offset of this loss in the subsidiaries as they have a United States dollar functional currency. The foreign exchange loss resulting from the intercompany loans is offset by an exchange gain on translation of foreign operations of $1,644,176 reported in Other comprehensive income or loss.

The increase in net loss was partially offset by the following decreases in expenses:

- Depreciation expense of $304,201 for the three months ended September 30, 2024, compared to $419,576 for the three months ended September 30, 2023. The decrease is due to less equipment subject to depreciation in the three months ended September 30, 2024, as it has been fully depreciated.

- Share-based compensation of $115,087 during the three months ended September 30, 2024, compared to $301,318 in the three months ended September 30, 2023. The decrease is due to the timing of grants and vesting of the stock options and RSUs.

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

The principal business activity during the nine months ended September 30, 2024 was the further advancement of the Fenix Gold Project.

The Company recorded a net loss of $9,098,440 compared to a net loss of $7,841,932 for the same period in 2023. The increase in the net loss during the nine months ended September 30, 2024 as compared to the net loss during the nine months ended September 30, 2023 was primarily due to accrued delay ounces on PMPA and higher employment costs, partially offset by lower depreciation and a foreign exchange gain.

The principal increases in expenses during the period were as follows:

- Employment costs of $2,567,444 for the nine months ended September 30, 2024, compared to $1,914,737 for the nine months ended September 30, 2023. In 2023, there was lower headcount of staff due to the layoffs of employees that occurred after the EIA for the Fenix Gold Project was initially rejected in 2022. Once the EIA was approved in December 2023, Rio2 was able to begin rebuilding its team and hence for the three months ended September 30, 2024 there is a larger employment costs expense than in the comparative period.

- Professional fees of $531,760 for the nine months ended September 30, 2024, compared to $443,607 for the nine months ended September 30, 2023. The increase was due to increased professional fees associated with the Company working towards securing a financing package for the Fenix Gold Project.

- Advisory fees of $339,354 for the nine months ended September 30, 2024, compared to $169,895 for the nine months ended September 30, 2024. The increase was due to a financial advisor being engaged to arrange a financing package for the construction of the Fenix Gold Mine in March 2023, as well as engineering consultants being involved in the advisory of the financing package.

- Investor relations expense of $68,822 for the nine months ended September 30, 2024 compared to $16,110 for the nine months ended September 30, 2023. The increase is due to the Rio2 embarking on more investor relations initiatives such as sponsored interviews and investor relations outreach.

- Accrued delay ounces expense on the PMPA of $3,409,085 for the nine months ended September 30, 2024 compared to $nil for the nine months ended September 30, 2023. Pursuant to the PMPA, Rio2 had 24 months after the initial tranche of $25 million was received to begin selling ounces of gold to WPMI, or otherwise would incur a delay payment. The first sale should have occurred on March 25, 2024. Rio2 has elected to defer any delivery of the delay payment contemplated by the PMPA. The monthly amount of delay payment that is recognized is 435 ounces of gold, multiplied by the amount of the advanced deposit of $25 million received by Rio2, divided by $50 million. This results in Rio2 recognizing an accrual of delay ounces on the PMPA of 217.50 ounces of gold per month, beginning on March 25, 2024. The accrual is calculated each month based on the cumulative balance of gold ounces to be delivered. The accrual is revalued each period using the market price of gold at period-end less the purchase price receivable for the gold ounces accrued. The accrued balance has been added to the deferred revenue balance.

- Accretion expense on deferred revenue of $2,631,780 for the nine months ended September 30, 2024, compared to $2,298,677 for the nine months ended September 30, 2023. This is due to the deposit of $25 million from WPMI received in March 2022, and the obligation under IFRS Accounting Standards to recognize accretion expense on the financing component on the deferred revenue.

- Interest income of $329,028 for the nine months ended September 30, 2024, compared to $170,195 for the nine months ended September 30, 2023. The increase in interest income is due an inflow of cash of $15.6 million from the private placement that closed in April 2024, which was invested in savings accounts that earned interest.

The increase in net loss was partially offset by the following decreases in expenses:

- Depreciation of $913,202 for the nine months ended September 30, 2024, compared to $1,515,620 for the nine months ended September 30, 2023. The decrease is due to less equipment subject to depreciation in the nine months ended September 30, 2024 as it has been fully depreciated.

- Share-based compensation of $504,517 during the nine months ended September 30, 2024, compared to $864,915 for the nine months ended September 30, 2023. The decrease is due to the timing of grants and vesting of the stock options and RSUs.

- Exploration costs of $44,471 for the nine months ended September 30, 2024, compared to $113,103 for the nine months ended September 30, 2023. The decrease is due to the approval of the EIA in December 2023 and the Company focusing its efforts on advancing the Fenix Gold Project and less on other exploration initiatives.

- Foreign exchange gain of $2,064,893 for the nine months ended September 30, 2024, compared to a foreign exchange loss of $222,199 for the nine months ended September 30, 2023. Rio2 Limited, the parent company of the consolidated group of companies, has a Canadian dollar functional currency, while all of the subsidiaries have a United States dollar functional currency. Due to United States dollar intercompany loans owing from the subsidiaries to Rio2 Limited, there was a large foreign exchange gain in Rio2 Limited due to the strengthening of the United States dollar over the nine months ended September 30, 2024. There is no offset of this gain in the subsidiaries as the subsidiaries have a United States dollar functional currency. The foreign exchange gain resulting from the intercompany loans is offset by an exchange loss on translation of foreign operations of $1,755,902 reported in Other comprehensive income or loss.

CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

Cash flows provided by (used in) operating activities

Cash flow used in operating activities was $3,877,956 during the nine months ended September 30, 2024, compared to cash provided by operating activities of $2,495,462 during the nine months ended September 30, 2023. This change was predominantly the result of an increase in input taxes recoverable of $757,239 for the nine months ended September 30, 2024 compared to a decrease of $6,107,680 for the nine months ended September 30, 2023 due to IVA refunds received in Chile in 2023, partially offset by a decrease in accounts payable of $27,420 compared to a decrease of $1,187,540 due to timing of vendor payments, and foreign exchange gain of $1,877,750 compared to $31,148 due to fluctuations in foreign exchange rates.

Cash flows provided by (used in) financing activities

Cash flow provided by financing activities was $15,525,990 during the nine months ended September 30, 2024, compared to $141,518 used in financing activities during the nine months ended September 30, 2023. During the nine months ended September 30, 2024, there was a private placement of common shares that raised $15,643,414 net of share issuance costs. Additionally, $117,424 of lease payments were made during the nine months ended September 30, 2024, compared to $141,518 of lease payments during the nine months ended September 30, 2023.

Cash flows used in investing activities

Cash flow used in investing activities was $1,927,411 during the nine months ended September 30, 2024, compared to $1,577,151 used in the nine months ended September 30, 2023. The increase was primarily due to increased investment in the Fenix Gold Project expenditures capitalized in mineral properties of $1,840,099 during the nine months ended September 30, 2024 compared to $935,620 in the nine months ended September 30, 2023. The increase in investment in 2024 compared to 2023 was due to the approval of the EIA in December 2023 and the resuming of expenditures relating to the Fenix Gold Project, primarily in engineering studies and community initiatives. This was partially offset by lower expenditures in property and equipment in the current period.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2024, the Company had cash totalling $14,349,235 (December 31, 2023 - $4,550,420), short- term investments of $46,000 (December 31, 2023 - $46,000) and current liabilities of $840,980 (December 31, 2023 - $633,811). The current liabilities are accounts payable and accrued liabilities of $689,963 due on demand (December 31, 2023 - $482,481), as well as the current portion of lease liability of $151,017 (December 31, 2023 - $151,330).

As at September 30, 2024, Rio2 had the following obligations:

	Within 1 year	2 to 5 years	Over 5 years	Total
Lease commitments	$ 151,017	$ 194,043	$ -	$ 345,060
Asset retirement obligation	-	4,082,527	-	4,082,527
Water supply contract	118,260	2,010,420	8,830,080	10,958,760
	$ 269,277	$ 6,286,990	$ 8,830,080	$ 15,386,347

On April 17, 2024, the Company issued 59,030,000 common shares in a private placement. The shares were issued at a price of C$0.39 for gross proceeds of C$23,021,700. There were share issuance costs of CAD$1,442,445, for net proceeds of CAD$21,579,255. Translated to US dollars at the time of the transaction, the net proceeds of the private placement were $15,643,414.

The proceeds of the April 2024 Offering were to be used to fund the development of the Company's Fenix Gold Project and associated mine and camp infrastructure. The remaining proceeds are expected to be used for general working capital purposes.

The following table sets out the intended uses of the proceeds as well as the actual spend, in US$ million:

Activity	Amount budgeted	Spent as at September 30, 2024	Amount remaining
Working capital and general corporate purposes	$ 5.5	$ 1.2	$ 4.4
Capital Assets	5.0	0.1	4.9
General and admin – Fenix Gold Project	1.6	0.8	0.7
Technical report (expansion study)	0.7	0.1	0.6
Permitting and concession fees	1.0	0.3	0.7
Environmental monitoring obligations	0.2	0.0	0.2
Community relations	0.1	0.1	0.0
Input taxes on expenditures (which will be recorded as tax credits and are refundable in the future)	1.5	0.1	1.4
Total	$ 15.7	$ 2.7	$ 12.9

On October 21, 2024, the Company announced that it arranged a mine construction financing package for the construction of the Fenix Gold Project. The financing package is comprised of a US$120 million financing package with Wheaton, in addition to a public offering of common shares and a private placement of common shares with Wheaton.

The financing package with Wheaton (the "Wheaton Financing") is comprised of (i) a US$100 million flexible prepay arrangement, (ii) a US$20 million contingent cost overrun facility in the form of a standby loan facility and (iii) a CAD$5 million private placement of common shares.

Concurrent to the Wheaton Financing, the Company and Wheaton also agreed to an amendment (the "Gold Stream Amendment") to the existing Precious Metals Purchase Agreement ("PMPA") that was entered into on November 15, 2021. More details about the Wheaton Financing and the Gold Stream Amendment can be found in the Subsequent Events section of this MD&A.

On October 29, 2024, the Company closed a public offering of 97,307,710 common shares at a price of CAD$0.65 per share for gross proceeds of C$63.2 million, equivalent to US$45.5 million.

On October 29, 2024, the Company closed its private placement of 7,692,308 common shares to Wheaton at a price of C$0.65 per share for gross proceeds of C$5 million, equivalent to US$3.6 million.

OFF-BALANCE SHEET ARRANGEMENTS

At September 30, 2024, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations, or any obligations that trigger financing, liquidity, market, or credit risk to the Company.

RELATED PARTY TRANSACTIONS AND BALANCES

Key management consists of the Board of Directors and senior management. Senior management is defined as the President & CEO, and Executive Vice Presidents.

Key management compensation for the three and nine months ended September 30, 2024, and 2023 was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Senior management employment costs	$ 260,988	$ 220,014	$ 744,392	$ 649,064
Directors fees	35,708	35,967	116,544	111,280
Share-based compensation	39,855	108,994	164,951	310,858
	$ 336,551	$ 364,975	$ 1,025,887	$ 1,071,202

PROPOSED TRANSACTIONS

As at the date of this MD&A, there are no proposed transactions.

SUBSEQUENT EVENTS

Subsequent to September 30, 2024:

a. On October 21, 2024, the Company announced that it arranged a mine construction financing package for the construction of the Fenix Gold Project. The financing package is comprised of a US$120 million financing package with Wheaton, in addition to a public offering of common shares and a private placement of common shares with Wheaton.

   The Wheaton Financing is comprised of (i) a US$100 million flexible prepay arrangement (the "Flexible Prepay Arrangement"), (ii) a US$20 million contingent cost overrun facility in the form of a standby loan facility (the "Standby Loan Facility") and (iii) a CAD$5 million private placement of common shares.

   The Flexible Prepay Arrangement is comprised of US$100 million across two equal tranches in exchange for total gold deliveries of 95,000 ounces of gold between years 2026 and 2032, delivered on the following schedule: 8,000 ounces in 2026, 14,000 ounces in 2027, 15,000 ounces in each year from 2028 through 2031, and 13,000 ounces in 2032.

   The Company is to receive payments from Wheaton for all gold ounces delivered equal to 20% of the spot gold price, provided that the purchase price will be adjusted downward if the market price of gold is less than US$1,900 per ounce. The Company will have the option for early repayment of the Flexible Prepay Arrangement without penalty during a two-year period in 2028 and 2029. The Flexible Prepay Arrangement shares in the same security as the Existing Stream.

   The Standby Loan Facility is comprised of US$20 million available following drawdown of the Flexible Prepay Arrangement and satisfaction of certain conditions. The Standby Loan Facility carries an interest rate of 3-month Term SOFR plus 9.50% per annum, standby fee of 1.50% per annum, with a maturity of four years following first drawdown.

   Concurrent to the Wheaton Financing, the Company and Wheaton also agreed to an amendment (the "Gold Stream Amendment") to the existing Precious Metals Purchase Agreement ("PMPA") that was entered into on November 15, 2021. Under the Gold Stream Amendment, the Company and Wheaton have agreed to adjust the commencement date for the calculation of delay ounces so that those that have already accrued or that would have accrued to the end of 2026 are waived, and increase ongoing payments for gold ounces delivered to 20% of the spot gold price (vs. 18% previously) until the value of gold delivered less the ongoing payment equals the upfront consideration. The remaining deposit of US$25 million under the PMPA is expected to be available to Rio2 following completion of the public offering of October 2024.

b. On October 29, 2024, the Company closed its private placement of 7,692,308 common shares to Wheaton at a price of C$0.65 per share for gross proceeds of C$5 million, equivalent to US$3.6 million.

c. On October 29, 2024, the Company closed a public offering of 97,307,710 common shares at a price of CAD$0.65 per share for gross proceeds of C$63.2 million, equivalent to US$45.5 million.

d. Subsequent to September 30, 2024 and up to the filing date of these financial statements, a total of 2,330,000 stock options were exercised at a weighted average exercise price of C$0.55 per share.

RISKS AND UNCERTAINTIES

The Company's business consists of the exploration and evaluation of mineral properties and is subject to certain risks. The risks described below are not the only risks facing the Company and other risks now unknown to the Company may arise, or risks now thought to be immaterial may become material. No guarantee is provided that other factors will not affect the Company in the future. Many of these risks are beyond the control of the Company.

Limited History of Operations

The Company has had a limited operating history upon which an evaluation of the Company, its current business and its prospects can be based. An investor should consider any purchase of the Company's securities in light of the risks, expenses, and problems frequently encountered by all companies in the early stages of their corporate development.

Risks Inherent in Acquisitions

It is part of the Company's corporate strategy to actively pursue the acquisition of exploration, development and production assets consistent with its acquisition and growth strategy. From time to time, the Company may also acquire securities of or other interests in companies with respect to which it may enter into acquisitions or other transactions. Acquisition transactions involve inherent risks, including but not limited to:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities, and potential profitability of acquisition candidates;
- ability to achieve identified and anticipated operating and financial synergies;
- unanticipated costs;
- diversion of management attention from existing business;
- potential loss of the Company's key employees or key employees of any business acquired;
- unanticipated changes in business, industry, or general economic conditions that affect the assumptions underlying the acquisition; and
- decline in the value of acquired properties, companies, or securities.

Any one or more of these factors or other risks could cause the Company not to realize the anticipated benefits of an acquisition of properties or companies and could have a material adverse effect on its financial condition.

Dilution and Future Sales of Common Shares

The Company is in the exploration and evaluation stage of its corporate development; it owns no producing properties and, consequently has no current operating income or cash flow from the properties it holds, nor has it had any income from operations in the past three financial years.

As a consequence, the operations of the Company are primarily funded by equity subscriptions. The Company may issue additional shares in the future, which may dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of common shares and shareholders will have no pre-emptive rights in connection with further issuances.

Nature of Mining, Mineral Exploration and Development Projects

Mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in the exploration, development, and production of minerals, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses, and possible legal liability.

Development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Uncertainty of Exploration and Development Projects

The future development of the Fenix Gold Project requires the construction and operation of a mine, processing plant and related infrastructure. As a result, the Company is subject to all of the risks associated with establishing mining operations, including:

- the timing and cost, which will be considerable, of the construction of mining and processing facilities;
- the availability and costs of skilled labour, power, water, transportation and mining equipment;
- costs of operating a mine in a specific environment;
- the need to obtain necessary environmental and other governmental approvals and permits, and the timing of those approvals and permits;
- adequate access to the site; and

- unforeseen events.

The costs, timing and complexities of mine construction and development are increased by the remote location of the Company's properties. It is not unusual for a new mining operation to experience unexpected problems and delays during the construction and development of the mine. In addition, delays in the commencement or expansion of mineral production often occur and, once commenced or expanded, the production of a mine may not meet expectations or estimates set forth in the feasibility study. Accordingly, there are no assurances that the Company will successfully develop mining activities at properties.

The availability of funds under the Gold Stream Amendment, the Flexible Prepay Arrangement and the Standby Loan Facility is subject to conditions.

The availability of funds under each of the Gold Stream Amendment, the Flexible Prepay Arrangement and the Standby Loan Facility remain subject to satisfaction of a number of conditions. There can be no certainty that these conditions will be satisfied for any or all of the Gold Stream Amendment, the Flexible Prepay Arrangement and the Standby Loan Facility. If these conditions are not satisfied, the Company may not have the funds required for the purposes contemplated under "Use of Proceeds" from other sources on commercially reasonable terms or at all.

Failure to reach commercial production milestones at the Fenix Gold Project on the anticipated timelines could result in material adverse effects under the Amended PMPA.

If the Company has not achieved commercial production at the Fenix Gold Project by December 31, 2026, Rio2 will be obligated to deliver additional ounces of refined gold to WPMI under the Amended PMPA (the "Delay Payment"). If by December 31, 2027, the Fenix Gold Project does not attain threshold production of at least 45,000 ounces of gold in any 12 month consecutive period, WPMI may elect to terminate the Amended PMPA on 90 days prior written notice, and Rio2 must then (i) return the initial deposit of $25 million, the second deposit of $25 million, expected to be received after closing of the Offering, and the $100 million deposit under the Flexible Prepay Arrangement, and (ii) deliver the balance of all accumulated Delay Payments. The termination of the Amended PMPA and the return of the initial deposit may have a material and adverse effect on Rio2's financial condition, liquidity, capital resources, and ability to advance production of the Fenix Gold Project.

The Company is subject to debt risk under the Standby Loan Facility.

The Company's ability to make scheduled payments under the Standby Loan Facility, if the Standby Loan Facility is drawn upon, will depend on its financial condition and operating performance, which are subject to the ability to commence production at the Fenix Gold Project, and other financial, business, legislative, regulatory and other factors beyond the Company's control. There is no guarantee that additional funding will be available to refinance the Standby Loan Facility if needed.

The Company is exposed to interest rate risk on variable rate Standby Loan Facility.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due, including, among others, debt repayments, interest payments and contractual commitments. If the Company's cash flows and capital resources are insufficient to fund its debt service obligations, the Company could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance the Company's indebtedness, including indebtedness under the Standby Loan Facility. The Company may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternatives may not allow the Company to meet its scheduled debt service obligations.

Uninsured Risks Exist and May Affect Certain Values

The Company maintains insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave-ins, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company's common shares.

Key-Man and Liability Insurance Factors Should be Considered

The success of the Company will be largely dependent upon the performance of its key officers. The Company has not, as yet, purchased any "key-man" insurance with respect to any of its directors, officers, and key employees and has no current plans to do so.

Although the Company may obtain liability insurance in an amount that management considers adequate, the nature of the risks for mining companies is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Dependence on Outside Parties

The Company has relied upon consultants, engineers and others and intends to rely on these parties for development, construction, and operating expertise. Substantial expenditures are required to construct mines, to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Ability to Attract and Retain Qualified Personnel

Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative and mining personnel as well as additional operations staff. If the Company is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have a material adverse impact on the Company's future cash flows, earnings, results of operations, and financial condition.

Factors Beyond Company's Control

The exploration and development of mineral properties and the marketability of any minerals contained in such properties will be affected by numerous factors beyond the control of the Company. These factors include government regulation, high levels of volatility in market prices, availability of markets, availability of adequate transportation and processing facilities and the imposition of new or amendments to existing taxes and royalties. The effect of these factors cannot be accurately predicted.

Government Regulation and Permitting

The current or future operations of the Company, including development activities, require permits from various federal, provincial or territorial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, water use, environmental protection, land claims of local people, mine safety, and other matters.

Such exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that will require the Company to obtain permits, licences, and approvals from various governmental agencies. There can be no assurance, however, that all permits, licences, and approvals that the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Company might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

Amendments to current laws, regulations, and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

To the best of the Company's knowledge, it is operating in compliance with all applicable rules and regulations.

Environmental Risks and Hazards

The Company's activities are subject to extensive national, provincial, and local laws and regulations governing environmental protection and employee health and safety. The Company is required to obtain governmental permits and provide bonding requirements under environmental laws. All phases of the Company's operations are subject to environmental regulation. These regulations mandate, among other things, the maintenance of water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage, and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, and more stringent environmental assessments of proposed projects. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Environmental laws and regulations are complex and have tended to become more stringent over time. These laws are continuously evolving. The Company is not able to predict the impact of any future changes in environmental laws and regulations on its future financial position due to the uncertainty surrounding the ultimate form such changes may take.

Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions, and delays in the activities of the Company, the extent of which cannot be predicted.

Other Tax Considerations

The Canadian federal and provincial tax treatment of natural resource activities has a material effect on the advisability of investing in mining companies. The ability of the Company to claim and collect tax credits relating to its natural resource activities and the return on an investment in common shares will be subject to applicable tax laws. There can be no assurance that applicable tax laws will not be amended so as to fundamentally alter the tax consequences of claiming and collecting tax credits and holding or disposing of the common shares.

Share Price Fluctuations

The market price of securities of many companies, particularly development stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance or the underlying asset values of prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

Price Volatility of Publicly Traded Securities

Securities of exploration and mining companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the relative attractiveness of particular industries. The Company's share price is also likely to be significantly affected by short-term changes in metal prices or by the Company's financial condition or results of operations as reflected in quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the common shares include the following:

- the extent of analyst coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow its securities;

- limited trading volumes and general market interest in the Company's securities may affect an investor's ability to trade the common shares; and

- the relatively small number of publicly held common shares may limit the ability of some institutions to invest in the Company's securities.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the Company's long-term value.

Cyber Security

The Company depends upon information systems and other digital technologies for controlling operations, processing transactions and summarizing and reporting results of operations ("IT systems"). The secure processing, maintenance and transmission of information is critical to the Company's operations. These IT systems or those of the Company's suppliers could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to infrastructure, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in IT system failures, delays and/or increase in capital expenses. The failure of IT systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Cyber Security risks have increased in recent years as a result of the proliferation of new technologies and the increased sophistication of cyber-attacks and data security breaches, as well as due to international and domestic political factors including geopolitical tensions, armed hostilities, war, civil unrest, sabotage and terrorism. Human error can also contribute to a cyber incident, and cyber-attacks can be internal as well as external and occur at any point in the Company's supply chain. Although to date the Company has not experienced any material losses relating to cyberattacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of the Company may be subject in connection with the operations of the Company. Some of the directors and officers of the Company may be, or may become, engaged in the mineral exploration or mining industry, and situations may arise where directors, officers, and promoters will be in direct conflict with the Company. Such conflicts must be disclosed in accordance with and are subject to such other procedures and remedies as apply under, the *Ontario Business Corporations Act*, and the applicable statutes of the jurisdictions of incorporation of the Company's subsidiaries.

MATERIAL ACCOUNTING POLICIES

The Company's material accounting policies are presented in Note 2 of the Company's consolidated financial statements for the year ended December 31, 2023. These accounting policies can have a significant impact on the financial performance and financial position of the Company. Except as described below, there were no changes in material accounting policies during the three and nine months ended September 30, 2024.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. Under existing requirements, a liability is current if an unconditional right to defer settlement of the liability for at least twelve months after the reporting period does not exist. With the introduction of the two amendments to IAS 1 in 2024, for a liability to be classified as non-current, a company must have the right to defer settlement of the liability for at least twelve months after the reporting period. The right must have substance and exist at the end of the reporting period, and the classification of the liability must be unaffected by the likelihood that the company will exercise that right. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with early application permitted and have been applied with no material impact on the Company in the current reporting period.

Mineral properties development costs

Once the technical feasibility and commercial viability of the Fenix Gold Project have been established, the property is no longer in the exploration and evaluation phase ("E&E") and is considered to be a mineral property under development. Technical feasibility and commercial viability generally coincide with the attainment of a positive feasibility study and governmental authorization to develop a mine. From that time, following an assessment for impairment, costs incurred directly related to mine development and construction are capitalized as development costs.

Mineral properties under development are carried at cost, less any impairment, until such time as the assets are substantially ready for their intended use, being commercial production at operating levels intended by management, or sale.

Upon entering the commercial production phase, development costs will be transferred to producing properties and will be amortized using the units of production method using proven and probable reserves. Depletion will be determined each period using gold equivalent ounces mined over the property's estimated recoverable reserves.

CRITICAL ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions which affect the reported amount of the Company's assets, liabilities, expenses, and related disclosures. Assumptions and estimates are based on historical experience, expectations, current trends, and other factors that management believes to be relevant at the time at which the Company's financial statements are prepared.

Management reviews, on a regular basis, the Company's accounting policies, assumptions, estimates, and judgements in order to ensure that the financial statements are presented fairly and in accordance with IFRS Accounting Standards.

Critical accounting estimates are those that have a significant risk of causing material adjustment and are often applied to matters or outcomes that are inherently uncertain and subject to change. As such, management cautions that future events often vary from forecasts and expectations and that estimates routinely require adjustments.

The Company makes estimates and assumptions concerning the future. In preparing the unaudited condensed consolidated interim financial statements, the Company applied the same areas of estimation and judgement as those that were applied to the Company's audited consolidated financial statements for the fiscal year ended December 31, 2023, except as follows:

Determination of commercial viability and technical feasibility of the Fenix Gold Project

The application of the Company's accounting policies for exploration and evaluation assets and mineral properties development costs requires judgment to determine when technical feasibility and commercial viability of the Fenix Gold Project was demonstrable. The Company considered the positive NI 43-101 compliant Feasibility Study and the receipt of key sectorial permits received and concluded that commercial viability and technical feasibility of the Fenix Gold Project had been confirmed on September 30, 2024. At this point, the related Exploration and Evaluation assets were reclassified to mineral properties and tested for impairment.

FINANCIAL INSTRUMENTS

Financial instruments disclosures require the Company to provide information about: a) the significance of financial instruments for the Company's financial position and performance and, b) the nature and extent of risks arising from financial instruments to which the Company is exposed during the period and at the statement of financial position date, and how the Company manages those risks. Please refer to the Company's 2023 annual financial statements for a discussion of the factors that impact Rio2.

FUNCTIONAL CURRENCY

The functional currencies of the Company and its subsidiaries, all of which are wholly owned, were as follows for the periods presented.

Name	Functional Currency
Rio2 Limited	Canadian dollar
Fenix Gold Limitada	United States dollar
Rio2 S.A.C.	United States dollar
Rio2 Exploraciones S.A.C.	United States dollar
Lince S.A.	United States dollar
Rio2 Bahamas Limited	United States dollar

MATERIAL LEGAL PROCEEDINGS

The Company is not a party to any legal proceedings.

EXECUTIVE TEAM

Alexander Black	-	Executive Chairman of the Board
Andrew Cox	-	President, Chief Executive Officer and Director
Kathryn Johnson	-	Executive Vice President – Chief Financial Officer and Corporate Secretary

BOARD OF DIRECTORS

Alex Black	-	Executive Chairman
Dr. Klaus Zeitler	-	Lead Director
Andrew Cox	-	President, Chief Executive Officer and Director
Drago Kisic	-	Director
Ram Ramachandran	-	Director
Sidney Robinson	-	Director
Albrecht Schneider	-	Director

OUTSTANDING COMMON SHARES, OPTIONS, RESTRICTED SHARE UNITS AND WARRANTS

As at November 15, 2024 there were 424,303,875 issued and fully paid common shares.

<u>Stock Options</u>

The following table summarizes the Company's stock options as at November 15, 2024:

Outstanding Exercisable

Outstanding			Exercisable	
Number of Options	Weighted average remaining contractual years	Weighted average exercise price C$	Number of Options	Weighted average exercise price C$
3,050,000	0.01	0.55	3,050,000	0.55
3,650,000	0.61	0.65	3,650,000	0.65
4,100,000	1.85	0.65	4,100,000	0.65
2,100,000	2.16	0.65	1,400,000	0.65
6,700,000	3.16	0.30	2,300,000	0.30
19,600,000	1.95	0.52	14,500,000	0.57

Each option entitles the holder to purchase one common share for a period of five years from the date of grant. The options granted by Rio2 vest 1/3 equally over a three-year period. The grant of the RSUs and options is subject to the terms of the Share Incentive Plan and the 2023 Stock Option Plan respectively, and final regulatory approval and if applicable, shareholder approval.

Restricted Share Units

RSUs outstanding as at November 15, 2024 are as follows:

	Number of RSUs
Outstanding, December 31, 2022	83,334
Settled in common shares	(41,667)
Outstanding, December 31, 2023*	41,667
Settled in common shares	(41,667)
Outstanding, September 30, 2024	-
Outstanding, November 15, 2024	-

The RSUs, which original terms saw a vesting schedule of 1/3 equally over a three-year period, include a time-based and a performance-based component with a multiplier as determined by the Company's Board of Directors, and entitle the holder to an amount computed by the value of a notional number of common shares designated in the award.

The RSUs may be settled in equity instruments, or cash, at the sole discretion of the Company. The choice to settle in equity instruments does not have any commercial substance and the Company does not have a past practice of settling in cash.

On January 25, 2023, 41,667 RSUs were settled. A multiplier of 2 was approved by the board of directors and therefore, 83,334 common shares were issued.

On January 3, 2024, 41,667 RSUs were settled. A multiplier of 2 was approved by the board of directors and therefore, 83,334 common shares were issued.

QUALIFIED PERSONS

Ronoel Vega, Min. Eng., MMBA, FAusIMM is the Qualified Person for the Company.

TECHNICAL INFORMATION

Where appropriate, certain information contained in this MD&A regarding the Company's Fenix Gold Project or in a document incorporated or deemed to be incorporated by reference herein updates information from the report entitled "NI 43-101 Technical Report on the Feasibility Study for the Fenix Gold Project" dated October 16, 2023, prepared by Mining Plus Peru. The qualified persons involved in the preparation of the FS were Erick Ponce (QP) FAusIMM(Min), Anthony Maycock (QP) P. Eng, Denys Parra (QP) SME, Carlos Arevalo (QP) Chilean Mining Commission, Registered Member, Andres Beluzan (QP) Chilean Mining Commission, Registered Member, and Francisco Javier Rovira (QP) Competent Person in Mineral Resources and Reserves and addressed to Rio2 Limited (the "Fenix Technical Report"). Any updates to the scientific or technical information derived from the Fenix Technical Report and any other scientific or technical information contained in this MD&A were approved by Ronoel Vega, Min. Eng., MMBA, FAusIMM, a "Qualified Person" under National Instrument 43-101.

FORWARD-LOOKING INFORMATION

This MD&A contains certain statements that may constitute "forward-looking statements." All statements, other than statements of historical fact, included herein, including but not limited to, statements regarding future anticipated property acquisitions, the nature of future anticipated exploration programs and the results thereof, discovery and delineation of mineral resources/reserves, business and financing plans and business trends, are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct.

Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, variations in the nature, quality and quantity of any mineral deposits that may be located, variations in the market for, and pricing of, any mineral products the Company may produce or plan to produce, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, the Company's inability to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, and other risks and uncertainties identified herein under "Risks and Uncertainties".

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 any of those forward-looking statements. For this reason, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant fluctuations in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to develop any of its present or future mineral properties.

Additional information regarding the Company and factors that could affect its operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR+ website (www.sedarplus.ca). Furthermore, the forward-looking statements contained in this MD&A are made as at the date of this MD&A and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement.

INTERNAL AND DISCLOSURE CONTROLS OVER FINANCIAL REPORTING

The Company is exempted from providing certifications regarding its disclosure controls and procedures as well as regarding its internal control over financial reporting as a "venture issuer". The Company is required to file basic certificates, which it has done for the period ended September 30, 2024. The Company makes no assessment relating to the establishment and maintenance of (i) disclosure controls and procedures or (ii) internal control over financial reporting (as such terms are defined under Multilateral Instrument 52-109) as at September 30, 2024.