



RIO2 LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019

The following management's discussion and analysis ("MD&A") was prepared as of November 18, 2019 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, 2019 and 2018, the audited consolidated financial statements for the years ended December 31, 2018 and 2017 and the related notes thereto.

The unaudited condensed interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are expressed in Canadian dollars unless otherwise stated.

The Company's common shares (the "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, ON, M5X 1E2 and its head office is at The Marine Building, 1260-355 Burrard Street, Vancouver, BC, V6C 2G8.

Additional information relating to the Company can be found on SEDAR at www.sedar.com and may be obtained by contacting the Company at info@rio2.com.

DESCRIPTION OF BUSINESS

Rio2 is building a multi-asset, multi-jurisdiction, precious metals company focused in the Americas. With projects in Chile and Peru, Rio2 will continue pursuing additional strategic acquisitions to compile a portfolio of precious metals assets where it can deploy its operational excellence and responsible mining practices to create value for its shareholders.

Rio2's management team has a proven record of developing and operating heap leach gold mines in South America. Rio2's management team has successfully acquired and developed mines with an organizational culture that focuses on prudent capital management and the development of high-margin, strong free-cash-flowing mining operations. The Rio2 team has successfully demonstrated through its development and operational track record that it is capable of generating solid returns for shareholders.

Through its strategy of acquiring precious metals assets at exploration, development, and operating stages, the executive team intends to grow Rio2 and create long-term shareholder value through the development of high-margin, strong free-cash-flowing mining operations.

The Company incurred a net and comprehensive loss for the nine months ended September 30, 2019 of \$6,855,428 (nine months ended September 30, 2018 – \$4,495,562) and negative cash flows from operations of \$7,437,719 for the nine months ended September 30, 2019 (nine months ended September 30, 2018 – \$10,280,882). As at September 30, 2019, the Company had an accumulated deficit of \$34,487,483 (December 31, 2018 – \$27,632,055). The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to pay its liabilities when they become due. External financing, predominately by the issuance of equity, will be sought to finance the operations of the Company and enable the Company to continue its efforts towards the exploration and development of its exploration and evaluation assets.

This condition, along with other matters set forth in Note 1 of the condensed interim consolidated financial statements for the three and nine months ended September 30, 2019 and 2018, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

On January 22, 2019, the Company announced drilling results from the first 11 reverse circulation ("RC") drill holes and 4 surface trenches at its Fenix Gold Project located in the Maricunga region, Chile. The drilling represented 2,236 meters drilled to date of an approximate 7,000-meter drilling program that had commenced in late November 2018. The objective of this drilling was to intersect and define east-west structural feeders that the geologists believe are controlling the near surface higher grade mineralization. The Company's geologists also resampled surface exposures of the mineralized resource to include this information in the revised resource estimate.

On March 13, 2019, the Company announced that it closed the second and final tranche of its non-brokered private placement previously announced on February 14, 2019 (the "Offering"). Together with the first tranche closing, the Company issued 15,217,391 units for aggregate gross proceeds of \$7,000,000. Each Unit consists of one common share of Rio2 ("common share") and one whole common share purchase warrant ("warrant"). Each warrant will entitle the holder thereof to acquire one additional Common Shares at a price of \$0.65 per Common Share for a period of two years following the issuance of the warrant. The Corporation will use the net proceeds of the Offering for work and studies in connection with completion of an updated resource estimate for the Company's Fenix Gold Project, including the 7,000 meter drilling program and surface sampling program, and the Company's ongoing water options study and environmental baseline studies and for general working capital purposes, including expenses of the Offering.

On March 14, 2019, the Company announced that Rio2 began trading on the OTCQX® Best Market under the ticker "RIOFF". U.S. Investors can find current financial disclosure and Real-Time Level 2 quotes for the company on www.otcmarkets.com.

On March 21, 2019, the Company announced additional drilling results from 28 reverse circulation ("RC") drill holes and 6 surface trenches at its Fenix Gold Project. The drilling represented the final 4,830 meters drilled of a 7,066 meter drilling program that commenced in late November 2018, which focused on the US\$ 728 pit shell defined in "NI 43-101 Technical Report on the Cerro Maricunga Project Pre-Feasibility Study Atacama Region, Chile" dated October 6, 2014 with an effective date of August 19, 2014, a copy of which document is available on SEDAR under Rio2's SEDAR profile at www.sedar.com. The Cerro Maricunga Project was renamed the Fenix Gold Project by Rio2 in 2018.

The total mineral proven and probable reserve estimate as outlined in the 2014 Technical Report is 294.4 million tonnes at an average grade of 0.40 g/t gold for a total of 3,743,000 gold ounces. The Company's geologists believe that there is a high-grade component to the resource related to structures and breccias, which are prevalent in the deposit but have not been defined in the current resource estimate that has been simply constrained by a 0.15 g/t Au grade shell without considering geological domaining. The Company's geologists have also resampled surface exposures of the mineralized resource to include this information in the revised resource estimate. Previous surface sampling was not included in the current resource estimate despite a high proportion of samples being above the average mineralized resource grade and the resource outcropping at surface.

On April 16, 2019, Rio2 provided a project update for its Fenix Gold Project. Rio2 continues to advance the Fenix Gold Project to production and completed a number of activities as planned. Rio2 has decided to complete an update to the Pre-feasibility Study, ("PFS") which was undertaken by its previous owners, Atacama Pacific Gold Corporation. This will illustrate how Rio2 intends to develop the Project.

The updated resource estimation is completed and as was expected, there are no material changes in overall grade and contained metal compared to the resource model outlined in the 2014 PFS. The recent

7,000m drilling focused on the USD\$728 pit shell has confirmed the higher-grade nature of material at surface, constrained by the pit shell.

Concurrently with the completion of the updated PFS, the Company is completing a water options study which is focused on identifying and locating water rights close to the Fenix Gold Project for use during the proposed starter phase of the project. Locating water rights near to the project will allow Rio2 to accelerate its development plan and enable the Company to develop the larger water project from Copiapo for the longer term, larger project planned for the Fenix Gold Project which will follow the starter phase.

On May 29, 2019, Rio2 announced that the Company held its Annual and Special General Meeting on May 28, 2019. Shareholders voted in favour of all items put forward by the Board of Directors and management.

On August 13, 2019, Rio2 issued 62,500,000 units (the "Units") of the Company at a price of \$0.40 per Unit for aggregate gross proceeds of \$25,000,000 (the "Offering"). Each Unit consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.50 for a period of 36 months following the closing of the Offering.

The net proceeds of the Offering will be used to complete the following activities for the Fenix Gold Project; complete the Project's EIA baseline study, prepare and file the EIA study with the Chilean authorities, complete engineering studies in preparation for future mine construction activities, commence permitting activities for the project, commence the review of financing options for construction of the project and continue social activities related to the project, as well as for general corporate and working capital purposes.

Cormark Securities Inc. (the "Underwriter") acted as sole underwriter in connection with the Offering. The Company paid the Underwriter a cash commission equal to 6% of the gross proceeds from the Offering.

On September 4, 2019 Rio2 announced the results of the updated mineral resource estimate ("MRE") and PFS for its Fenix Gold Project. This updated PFS is the Company's base case to accelerate development and start production in the shortest possible time. Base case economics for this PFS were calculated using a \$1,300 US Dollar ("USD") per oz gold price.

The updated MRE for the Project is 5.0 million oz of gold in the measured and indicated category and 1.4 million oz of gold in the inferred category constrained within a \$1,500 USD gold price pit shell. The mineral resource remains open at depth and along strike.

This PFS is strategically focused on an optimally configured mine plan which will facilitate the shortest possible timeline to construction/production, a lower initial capex, higher grades initially being mined, and a lower initial strip ratio as compared with the 2014 PFS. The PFS focuses on a low-cost heap leach gold mine with 1.83 million ounces ("oz") of gold reserves that will produce 1.37 million oz of gold.

The PFS contemplates mining ore at a rate of 20,000 tonnes per day ("tpd") with water for the project being trucked from Copiapo. This compares with the ore mining rate of the 2014 PFS which was a constant 80,000 tpd with water for the project being piped from Copiapo. To maximize cash-flow, high-grade ore will be placed on the leach pad during the initial 13 years of production and low-grade ore will be stockpiled for leaching in the subsequent 3 years of production giving a total mine life of 16 years. Average annual gold production during the first 13 years will be 93,000 oz and 50,000 oz during the final 3 years of production as stockpiled ore is being crushed and leached.

With a large mineralized resource and potential for resources to grow through further drilling, there remains considerable opportunity to increase annual production and extend the mine life of the Fenix Gold Project. Timing to increase production will depend on transporting a greater volume of water via a pipeline, alternative water solutions closer to the project and changes to the gold price during the initial years of production.

On September 9, 2019 Rio2 announced that it granted an aggregate of 150,000 Restricted Stock Units that may be converted into common shares of Rio2, as well as 5,680,000 incentive stock options to purchase Rio2 common shares to directors, officers, employees and consultants pursuant to Rio2's Share Incentive Plan and Stock Option Plan.

The Company also announced on September 9, 2019 that its common shares, traded in the United States under the symbol RIOFF, are now eligible for electronic clearing and settlement through the Depository Trust Company in the United States. The Depository Trust Company (DTC) is a subsidiary of the Depository Trust & Clearing Corporation DTCC, and manages the electronic clearing and settlement of publicly traded companies. Securities that are eligible to be electronically cleared and settled through the DTC are considered "DTC eligible". This electronic method of clearing securities speeds up the receipt of stock and cash, and thus accelerates the settlement process for investor.

On October 17, 2019 Rio2 announced that it filed an independent technical report dated October 15th, 2019, entitled "Updated Pre-feasibility Study for the Fenix Gold Project (the "Technical Report") pursuant to National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"). The Technical Report has an effective date of August 15th, 2019 and supports the disclosure made by the Company in its news release dated September 4, 2019 announcing the results of the pre-feasibility study on the Fenix Gold Project.

REVIEW OF PROPERTIES

Exploration and Evaluation Assets

	Fenix Gold Project Chile	Anocarire Gold Project Chile	Kalzas Yukon	Total
Balance, December 31, 2017	\$ -	\$ -	\$ 13,901	\$ 13,901
Acquisition of Atacama Pacific	50,684,315	6,317,160	-	57,001,475
Additions	2,405,220	-	-	2,405,220
Effect of exchange rate	-	195,686	-	195,686
Option income received	-	(262,680)	-	(262,680)
Impairment of property	-	-	(13,901)	(13,901)
Balance, December 31, 2018	\$53,089,535	\$ 6,250,166	\$ -	\$ 59,339,701
Additions	2,637,963	-	-	2,637,963
Effect of exchange rate	-	(148,488)	-	(148,488)
Balance, September 30, 2019	\$55,727,498	\$ 6,101,678	\$ -	\$ 61,829,176

Fenix Gold Project (Chile)

On July 24, 2018, the Company acquired the Fenix Gold Project. Evaluation related costs were capitalized to the asset from the date of acquisition by Rio2. Additions to the Fenix Gold Project included drilling, technical consultant fees and equipment rentals.

Anocarire Project (Chile)

On July 24, 2018, the Company acquired the Anocarire Gold Project. Upon acquisition, the value of \$6,317,160 was assigned to Anocarire based on the \$4.8 million USD option payment that may be paid to Rio2 by a company controlled by Paul Champagne, a former director of Atacama Pacific. During the year ended December 31, 2018, a payment of \$200,000 USD was received on the payment. On September 27, 2019 the option payment was revised to receive a payment of \$600,000 USD on October 31, 2019 and an

additional payment of \$5,000,0000 USD on June 30, 2020. Payments under this agreement are being recorded as a reduction of the exploration and evaluation asset.

Kalzas Property (Yukon)

Pursuant to an agreement dated August 8, 2007, the Company obtained an option to acquire a 100% interest in the Kalzas Property located in the Mayo Mining District, Yukon from Redtail Metals Corp. ("Redtail"). An asset retirement obligation of \$10,000 has been set up with respect to the property.

In June 2018, management determined that it has no intention of doing further work on the property, and therefore determined that the value of the property be written down to \$0.

Exploration expenses

The Company's exploration expenditures consist of the following for the three months ended September 30, 2019 and 2018:

	September 30, 2019		September 30, 2018
	Nexa Portfolio (Peru)	Other Projects*	Total
Technical consultants	\$ 101,837	\$ 23,875	\$125,712
Geology	-	-	-
Community relations	-	-	-
	\$ 101,837	\$ 23,875	\$125,712
			Other Projects*
			\$ 25,129
			54,619
			20,127
			\$ 224,130

*Other Projects relate to pre-exploration or project investigation of various projects.

The Company's exploration expenditures consist of the following for the nine months ended September 30, 2019 and 2018:

	September 30, 2019		September 30, 2018
	Nexa Portfolio (Peru)	Other Projects	Total
Technical consultants	\$ 131,668	\$ 49,461	\$ 181,129
Geology	-	-	-
Community relations	-	-	-
	\$ 131,668	\$ 49,461	\$ 181,129
			Total
			\$ 264,036
			70,830
			53,589
			\$ 388,455

Nexa Portfolio (Peru)

On January 22, 2019, the Company finalized an Agreement (the "Agreement") with Nexa Peru S.A.A. (formerly Compañía Minera Milpo S.A.A.) pursuant to which it has the right and option, but not the obligation, to acquire all rights and interests in the Peruvian Portfolio. The material terms of the Agreement include the following:

- Rio2 is required to incur a total of US\$5 million in exploration expenditures on the Peruvian Portfolio over a 36-month period. To date, \$1,147,285 has been incurred by Rio2.
- To exercise the option and acquire the Peruvian Portfolio, Rio2 is required to complete the US\$5 million investment within the specified time period after which it will grant Nexa a two percent net smelter return royalty over the Peruvian Portfolio.

- If the 36-month option is exercised, Rio2 will have an additional 3 years to deliver a Feasibility Study or express its decision to start a mining project.

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.

Quarter Ended	Revenue	Net Loss	Loss Per Share	Total Assets
September 30, 2019	\$ -	\$ 2,380,910	\$ 0.02	\$ 93,841,016
June 30, 2019	-	2,172,297	0.02	73,987,762
March 31, 2019	-	2,302,221	0.02	76,771,755
December 31, 2018	-	3,774,938	0.04	71,174,221
September 30, 2018	-	938,744	0.01	68,812,368
June 30, 2018	-	2,378,172	0.06	3,297,718
March 31, 2018	-	1,178,646	0.03	4,939,425
December 31, 2017	-	2,011,566	0.04	5,678,709

As the Company's projects are still in the exploration and evaluation stage, the Company continues to incur losses each quarter and the trend remains unchanged for the near future. Increased losses are likely to occur as the Company is now more actively evaluating potential opportunities.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

The principal business activity during the three months ended September 30, 2019 was the further development of the Fenix Gold Project, as well the evaluation of other precious metal projects that can be developed into mines with a view towards their acquisition.

The Company recorded a loss of \$2,380,910 for the three months ended September 30, 2019, compared to a loss of \$938,744 for the same period in 2018. The increase in loss of \$1,442,166 was primarily due to an increase in foreign exchange loss, as represented as follows:

- Foreign exchange loss - \$701,197 (2018 - \$60,512). The increase in foreign exchange loss relates primarily to the revaluation of the Anocarire option payment, as well as the revaluation of the Chilean Peso against the Canadian dollar.
- Employment costs - \$1,060,238 (2018 - \$922,254). The increase is due to the addition of employees to the Lima office, as well as a performance bonus paid to a member of the executive team.
- Directors' fees - \$55,250 (2018 - \$nil). The increase relates to payment of directors' fees to the Board of Directors, commencing July 2019.
- Professional fees - \$75,124 (2018 - recovery of \$547,518). The increase is because during the three months ended September 30, 2018 professional fees relating to the acquisition of Atacama Pacific were subsequently capitalized to the value of the net assets acquired.

These increases in expenses were offset by:

- Share based compensation - \$392,883 (2018 - \$473,188). The decrease was due to the timing of the amortization of grants during 2017 and 2018 that were largely recognized during 2018, as well as the reversal of the expense of stock options and restricted stock units that were cancelled and not vested.
- Office - \$32,714 (2018 - \$104,813). The decrease was due primarily to decreased office costs in Canada compared to the same period in 2018.

- Travel – recovery of \$67,104 (2018 - \$17,896). The recovery during the three months ended September 30, 2019 relates to transport and logistics expenses that were originally allocated to travel earlier in 2019 that are now recognized in exploration and evaluation asset additions capitalized to the Fenix Gold Project. During the same period in 2018, travel related primarily to the investigation of various potential exploration projects.
- Filing and transfer agent fees - \$16,292 (2018 - \$51,306). The decrease was due to the Company incurring additional fees during the 3 months ended September 30, 2018 during the acquisition of Atacama Pacific.
- Interest income - \$44,685 (2018 - \$18,708). The increase in interest income was due to a larger amount of funds accruing interest on deposits.

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

The principal business activity during the nine months ended September 30, 2019 was the further development of the Fenix Gold Project, as well the evaluation of other precious metal projects that can be developed into mines with a view towards their acquisition.

The Company recorded a loss of \$6,855,428 for the nine months ended September 30, 2019, compared to a loss of \$4,495,562 for the same period in 2018. The increase in loss of \$2,359,866 was primarily due to an increase in employment costs, professional fees and foreign exchange loss, as represented as follows:

- Foreign exchange loss - \$734,438 (2018 - \$45,141). The increase in foreign exchange loss relates primarily to the revaluation of the Anocarire option payment, as well as the revaluation of the Chilean Peso against the Canadian dollar.
- Employment costs - \$3,484,493 (2018 - \$1,864,765). The increase is due to the addition of employees to the Lima office, as well as a performance bonus paid to a member of the executive team.
- Professional fees - \$590,548 (2018 - \$348,764). The increase is due to increased corporate activities of Rio2 compared to the same period in 2018. During the nine months ended September 30, 2018 professional fees relating directly to the acquisition of Atacama Pacific were capitalized to the value of the net assets acquired.
- Directors' fees - \$55,250 (2018 - \$nil). The increase relates to payment of directors' fees to the Board of Directors, commencing July 2019.
- Office - \$291,970 (2018 - \$216,471). The increase was due to an increase in activities of the Company, the establishment of an office in Lima, Peru and associated rent, telecommunication expenses, and insurance.
- Amortization - \$48,959 (2018 - \$2,421). The increase was due to the amortization of mining software acquired late-2018.

These increases in expenses were partially offset by:

- Share based compensation - \$1,227,299 (2018 - \$1,522,140). The decrease was due to the timing of the amortization of grants during 2017 and 2018 that were largely recognized during 2018, as well as the reversal of the expense of stock options and restricted stock units that were cancelled and not vested.
- Exploration costs - \$181,129 (2018 - \$388,455). The decrease was due to the Company concentrating its efforts on the Fenix Gold Project, which costs were capitalized instead of expensed in accordance with the Company's exploration and evaluation policy.

- Filing and transfer agent fees - \$82,955 (2018 - \$137,821). The decrease was due to the Company incurring additional fees during the 9 months ended September 30, 2018 during the acquisition of Atacama Pacific.
- Interest income - \$44,685 (2018 - \$18,708). The increase in interest income was due to a larger amount of funds accruing interest on deposits.

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, 2019 and 2018 was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Senior management – consulting and employment costs	\$ 430,558	\$ 281,224	\$ 1,146,014	\$ 712,080
Share-based compensation	233,370	232,307	624,675	822,346
Directors' fees	55,250	-	55,250	-
	\$ 719,178	\$ 513,531	\$ 1,825,939	\$1,534,426

In addition to the compensation for directors and officers, the Company had the following transactions with related parties:

- During the three months ended September 30, 2019, the Company incurred legal fees of \$97,902 (2018 - \$162,792) from a firm in which a former director (who ceased being a director on May 28, 2019) of the Company was a partner. During the nine months ended September 30, 2019, the Company incurred legal fees of \$210,211 (2018 - \$452,862) from a firm in which a former director of the Company is a partner.
- During the three months ended September 30, 2019, the Company paid management fees of \$75,185 (2018 - \$nil) to a company in which a director of the Company is the owner. During the nine months ended September 30, 2019, the Company incurred management fees of \$224,733 (2018 - \$nil) to a firm in which a director of the Company is the owner.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company is an exploration and evaluation stage company seeking additional opportunities. The business of exploring for minerals involves a high degree of risk and there can be no assurance that any of Company's current or future exploration programs will result in profitable mining operations. The Company has no source of revenue and has significant cash requirements to meet its administrative overhead and maintain its mineral interests.

The financial statements were prepared on a "going concern" basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As of September 30, 2019, the Company had a working capital surplus of \$20,492,148 (December 31, 2018 – working capital deficiency of \$1,218,487). The Company does not currently hold any revenue-generating properties and thereby continues to incur losses. As at September 30, 2019, the Company had an accumulated deficit of \$34,487,483 (December 31, 2018 – \$27,632,055).

As of September 30, 2019, the Company has cash totalling \$2,116,379 (December 31, 2018 - \$1,101,566), short term investments of \$19,000,000 (December 31, 2018 - \$nil) and current liabilities of \$768,118

(December 31, 2018 - \$2,420,265). The current liabilities are accounts payable of \$758,118 due on demand, as well as an additional accrued liability of \$10,000 with an unknown date of settling the obligation (December 31, 2018 - Accounts payable of \$2,410,265 due on demand and accrued liabilities of \$10,000).

Following the private placement for gross proceeds of \$2,144,500 completed in November 2016, the Company had positive working capital. In February 2017, the Company completed a private placement for gross proceeds of \$7,500,000. In July 2018, the Company completed a private placement for gross proceeds of \$10,000,000, and the majority of its proceeds were used in its transaction with Atacama to acquire the Fenix Gold Project.

In February and March 2019, the Company completed a private placement for gross proceeds of \$7,000,000. In August 2019, the Company completed a bought deal for gross proceeds of \$25,000,000. Long-term, the Company's ability to execute its work plan, meet its administrative overhead obligations, discharge its liabilities and fulfill its commitments as they come due is dependent upon its success in obtaining additional financing and, ultimately, on locating economically recoverable resources and attaining profitable operations.

External financing will be sought to finance the operations of the Company and enable it to continue its efforts towards the exploration and development of its mineral properties. Failure to continue as a going concern would require the restatement of assets and liabilities on a liquidation basis, which could differ materially from the going concern basis.

OFF-BALANCE SHEET ARRANGEMENTS

At September 30, 2019, 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.

PROPOSED TRANSACTIONS

As at the date of this MD&A, the Company had no proposed transactions.

RISKS AND UNCERTAINTIES

The Company's business consists of the exploration, evaluation and development 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, 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 (Chile) requires the construction and operation of a mine, processing plant and related infrastructure. The Nexa Portfolio (Peru), or any of the Company's other exploration projects will require extensive drilling and testing before a decision is made to move forward. 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 in 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.

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 which 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, they 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 Corporation'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 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 which 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 in 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.

Conflicts of Interest

There are potential conflicts of interest 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.

CRITICAL ACCOUNTING ESTIMATES

The Company's accounting policies are presented in Note 3 to the audited consolidated financial statements for the year ended December 31, 2018. These accounting policies can have a significant impact on the financial performance and financial position of the Company.

The preparation of the audited consolidated financial statements, using accounting policies consistent with International Financial Reporting Standards ("IFRS") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), requires management to make estimates and assumptions which affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the audited consolidated financial statements, and the reported amount of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the variables used in the determination of the fair value of stock options granted. While management believes the estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

Financial Instruments

All financial instruments are classified as one of the following: held-to-maturity, loans and receivables, fair value through profit or loss ("FVTPL"), available-for-sale, or other financial liabilities. Financial assets and liabilities FVTPL are measured at fair value with gains and losses recognized in net income. Financial assets held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income and reported in shareholders' equity.

Transaction costs that are directly attributable to the acquisition or issue of financial instruments that are classified as held-to-maturity, loans and receivables, or other financial liabilities are included in the initial carrying value of such instruments and amortized using the effective interest method. Transaction costs classified as FVTPL are expensed when incurred, while those classified as available for sale are included in the initial carrying value.

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Company applied IFRS 16 effective January 1, 2019, the nature and effect of which are described below. Other than the changes described below, the accounting policies adopted are consistent with those of the comparative period.

IFRS 16 replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. IFRS 16 did not impact the Company's classification and measurement of financial assets and liabilities.

MATERIAL LEGAL PROCEEDINGS

The Company is not a party to any legal proceedings.

EXECUTIVE TEAM

Alexander Black	- Chief Executive Officer, President and Director
Kathryn Johnson	- Executive Vice President – Chief Financial Officer and Corporate Secretary
Jose Luis Martinez	- Executive Vice President – Chief Strategy Officer
Tim Williams	- Executive Vice President – Chief Operating Officer

BOARD OF DIRECTORS

Dr. Klaus Zeitler	- Chairman and Director
Alexander Black	- Chief Executive Officer, President and Director
Drago Kistic	- Director
Ram Ramachandran	- Director
Sidney Robinson	- Director
Albrecht Schneider	- Director
David Thomas	- Director

OUTSTANDING COMMON SHARES, OPTIONS, RESTRICTED STOCK UNITS AND WARRANTS

At November 18, 2019, there were 180,782,370 issued and fully paid common shares.

The following table summarizes the continuity of the Company's stock options as at November 18, 2019:

Outstanding			Exercisable	
Number of Options	Weighted average remaining contractual years	Weighted average exercise price	Number of Options	Weighted average exercise price
1,683,255	0.68	\$0.67	1,683,255	\$0.67
330,049	1.05	\$0.30	330,049	\$0.30
542,932	1.33	\$0.76	542,932	\$0.76
445,566	2.15	\$0.91	445,566	\$0.91
1,366,735	2.28	\$1.53	902,045	\$1.53
500,025	2.43	\$2.25	330,017	\$2.25
166,675	2.53	\$2.56	110,006	\$2.56
366,685	2.79	\$1.66	242,012	\$1.66
811,152	3.36	\$0.82	535,360	\$0.82
1,940,000	3.86	\$0.65	1,280,400	\$0.65
5,680,000	4.81	\$0.55	-	\$0.55
13,833,074	3.36	\$0.82	6,127,798	\$0.96

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 options assumed from Atacama, if not already vested, vested in full on July 24, 2018. The grant of the RSUs and options are subject to the terms of the Share Incentive Plan and the Stock Option Plan respectively, and final regulatory approval and if applicable, shareholder approval.

RSU transactions are summarized as follows:

	Number of RSUs
Outstanding, December 31, 2018	520,026
Issued	150,000
Cancelled	(33,335)
Outstanding, November 18, 2019	636,691
Vested, November 18, 2019	-

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. On March 13, 2018, the vesting of RSUs scheduled to vest during the year ended December 31, 2018 were modified so that the first tranche would vest after 2018 financial results were finalized in April 2019. On April 30, 2019, the vesting of the RSUs were further modified to vest by December 31, 2019.

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 practise of settling in cash.

On July 24, 2018, the Company assumed 6,413,167 warrants from Atacama Pacific, which were each exchangeable for 0.6601 common shares of Rio2. The effective exercise price of these warrants was \$0.91. These warrants expired on November 17, 2018.

In February and March 2019 as part of the private placement of 15,217,391 units, the Company issued 15,217,391 warrants with an exercise price of \$0.65 and an expiry of two years. 12,623,525 warrants will expire on February 28, 2021 and 2,593,866 warrants will expire on March 13, 2021.

On August 13, 2019, as part of the bought deal of 62,500,000 units, the Company issued 31,250,000 warrants with an exercise price of \$0.50, which will expire on August 13, 2022.

Warrants outstanding as of November 18, 2019 were:

Expiry dates	Number of warrants	Conversion price
February 28, 2021	12,623,525	\$0.65
March 13, 2021	2,593,866	\$0.65
August 13, 2022	31,250,000	\$0.50
	46,467,391	

QUALIFIED PERSONS

Enrique Garay, Senior Vice President - Geology 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 "Updated Pre-feasibility Study for the Fenix Gold Project" dated October 15, 2019, prepared by Raul Espinoza (QP) MAusIMM CP, Anthony Maycock (QP) P.Eng., Mario Rossi (QP) FAusIMM CP, Denys Parra (QP) SME, Registered Member and Andres Beluzan (QP) Chilean Mining Commission, Registered Member 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 was approved by Enrique Garay, MAIG, a "Qualified Person" for the purposes of National Instrument 43-101 and an officer of the Company.

Where appropriate, certain information contained in this MD&A regarding the Company's Kalzas property located in the Mayo Mining District in the central area of Yukon Territory (the "Kalzas Project") or in a document incorporated or deemed to be incorporated by reference herein updates information from the report entitled "Technical Report on the Kalzas Tungsten Project, Mayo Mining District, Yukon, Canada" dated October 12, 2016, prepared by R. Allan Doherty, P. Geo of Aurum Geological Consultants Inc. and addressed to the Company (the "Kalzas Technical Report"). Any updates to the scientific or technical information derived from the Kalzas Technical Report and any other scientific or technical information contained in this MD&A was approved by Enrique Garay, MAIG, a "Qualified Person" for the purposes of National Instrument 43-101 and an officer of the Company.

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.sedar.com). Furthermore, the forward-looking statements contained in this MD&A are made as of 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, 2019. 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, 2019.