RIO2 LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2018

The following management's discussion and analysis ("MD&A") was prepared as of May 30, 2018 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 months ended March 31, 2018, the audited consolidated financial statements for the year ended December 31, 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". The Company's registered office is located at Suite 6000, 1 First Canadian Place, 100 King St. West, Toronto, ON, M5X 1E2.

Additional information relating to the Company, including its Annual Information Form dated May 30, 2018, can be found on SEDAR at www.sedar.com and may be obtained by contacting the Company at info@rio2mining.com.

DESCRIPTION OF BUSINESS

Rio2 is building a multi-asset, multi-jurisdiction, precious metals company focused in the Americas. With projects in Peru and Nicaragua, 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 has assembled a highly experienced executive team to generate shareholder value, with proven technical skills in the development and operations of mines and capital markets experience.

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.

As of March 31, 2018, the Company had a working capital surplus of $4,676,453 (December 31, 2017 – $5,307,193). The Company does not currently hold any revenue-generating properties and thereby continues to incur losses. The Company incurred a net and comprehensive loss for the three months ended March 31, 2018 of $1,178,646 (March 31, 2017 – net and comprehensive loss of $745,794) and negative cash flows from operations of $657,212 for the three months ended March 31, 2018 (March 31, 2017 – negative cash flows from operations of $340,358). As at March 31, 2018, the Company had an accumulated deficit of $20,540,201 (December 31, 2017 – $19,361,555). 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 repay its liabilities when they become due. This condition, along with other matters set forth in Note 1 of the condensed interim consolidated financial statements for the three months ended March 31, 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 May 14, 2018, Rio2 and Atacama Pacific Gold Corporation ("Atacama Pacific") entered into a definitive arrangement agreement (the "Arrangement Agreement") pursuant to which, subject to the approval of the shareholders of each of the Company and Atacama Pacific, the approval of the Ontario Superior Court of Justice and the satisfaction or waiver of other closing conditions customary in transactions of this nature, Rio2 and Atacama Pacific will amalgamate as a single entity by way of a plan of arrangement completed under the *Business Corporations Act* (Ontario) (the "OBCA") (the "Transaction"). The combined company will continue to operate under the name Rio2 Limited and will be managed by Rio2's existing executive team led by Alex Black as President and Chief Executive Officer.

Under the terms of the Arrangement Agreement, each Atacama Pacific shareholder will receive 0.6601 shares of the combined company for each Atacama Pacific common share held and each Rio2 shareholder will receive 0.6667 shares of the combined company for each Rio2 common share held. Upon completion of the Transaction and the Rio2 Financing (described below), the combined company will have approximately 102 million basic common shares outstanding. Approximately 42.5% of the fully-diluted in-the-money shares of the combined entity will be held by former Rio2 shareholders and 57.5% held by former Atacama Pacific shareholders.

In connection with the Transaction, the Company entered into an agreement with Clarus Securities Inc. and Raymond James Ltd. (collectively the "Underwriters"), pursuant to which the Underwriters have agreed to purchase for resale, on a bought deal private placement basis, 10,000,000 subscription receipts (the "Subscription Receipts") at a price of $1.00 per Subscription Receipt for gross proceeds to Rio2 of $10,000,000 (the "Rio2 Financing"). The closing of the Rio2 Financing is expected to take place on May 31, 2018.

REVIEW OF PROPERTIES

Exploration expenses

The Company's exploration expenditures consist of the following for the three months ended March 31, 2018 and 2017:

				March 31, 2018	**March 31, 2017**
	Milpo Portfolio (Peru)	Nicaraguan Portfolio	Other Projects*	Total	Other Projects*
Technical consultants	$ -	$ -	$ 59,094	$ 59,094	$ 138,945
Geology		5,356	-	5,356	-
	$ -	$ 5,356	$ 59,094	$ 64,450	$ 138,945

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

Milpo Portfolio (Peru)

On April 10, 2017, the Company entered into an Agreement (the "Agreement") with Compañía Minera Milpo S.A.A. ("Milpo") 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 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 Milpo 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.

Nicaraguan Portfolio

In May 2017, Rio2 applied for 10,000 hectares of exploration concessions Nicaragua, as the Company ranks the country highly as a destination to do business in the mining sector in Latin America. Recognizing the mining sector's potential to boost the country's gross domestic product and economic growth, the Nicaraguan government, through the Ministry of Energy and Mines, is actively promoting investments by having established a solid legal framework and facilitating the development of mining projects in the country.

Exploration and Evaluation Assets

		Kalzas Yukon
Acquisition Costs		
Balance, December 31, 2016	$	13,901
Additions		-
Balance, December 31, 2017	$	13,901
Additions		-
Balance, March 31, 2018	$	13,901

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"), formerly Copper Ridge Explorations Inc. Under the agreement, the Company agreed to pay $25,000 in cash, incur $4,080,000 in expenditures on or before December 31, 2010 and issue 6,000,000 shares on earlier of completion of the feasibility study and January 1, 2014. The Company sought an extension of time for the exercise of its option from Redtail to allow time for the investigation into certain title issues. Redtail declined to grant such an extension and the Company therefore terminated the Kalzas option in January 2010.

During the year ended December 31, 2009, the Company wrote off its interest in the Kalzas property totalling $595,404 which included $141,800 in acquisition costs and $453,604 in deferred exploration costs.

In April 2012, the Company and Redtail reached an agreement whereby the Company purchased 100% interest in the Kalzas Property in consideration for 2% royalty of annual profits as defined in the Yukon Quartz Mining Act and Yukon Quartz Mining Royalty Regulation. In addition, the Company has a right to purchase from Redtail the 2% royalty of annual profits for $500,000. Further, the Company has the sole right to purchase from the former property owners one-half (1%) of the 2% net smelter returns royalty for $500,000.

In March 2013, an amended royalty agreement was signed between the Company and the former property owners. Both parties agreed the following:

- Nothing will be developed unless the First Nations Selkirk First Nation (and possibly other First Nations of the Yukon) are included in the development.

- If and when the Company puts out a news release that it wishes to proceed with putting the Property into production, the Company shall either pay the former property owner $14,000 in cash or $14,000 worth of stock based on the market price of the stock on the day of the news release being issued. Such election is to be in the sole discretion of the former property owner.

The interest was written-down to a nominal value of $1 in 2015 upon cessation of work on the property. The Company recommenced activities in respect of the property in the year ended December 31, 2016. In addition, an asset retirement obligation of $10,000 has been set up with respect to the property and has been capitalized to the asset.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2018

The principal business activity during the three months ended March 31, 2018 was the evaluation of precious metal projects that can be developed into mines with a view towards their acquisition. The Company entered into the Agreement with Milpo in April 2017 pursuant to which the Company has the right to acquire the Peruvian Portfolio. The Company also applied for 10,000 hectares of exploration concessions in Nicaragua in May 2017. The Company continues to focus on its strategy of evaluating and acquiring precious metal projects.

The Company recorded a loss of $1,178,646 for the three months ended March 31, 2018, compared to a loss of $745,794 for the same period in 2017. The increase in loss of $432,852 was primarily due to increased corporate activity during the period, as represented as follows:

- Share based compensation - $547,374 (2017 - $117,182). The increase was due to stock options and restricted share units ("RSUs") that vested during the three months ended March 31, 2018, compared to a lower expense during the three months ended March 31, 2017, which was due to less stock options and restricted share units outstanding during the comparative period.
- Employment costs – $437,088 (2017 - $146,195), an increase of $290,893. The increase was due to Rio2 having engaged its executive team throughout 2017 and the associated increased cost.
- Exploration costs - $64,450 (2017 - $138,945). The decrease was due to less technical investigations of potential property acquisitions.
- Office - $60,026 (2017 - $14,450). The increase is due to the rental of an office in Toronto for employees, as well as the increased number of employees and associated office costs.
- Legal and accounting - $35,924 (2017 - $157,168). The decrease is due to property investigation activity for during the same period in 2017, as well as the vertical amalgamation that occurred in April 2017 between Prospector and Rio2 and the associated legal cost in the three months ended March 31, 2017.
- Travel - $20,648 (2017 - $111,079). The decrease was due to a decrease in exploration activities of the Company and associated site visits.
- Filing and transfer agent fees - $15,402 (2017 - $57,056). The decrease was due to only routine filing and transfer agent fees being paid during the quarter ended March 31, 2018, compared to an increase in costs during the three months ended March 31, 2017 that were related to the private placement that occurred in February 2017.

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 Income (Loss)	Earnings (Loss) Per Share	Total Assets
September 30, 2018	$ -	$ (1,178,646)	$ (0.02)	$ 4,939,425
December 31, 2017	-	(2,011,566)	(0.04)	5,678,709
September 30, 2017	-	(1,581,140)	(0.03)	6,948,125
June 30, 2017	-	(1,337,305)	(0.02)	7,975,863
March 31, 2017	-	(745,794)	(0.01)	8,912,584
December 31, 2016	-	541,092	0.09	1,805,645
September 30, 2016	-	(30,994)	(0.02)	12,082
June 30, 2016	-	(34,603)	(0.02)	11,529

As the Company's projects are still in the exploration 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.

RELATED PARTY TRANSACTIONS AND BALANCES

Key management consists of the Board of Directors and senior management. There was a large increase in expenses during the three months ended March 31, 2018 compared to the three months ended March 31, 2017. This is due to the engagement of the senior management team that occurred during 2017, as well as the vesting of stock options and RSUs belonging to the senior management team during the three months ended March 31, 2018. Senior management is defined as the President & CEO, and Executive Vice Presidents. Key management compensation for the three months ended March 31, 2018 and 2017 was as follows:

	2018	**2017**
Senior management – consulting and employment costs	$ 213,998	$ -
Share-based compensation	350,056	146,195
	$ 564,054	$ 146,195

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

(a) During the three months ended March 31, 2018, the Company incurred legal fees of $27,884 (2017 - $130,830) to a firm in which a director of the Company is a partner.

(b) On March 29, 2018, the Company issued 1,250,000 stock options. 900,000 of these stock options were granted to the directors and officers of the Company.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company is an exploration stage company seeking additional opportunities. The Company has not yet determined whether the properties they hold contain mineral reserves which are economically recoverable. The business of exploring for minerals involves a high degree of risk and there can be no assurance that any of the 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 March 31, 2018, the Company had a working capital surplus of $4,676,453 (December 31, 2017 – $5,307,193). The Company does not currently hold any revenue-generating properties and thereby continues to incur losses. As at March 31, 2018, the Company had an accumulated deficit of $20,540,201 (December 31, 2017 – $19,361,555).

As of March 31, 2018, the Company has cash totalling of $2,880,548 (December 31, 2017 - $1,337,760) and short-term investments of $1,800,000 (December 31, 2017 - $4,000,000). Liabilities of the Company consist of Accounts payable and accrued liabilities of $233,061 due on demand and an additional accrued liability of $10,000 with an unknown date of settling the obligation (December 31, 2017 - $351,073).

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 the private placement for gross proceeds of $7,500,000. As such, the Company does not currently anticipate any liquidity or solvency concerns. 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, predominately by the issuance of equity 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 March 31, 2018, 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 has a proposed transaction with Atacama Pacific to amalgamate as a single entity, as well as a financing in the form of $10,000,000 bought deal private placement. See *Description of Business* section on page 2 of this document for further details of the proposed transaction and financing.

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 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 Milpo Portfolio (Peru), the Nicaraguan Portfolio, the Kalzas Project (Yukon) or any of the Company's future exploration and development projects will require extensive drilling, testing, the construction and operation of a mine, processing plants 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 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.

Aboriginal Land Claims and Consultation Issues

The Company may be the subject of land claims by aboriginal groups. Management of the Company is not aware of any such claims, however, there is no assurance that such claims may not arise in the future.

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.

The following are risks related specifically to the arrangement (the "Arrangement") that the Company intends to enter into with Atacama Pacific (see *Description of Business* section on page 2 of this document).

Failure to Realize Anticipated Benefits of the Arrangement

Rio2 is proposing to complete the Arrangement to realize certain benefits. Achieving the benefits of the Arrangement depends in part on successfully consolidating functions and integrating operations in a timely and efficient manner, as well as the ability of Rio2, after giving effect to the Arrangement, to realize the anticipated growth opportunities and synergies from integrating the acquired Atacama assets with those of Rio2. The integration of acquired assets requires the dedication of substantial management effort, time and resources which may divert Rio2's management's focus and resources from other strategic opportunities and from operational matters during this process.

The Completion of the Arrangement is Subject to Certain Conditions

There can be no certainty that all conditions precedent to the Arrangement will be satisfied or waived, nor can there be any certainty of the timing of their satisfaction or waiver or that the Arrangement Agreement will not be terminated by Rio2 or Atacama prior to completion of the Arrangement. Failure to complete the Arrangement could materially negatively impact the price of the Rio2 Shares.

The completion of the Arrangement is subject to a number of conditions precedent, some of which are outside of the control of Rio2, including completion of the Financing, receipt of the approval of the TSXV for the listing of the Amalco Shares issuable pursuant to the Arrangement, approval of the Rio2 Shareholders, approval of the shareholders of Atacama and receipt of the Final Order. There can be no certainty, nor can Rio2, provide any assurance that these conditions will be satisfied or, if satisfied, when they will be satisfied. If the Arrangement is not completed, the market price of the Rio2 Shares may be adversely affected.

Rio2 to Incur Significant Costs Associated with the Arrangement

Rio2 will incur significant direct transaction costs in connection with the Arrangement. Actual direct transaction costs incurred in connection with the Arrangement may be higher than expected. In addition, additional costs may be incurred to the extent that any shareholders of Rio2 exercise their dissent rights and receive payment of the fair value of their shares. Moreover, certain of Rio2's costs related to the Arrangement, including legal, financial advisory services, accounting, printing and mailing costs, must be paid even if the Arrangement is not completed.

The Arrangement Agreement May Be Terminated

Each of Rio2 and Atacama has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can Rio2 provide any assurance, that the Arrangement Agreement will not be terminated by any party before the completion of the Arrangement. For instance, each of Rio2 and Atacama has the right, in certain circumstances, to terminate the Arrangement Agreement if a material adverse effect respecting the other party occurs. There is no assurance that a material adverse effect will not occur before the Effective Date, in which case Rio2 or Atacama could elect to terminate the Arrangement Agreement and the Arrangement would not proceed.

Under the Arrangement Agreement, Rio2 is required to pay a termination fee, and Atacama is required to pay a termination fee, in certain circumstances.

If the Arrangement is Not Completed, Rio2s Future Business and Operations Could be Adversely Affected

If the Arrangement is not completed, Rio2 may be subject to a number of additional material risks, including the following:

- Rio2 may have lost other opportunities that would have otherwise been available had the Arrangement Agreement not been executed, including, without limitation, opportunities not pursued as a result of affirmative and negative covenants made by it in the Arrangement Agreement, such as covenants affecting the conduct of its business outside the ordinary course of business;

- Rio2 may be unable to obtain additional sources of financing or conclude another sale, merger or amalgamation on as favourable terms, in a timely manner, or at all; and

- the obligation of Rio2 to pay a termination fee to Atacama or reimburse Atacama for its expenses pursuant to the terms of the Arrangement Agreement in certain circumstances.

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, 2017. 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 Financing 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).

ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED

IFRS 16 – Leases

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. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15. The Company has not yet assessed the future impact of this new standard on its financial statements.

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 and 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
Daniel Kenney	-	Director
Ram Ramachandran	-	Director
Sidney Robinson	-	Director
David Thomas	-	Director

OUTSTANDING COMMON SHARES, OPTIONS AND RESTRICTED SHARE UNITS

At May 30, 2018, there were 59,694,362 issued and fully paid common shares.

The following table summarizes the continuity of the Company's stock options as at May 30, 2018:

Outstanding				Exercisable	
Exercise price $	Number of Options	Weighted average remaining contractual years	Weighted average exercise price	Number of shares	Weighted average exercise price
$1.02	2,050,000	3.9	$1.02	683,333	$ 1.02
$1.50	750,000	4.1	$1.50	250,000	$ 1.50
$1.71	250,000	4.2	$1.71	-	$ -
$1.11	650,000	4.4	$1.11	-	$ -
$0.55	1,250,000	5.0	$0.55	-	$ -
	4,950,000	4.3	$1.02	708,333	$ 1.15

Each option entitles the holder to purchase one Common Share for a period of five years from the date of grant. The options vest 1/3 equally over a three-year period. The grant of the RSUs and options are subject to the terms of the Share Incentive Plan and the Stock Option Plan respectively.

The following table summarizes the continuity of the Company's RSUs at May 30, 2018:

Expiry date	**Number of instruments**	**Number of instruments vested**	**Weighted average number of years to expiry**
December 15, 2020	780,000	nil	2.5

The RSUs, which vest 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 practise of settling in cash.

QUALIFIED PERSONS

Ian Dreyer, 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 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 Repot 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 Ian Dreyer, P. Geo, 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 March 31, 2018. 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 March 31, 2018.