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

The following management's discussion and analysis ("MD&A") was prepared as of August 29, 2024, and is management's assessment of the operating results and financial condition of Rio2 Limited ("Rio2" or the "Company") together with its subsidiaries. This MD&A should be read in conjunction with both the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2024, the audited consolidated financial statements for the years ended December 31, 2023 and 2022 and the related notes thereto.

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

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

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

DESCRIPTION OF BUSINESS

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

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

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

On January 29, 2024, Rio2 announced that it had entered into shares for services agreements with certain directors, employees, and consultants. Pursuant to the shares for services agreements, such directors, employees and consultants may receive all or a portion of their director fees, wages or consultancy fees for the period from Jan 1, 2024 to Dec 31, 2024 in common shares of Rio2, with the remaining amount, if any, to be settled in cash.

The common shares may be issued quarterly and will be subject to a four-month and one-day hold period commencing upon the date of issuance. The deemed price per common share to be issued will be no less than the volume weighted average closing price of Rio2's common shares on the last three trading days of each quarter, provided that in any event, the price will not be lower than the discount permitted under applicable TSX Venture Exchange policies. The total value of the security-based compensation that Rio2 intends to issue is up to C$750,000.

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

The receipt of the RCA allows Fenix Gold to advance permitting activities for the Project. There are four principal sectorial permits required before construction can commence at the Project: 1) Mining Methods; 2) Process Plant; 3) Waste Dumps & Stockpiles; and 4) Closure Plan and work on these permits is well underway. The current timing for receipt of these principal permits is by the end of September 2024.

On April 17, 2024, Rio2 announced the closing of a private placement (the "Offering"). 59,030,000 common shares of the Company at a price of C$0.39 (the "Offering Price") were issued for gross proceeds of C$23,021,700.

The Company entered into an agency agreement with Eight Capital and a syndicate of agents, including Cantor Fitzgerald Canada Corporation, Echelon Capital Markets, Pollitt & Co. Inc. and Raymond James Ltd., under which the Company sold, on a brokered "best efforts" basis, 25,640,000 Shares at the Offering Price pursuant to the listed issuer financing exemption available under Part 5A of National Instrument 45-106 – Prospectus Exemptions (the "LIFE offering") and 33,390,000 shares at the Offering Price pursuant to other exemptions under NI 45-106 and in accordance with other applicable securities laws in qualifying jurisdictions. The agents received a cash commission of C$900,000.

Rio2 plans to use the net proceeds from the Offering in preparation for the construction financing of the Fenix Gold Project later in 2024. Use of proceeds will go towards completing lead order purchases for the mine construction, permitting activities, environmental monitoring, community relations activities, concession fees and general corporate purposes.

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

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

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

REVIEW OF PROPERTIES

Exploration and Evaluation Assets

	Fenix Gold Project Chile
Balance, December 31, 2022	$ 64,773,833
Community initiatives	57,991
Geological and drilling	1,029
Engineering studies	276,973
Field support	912,023
Reclassification to property and equipment	(2,759,860)
Balance, December 31, 2023	$ 63,261,989
Community initiatives	125,826
Geological and drilling	95,763
Environmental	17,385
Engineering studies	432,318
Field support	540,093
Balance, June 30, 2024	$ 64,473,374

SUMMARY OF QUARTERLY RESULTS

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

Quarter Ended	Revenue	Net Loss (Gain)	Loss (Gain) Per Share	Total Assets
June 30, 2024	$ -	$ 2,786,543	$ 0.01	$ 120,695,961
March 31, 2024	-	1,200,412	0.01	105,885,267
December 31, 2023	-	4,513,782	0.02	108,417,985
September 30, 2023	-	1,508,497	0.01	109,605,419
June 30, 2023	-	4,786,484	0.02	112,589,589
March 31, 2023	-	1,546,949	0.01	114,157,483
December 31, 2022	-	(1,404,260)	(0.01)	115,060,990
September 30, 2022	-	(2,357,733)	(0.01)	113,935,867

As the Company's Project is 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.

There were two exceptions to this trend. During the quarter ended December 31, 2022 there was a net gain, primarily due to a gain on disposition of exploration and evaluation assets, which occurred when Rio2 sold a non-core royalty package. During the quarter ended September 30, 2022 there was a net gain, primarily due to a foreign exchange gain.

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

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

The Company recorded a net loss of $2,786,543 compared to a net loss of $4,786,484 for the same period in 2023. The decrease in the net loss during the three months ended June 30, 2024 as compared to the net loss during the three months ended June 30, 2023 was primarily due to a larger foreign exchange gain and a decrease in certain expenses, as follows:

- Depreciation of $301,520 for the three months ended June 30, 2024, compared to $496,505 for the three months ended June 30, 2023. The decrease is due to less equipment subject to depreciation in the three months ended June 30, 2024 compared to the three months ended June 30, 2023.

- Share-based compensation of $111,636 during the three months ended June 30, 2024, compared to $238,123 in the three months ended June 30, 2023. The decrease is due to the timing of grants and vesting of the stock options and RSUs.

- Exploration costs of $19,029 for the three months ended June 30, 2024, compared to $71,286 for the three months ended June 30, 2023. The decrease is due to the approval of the EIA in December 2023 and the Company focusing its efforts on the Fenix Gold Project, not exploration initiatives.

- Accretion expense on the Asset Retirement Obligation ("ARO") of $49,326 during the three months ended June 30, 2024, compared to $121,672 during the three months ended June 30, 2023. The difference is the timing of the anticipated expenses associated with the ARO.

- Foreign exchange gain of $1,373,629 for the three months ended June 30, 2024, compared to a foreign exchange loss of $2,198,969 for the three months ended June 30, 2023. Rio2 Limited, the parent company of the consolidated group of companies, has a Canadian dollar functional currency, while all of the subsidiaries have a United States dollar functional currency. Due to intercompany loans owing from the subsidiaries to Rio2 Limited, there was a large foreign exchange gain in Rio2 Limited due to the strengthening of the United States dollar over the three months ended March 31, 2024. There is no offset of this gain in the subsidiaries as the subsidiaries have a United States dollar functional currency. The foreign exchange gain resulting from the intercompany loans is offset by the exchange loss on translation of foreign operations in other comprehensive loss of $902,954.

- Interest income of $140,893 for the three months ended June 30, 2024, compared to $28,830 for the three months ended June 30, 2023. The increase in interest income is due to an inflow of cash of $15,668,159 from the private placement that closed on April 17, 2024 which was invested in savings accounts that earned interest.

The decrease in net loss was partially offset by the following increases in expenses as follows:

- Employment costs of $829,124 for the three months ended June 30, 2024, compared to $627,568 for the three months ended June 30, 2023. In 2023, there was lower headcount of staff due to the layoffs of employees that took place after the EIA for the Fenix Gold Project was rejected in 2022 and the subsequent layoffs that occurred in 2022. When the EIA was approved in December 2023, Rio2 was able to begin rebuilding its team and hence for the three months ended June 30, 2024 there is a larger employment costs expense than in the comparative period.

- Professional fees of $302,389 for the three months ended June 30, 2024, compared to $166,599 for the three months ended June 30, 2023. The increase from the comparative period is due to increased professional fees associated with the Company working towards securing a financing package for the Fenix Gold Project.

- Office and miscellaneous of $144,663 for the three months ended June 30, 2024, compared to $114,111 for the three months ended June 30, 2023. The increase was due to the hiring of additional staff in Chile and Peru after the approval of the EIA in December 2023, and an associated increase in office expenses.

- Advisory fees of $127,847 for the three months ended June 30, 2024, compared to $87,337 for the three months ended June 30, 2024. The increase was due to a financial advisor being engaged to arrange a financing package for the construction of the Fenix Gold Mine in March 2023, as well as engineering consultants being involved in the advisory of the financing package.

- Filing and transfer agent fees of $39,602 for the three months ended June 30, 2024, compared to $27,361 for the three months ended June 30, 2023. The increase was due mostly to an increase in stock exchange listing fees from an increase in market capitalization.

- Travel expense of $28,460 for the three months ended June 30, 2024, compared to $14,361 for the three months ended June 30, 2023. The increase in travel expense is due to the approval of the EIA in December 2023 and personnel travelling to the Project to advance it.

- Investor relations of $23,523 for the three months ended June 30, 2024, compared to $3,569 for the three months ended June 30, 2023. The increase is due to the Rio2 embarking on more investor relations initiatives such as sponsored interviews.

- Penalty on the Precious Metals Purchase Agreement ("PMPA") of $1,556,537 for the three months ended June 30, 2024 compared to $nil for the three months ended June 30, 2023. Pursuant to the PMPA, Rio2 had 24 months after the initial tranche was received to begin selling ounces of gold to WPMI, or otherwise would incur a delay payment. The first sale should have occurred on March 25, 2024 (24 months after the initial tranche of $25,000,000 was received on March 25, 2022). Rio2 has elected to defer any delivery of the delay payment contemplated by the PMPA. The monthly amount of delay payment that is recognized is 435 ounces of gold, multiplied by the amount of the advanced deposit ($25 million) received by Rio2, divided by $50 million. This results in Rio2 recognizing a penalty on the PMPA of 217.5 ounces of gold per month, beginning on March 25, 2024. The penalty is calculated using the closing gold market price on the day that the penalty is incurred, and is added to the deferred revenue balance.

- Accretion expense on deferred revenue of $866,577 for the three months ended June 30, 2024, compared to $765,814 for the three months ended June 30, 2023. This is due to the deposit of $25,000,000 from WPMI on March 25, 2022, and the obligation under IFRS Accounting Standards to recognize accretion expense on the financing component on the deferred revenue recorded.

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2024

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

The Company recorded a net loss of $3,986,954 compared to a net loss of $6,333,435 for the same period in 2023. The decrease in the net loss during the six months ended June 30, 2024 as compared to the net loss during the six months ended June 30, 2023 was primarily due to a larger foreign exchange gain and a decrease in certain expenses, as follows:

- Depreciation of $609,001 for the six months ended June 30, 2024, compared to $1,096,044 for the six months ended June 30, 2023. The decrease is due to less equipment subject to depreciation in the six months ended June 30, 2024 compared to the six months ended June 30, 2023.

- Office and miscellaneous of $315,405 for the six months ended June 30, 2024, compared to $364,416 for the six months ended June 30, 2023. The decrease was due in large part to the associated decrease in expenses including the extinguishment of office leases in Chile.

- Advisory fees of $174,847 for the six months ended June 30, 2024, compared to $102,431 for the six months ended June 30, 2024. The increase was due to a financial advisor being engaged to arrange a financing package for the construction of the Fenix Gold Mine in March 2023, as well as engineering consultants being involved in the advisory of the financing package.

- Share-based compensation of $389,430 during the six months ended June 30, 2024, compared to $563,597 in the six months ended June 30, 2023. The decrease is due to the timing of grants and vesting of the stock options and RSUs.

- Exploration costs of $24,871 for the six months ended June 30, 2024, compared to $71,286 for the six months ended June 30, 2023. The decrease is due to the approval of the EIA in December 2023 and the Company focusing its efforts on the Fenix Gold Project, not exploration initiatives.

- Accretion expense on the ARO of $133,725 during the six months ended June 30, 2024, compared to $174,971 during the six months ended June 30, 2023. The difference is the timing of the anticipated expenses associated with the ARO.

- Foreign exchange gain of $3,071,183 for the six months ended June 30, 2024, compared to a foreign exchange loss of $1,094,747 for the six months ended June 30, 2023. Rio2 Limited, the parent company of the consolidated group of companies, has a Canadian dollar functional currency, while all of the subsidiaries have a United States dollar functional currency. Due to intercompany loans owing from the subsidiaries to Rio2 Limited, there was a large foreign exchange gain in Rio2 Limited due to the strengthening of the United States dollar over the six months ended June 30, 2024. There is no offset of this gain in the subsidiaries as the subsidiaries have a United States dollar functional currency. The foreign exchange gain resulting from the intercompany loans is offset by the exchange loss on translation of foreign operations in other comprehensive loss of $3,400,078.

The decrease in net loss was partially offset by the following increases in expenses as follows:

- Employment costs of $1,537,240 for the six months ended June 30, 2024, compared to $1,281,155 for the six months ended June 30, 2023. In 2023, there was lower headcount of staff due to the layoffs of employees that took place after the EIA for the Fenix Gold Project was rejected in 2022 and the subsequent layoffs that occurred in 2022. When the EIA was approved in December 2023, Rio2 was able to begin rebuilding its team and hence for the three months ended June 30, 2024 there is a larger employment costs expense than in the comparative period.

- Professional fees of $406,120 for the six months ended June 30, 2024, compared to $275,896 for the six months ended June 30, 2023. The increase from the comparative period is due to increased professional fees associated with the Company working towards securing a financing package for the Fenix Gold Project.

- Advisory fees of $174,847 for the six months ended June 30, 2024, compared to $102,431 for the six months ended June 30, 2024. The increase was due to a financial advisor being engaged to arrange a financing package for the construction of the Fenix Gold Mine in March 2023, as well as engineering consultants being involved in the advisory of the financing package.

- Filing and transfer agent fees of $67,631 for the six months ended June 30, 2024, compared to $49,158 for the six months ended June 30, 2023. The increase was due mostly to an increase in stock exchange listing fees from an increase in market capitalization.

- Travel expense of $42,708 for the six months ended June 30, 2024 compared to $25,963 for the six months ended June 30, 2023. The increase in travel expense is due to the approval of the EIA in December 2023 and personnel travelling to the Project to advance it.

- Investor relations of $38,215 for the six months ended June 30, 2024 compared to $6,985 for the six months ended June 30, 2023. The increase is due to the Rio2 embarking on more investor relations initiatives such as sponsored interviews.

- Penalty on the PMPA of $2,029,970 for the six months ended June 30, 2024 compared to $nil for the six months ended June 30, 2023. Pursuant to the PMPA, Rio2 had 24 months after the initial tranche was received to begin selling ounces of gold to WPMI, or otherwise would incur a delay payment. The first sale should have occurred on March 25, 2024 (24 months after the initial tranche of $25,000,000 was received on March 25, 2022). Rio2 has elected to defer any delivery of the delay payment contemplated by the PMPA. The monthly amount of delay payment that is recognized is 435 ounces of gold, multiplied by the amount of the advanced deposit ($25 million) received by Rio2, divided by $50 million. This results in Rio2 recognizing a penalty on the PMPA of 217.5 ounces of gold per month, beginning on March 25, 2024. The penalty is calculated using the closing gold market price on the day that the penalty is incurred, and is added to the deferred revenue balance.

- Accretion expense on deferred revenue of $1,688,497 for the six months ended June 30, 2024, compared to $1,503,214 for the six months ended June 30, 2023. This is due to the deposit of $25,000,000 from WPMI on March 25, 2022, and the obligation under IFRS Accounting Standards to recognize accretion expense on the financing component on the deferred revenue recorded.

- Interest income of $186,830 for the six months ended June 30, 2024, compared to $48,549 for the six months ended June 30, 2023. The increase in interest income is due an inflow of cash of $15,668,159 from the private placement that closed on April 17, 2024, which was invested in savings accounts that earned interest.

CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2024

Cash flows provided by (used in) operating activities

Cash used in operating activities was $2,385,139 during the six months ended June 30, 2024, compared to cash provided by operating activities of $4,119,471 during the six months ended June 30, 2023. This change was predominantly the result of a change in input taxes recoverable of $239,017 for the six months ended June 30, 2024 compared to $4,926,038 for the three months ended June 30, 2023, depreciation of $683,241 for the six months ended June 30, 2024 compared to $1,191,791 for the six months ended June 30, 2023, offset by a net loss for the six months ended June 30, 2024 of $3,986,954 compared to $6,333,435 for the six months ended June 30, 2023, penalty on the PMPA of $2,029,970 for the six months ended June 30, 2024 compared to $nil for the six months ended June 30, 2023, and an increase in accounts payable of $135,718 for the six months ended June 30, 2024 compared to a decrease of $1,010,534 for the six months ended June 30, 2023.

Cash flows provided by (used in) financing activities

Cash flows provided by financing activities was $15,589,203 during the six months ended June 30, 2024, compared to $101,798 used in financing activities during the six months ended June 30, 2023. During the six months ended June 30, 2024, there was a private placement that, net of share issuance costs, raised

$15,668,159. This was offset by $78,956 of lease payments were made by Rio2 during the six months ended June 30, 2024. During the six months ended June 30, 2023, $101,798 of lease payments were made by Rio2.

Cash flows used in investing activities

Cash flows used in investing activities was $1,027,272 during the six months ended June 30, 2024, compared to $1,191,820 used in the six months ended June 30, 2023. During the six months ended June 30, 2024, there was no investment in property and equipment compared to $279,327 during the six months ended June 30, 2023, and $1,027,727 was invested in exploration and evaluation assets during the six months ended June 30, 2024, compared to $912,493 during the six months ended June 30, 2023. The increase in exploration and evaluation assets in 2024 compared to 2023 was due to the approval of EIA in December 2023 and the resuming of expenditures relating to the Fenix Gold Project.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2024, the Company has cash totalling $16,643,313 (December 31, 2023 - $4,550,420), short- term investments of $46,000 (December 31, 2023 - $46,000) and current liabilities of $678,910 (December 31, 2023 - $633,811). The current liabilities are accounts payable and accrued liabilities of $530,876 due on demand (December 31, 2023 - $482,481), as well as the current portion of a lease liability of $148,034 (December 31, 2023 - $151,330).

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

				June 30, 2024
	Within 1 year	2 to 5 years	Over 5 years	Total
Lease commitments	$ 148,034	$ 228,956	$ -	$ 376,990
Asset retirement obligation	-	3,813,052	-	3,813,052
Water supply contract	118,260	2,641,140	8,830,080	11,589,480
	$ 266,294	$ 6,683,148	$ 8,830,080	$ 15,779,522

On April 17, 2024, Rio2 announced that it closed its private placement. A total of 59,030,000 common shares of the Company were sold at a price of $0.39 per Share for gross proceeds to the Company of C$23,021,700 (the "**Offering**"). The agents received a cash commission of C$900,000. The net amount received in US Dollars was $15,668,159, which includes the agent's commission, as well as other share issuance costs.

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

The following table sets out the intended uses of the proceeds as well as the actual spend:

Activity	Amount budgeted	Spent as at June 30, 2024	Amount remaining
Working capital and general corporate purposes	$5.5 million	$nil	$5.5 million
General and admin – Fenix Gold Project	$1.7 million	$nil	$1.7 million
Technical report (expansion study)	$0.7 million	$nil	$0.7 million
Permitting and concession fees	$1.0 million	$nil	$1.0 million
Environmental monitoring obligations	$0.2 million	$nil	$0.2 million
Community relations	$0.1 million	$nil	$0.1 million
Capital Assets	$5.0 million	$nil	$5.0 million
Taxes on expenditures (which will be recorded as tax credits and be refundable in the future)	$1.5 million	$nil	$1.5 million
Total	$15.7 million	$nil	$15.7 million

None of the funds raised were spent in the period ended June 30, 2024, as Rio2 entered the private placement with working capital of $2.35 million, which went towards expenditures from the closing of the private placement on April 19, 2024 through June 30, 2024.

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

RELATED PARTY TRANSACTIONS AND BALANCES

Key management consists of the Board of Directors and senior management. Senior management is defined as the President & CEO, and Executive Vice Presidents. Key management compensation for the three and six months ended June 30, 2024, and 2023 was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Senior management employment costs	$ 272,219	$ 212,685	$ 483,404	$ 429,051
Directors fees	41,356	35,944	80,836	75,313
Share based compensation	39,117	89,627	125,096	201,864
	$ 352,692	$ 338,256	$ 689,336	$ 706,228

PROPOSED TRANSACTIONS

As at the date of this MD&A, the Company had the following proposed transaction, relating to the financing of the Fenix Gold Project:

WPMI PMPA

On November 16, 2021, Rio2 announced that it signed a definitive precious metals purchase agreement to receive total cash consideration of $50 million pursuant to a PMPA to be entered into with WPMI, a wholly-owned subsidiary of Wheaton Precious Metals Corp. (TSX: WPM; NYSE: WPM). The proceeds from the PMPA will be used to partially finance the Fenix Gold Mine construction.

Under the PMPA, WPMI will purchase 6.0% of the gold production until 90,000 ounces of gold have been delivered and 4.0% of the gold production until 140,000 ounces of gold have been delivered, after which the stream will reduce to 3.5% of the gold production for the life of mine. Under the proposed PMPA, WPMI will pay total cash consideration of $50 million, $25 million of which was received by Rio2 on March 25, 2022, with the remaining $25 million payable subject to certain conditions, including the receipt of the EIA approval for the Fenix Gold Mine. In addition, WPMI will make ongoing payments for gold ounces delivered equal to 18% of the spot gold price until the value of gold delivered less the production payment is equal to the upfront consideration of $50 million, at which point the production payment will increase to 22% of the spot gold price.

RISKS AND UNCERTAINTIES

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

Limited History of Operations

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

Risks Inherent in Acquisitions

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

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

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

Dilution and Future Sales of Common Shares

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

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

Nature of Mining, Mineral Exploration and Development Projects

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

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

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

Uncertainty of Exploration and Development Projects

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

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

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

Precious Metal Purchase Agreement with Wheaton

The Company’s ability to access upfront cash deposits under the PMPA for the Fenix Gold Project is subject to the Company meeting certain closing conditions under the PMPA, including but not limited to: (a) obtaining all necessary approvals to achieve completion and to operate the mine in accordance with the development plan; (b) entering into material contracts necessary for the construction and development of the mine; and (c) having obtained project financing on terms and conditions that are not reasonably expected to result in an adverse impact and under which all conditions precedent necessary to draw down on such project financing have been satisfied or waived. There is no guarantee Rio2 will be able to meet all of the conditions and draw on the remaining funds from Wheaton pursuant to the PMPA. Further, an initial failure to achieve the completion requirements in the PMPA on or before the second anniversary of the first deposit date will result in a delayed payment. A continued failure to achieve the completion requirements under the PMPA will result in a refund from the Company to Wheaton.

Uninsured Risks Exist and May Affect Certain Values

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

Key-Man and Liability Insurance Factors Should be Considered

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

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

Dependence on Outside Parties

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

Ability to Attract and Retain Qualified Personnel

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

Factors Beyond Company's Control

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

Government Regulation and Permitting

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

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

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

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

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

Environmental Risks and Hazards

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

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

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

Other Tax Considerations

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

Share Price Fluctuations

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

Price Volatility of Publicly Traded Securities

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

- the extent of analyst coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow its securities;
- limited trading volumes and general market interest in the Company's securities may affect an investor's ability to trade the common shares; and
- the relatively small number of publicly held common shares may limit the ability of some institutions to invest in the Company's securities.

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

Conflicts of Interest

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

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, 2023. These accounting policies can have a significant impact on the financial performance and financial position of the Company.

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

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

Critical accounting estimates are those that have a significant risk of causing material adjustment and are often applied to matters or outcomes that are inherently uncertain and subject to change. As such, management cautions that future events often vary from forecasts and expectations and that estimates routinely require adjustments. The most significant estimates applied to the Company's financial statements include the asset retirement obligation, leases, share based payment transactions and mineral resource estimate. Key judgements include the timing commencement of commercial production which in turn impacts the realization of input tax inputs.

Financial Instruments

Financial instruments disclosures require the Company to provide information about: a) the significance of financial instruments for the Company's financial position and performance and, b) the nature and extent of risks arising from financial instruments to which the Company is exposed during the period and at the statement of financial position date, and how the Company manages those risks. Please refer to note 4 of the Company's 2023 annual financial statements for a discussion of the factors that impact Rio2.

Functional currency

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

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

MATERIAL LEGAL PROCEEDINGS

The Company is not a party to any legal proceedings.

EXECUTIVE TEAM

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

BOARD OF DIRECTORS

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

OUTSTANDING COMMON SHARES, OPTIONS, RESTRICTED SHARE UNITS AND WARRANTS

As at August 29, 2024 there were 318,598,913 issued and fully paid common shares.

Stock Options

The following table summarizes the Company's stock options as at August 29, 2024:

Outstanding			Exercisable	
Number of Options	Weighted average remaining contractual years	Weighted average exercise price C$	Number of Options	Weighted average exercise price C$
5,380,000	0.03	0.55	5,380,000	0.55
3,650,000	0.82	0.65	3,650,000	0.65
4,100,000	2.06	0.65	2,733,333	0.65
2,100,000	2.37	0.65	1,400,000	0.65
6,700,000	3.37	0.30	2,300,000	0.30
21,930,000	1.78	0.52	15,463,333	0.56

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

Restricted Share Units

RSUs outstanding as of August 29, 2024 are as follows:

	Number of RSUs
Outstanding, December 31, 2022	83,334
Settled in common shares	(41,667)
Outstanding, December 31, 2023*	41,667
Settled in common shares	(41,667)
Outstanding, June 30, 2024	-
Outstanding, August 29, 2024	-

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

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

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

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

QUALIFIED PERSONS

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

TECHNICAL INFORMATION

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

FORWARD-LOOKING INFORMATION

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

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

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in any of those forward-looking statements. For this reason, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

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

Additional information regarding the Company and factors that could affect its operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR+ website (www.sedarplus.ca). Furthermore, the forward-looking statements contained in this MD&A are made as 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, 2024. The Company makes no assessment relating to the establishment and maintenance of (i) disclosure controls and procedures or (ii) internal control over financial reporting (as such terms are defined under Multilateral Instrument 52-109) as at June 30, 2024.