



**Rye Patch**  
GOLD CORP.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**For Nine Months Ended September 30, 2017**

**(Unaudited - Expressed in Canadian Dollars)**

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

**Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these financial statements.**

# Rye Patch Gold Corp.

## Condensed Consolidated Interim Statements of Financial Position (Unaudited - Expressed in Canadian Dollars)

<i>As at</i>	September 30, 2017		December 31, 2016	
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$	11,937,624	\$	11,121,286
Accounts receivable (note 6)		443,747		2,180,412
Inventory (note 5)		2,503,908		10,744,598
Prepaid expenses and deposits		764,978		1,350,409
		<b>15,650,257</b>		<b>25,396,705</b>
<b>Non-current assets</b>				
Inventory (note 5)		157,477		1,138,832
Prepaid expenses and deposits		600,057		2,995,334
Deferred debt issue costs (note 12)		-		3,640,576
Property, plant and equipment (note 7)		116,627,892		73,709,756
Exploration and evaluation assets		7,242,912		7,267,391
Reclamation bonds		25,791,113		27,748,180
		<b>150,419,451</b>		<b>116,500,069</b>
<b>TOTAL ASSETS</b>	\$	<b>166,069,708</b>	\$	<b>141,896,774</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities (note 10)	\$	10,189,702	\$	8,415,870
Due to related parties (note 14)		51,141		460,557
Current portion of credit facility (note 12)		20,716,800		6,780,635
Current portion of loans payable (note 11)		820,436		1,179,362
Contingent consideration payable (note 4)		6,762,348		7,963,853
Provisions for reclamation (note 8)		111,994		115,878
		<b>38,652,421</b>		<b>24,916,155</b>
<b>Non-current liabilities</b>				
Credit facility (note 12)		7,584,928		8,711,009
Loans payable (note 11)		2,756,435		-
Provision for reclamation		44,578,519		39,752,690
		<b>54,919,882</b>		<b>48,463,699</b>
<b>TOTAL LIABILITIES</b>		<b>93,572,303</b>		<b>73,379,854</b>
<b>EQUITY</b>				
Share capital (note 9)		92,637,566		82,873,772
Foreign currency translation adjustment		(2,450,866)		3,194,206
Reserves (note 9)		14,353,934		13,830,393
Deficit		(32,043,229)		(31,381,451)
<b>TOTAL EQUITY</b>		<b>72,497,405</b>		<b>68,516,920</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	\$	<b>166,069,708</b>	\$	<b>141,896,774</b>

Events after reporting period (note 18)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

They are signed on the Company's behalf by:  
APPROVED BY THE BOARD:

/s/ Jonathan Challis Director

/s/ William C. Howald Director

# Rye Patch Gold Corp.

## Condensed Consolidated Interim Statements of Comprehensive Income (Loss) (Unaudited - Expressed in Canadian Dollars)

	For the three months ended		For the nine months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
<b>MINING OPERATIONS</b>				
Revenue	\$ 1,082,714	\$ 1,262,955	\$ 12,777,485	\$ 1,262,955
Cost of sales (note 13)	(2,616,806)	(3,362,810)	(14,662,882)	(3,362,810)
<b>INCOME (LOSS) FROM MINING OPERATIONS</b>	<b>(1,534,092)</b>	<b>(2,099,855)</b>	<b>(1,885,397)</b>	<b>(2,099,855)</b>
<b>ROYALTY INCOME</b> (note 6)	<b>-</b>	<b>1,744,187</b>	<b>2,137,171</b>	<b>4,582,750</b>
	<b>(1,534,092)</b>	<b>(355,668)</b>	<b>251,774</b>	<b>2,482,895</b>
<b>EXPENSES</b>				
General and administrative expenses (note 13)	(697,197)	(1,178,079)	(2,578,177)	(2,207,168)
Exploration and evaluation expenses	(42,028)	(73,152)	(181,743)	(716,571)
Write-down of exploration and evaluation assets	-	-	-	(871,871)
	<b>(739,225)</b>	<b>(1,251,231)</b>	<b>(2,759,920)</b>	<b>(3,795,610)</b>
<b>OTHER INCOME (EXPENSE)</b>				
Gain on sale of production royalty (note 6)	-	-	6,750,000	-
Interest and other income	159,761	8,726	471,059	13,955
Interest expense (notes 11 and 12)	(1,894,743)	(18,336)	(5,427,190)	(18,336)
Change in fair value of contingent consideration (note 4)	91,136	1,009,500	687,093	1,009,500
Accretion expense	(186,191)	(111,385)	(629,230)	(111,385)
Business acquisition costs	-	(715,596)	-	(715,596)
Currency exchange gain (loss)	21,749	89,429	(5,364)	170,241
	<b>(1,808,288)</b>	<b>262,338</b>	<b>1,846,368</b>	<b>348,379</b>
<b>NET INCOME (LOSS) FOR THE PERIOD</b>	<b>(4,081,605)</b>	<b>(1,344,561)</b>	<b>(661,778)</b>	<b>(964,336)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Item that will be reclassified to net income (loss)</b>				
Foreign currency translation adjustment	(3,090,972)	(92,930)	(5,645,072)	(902,913)
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<b>(7,172,577)</b>	<b>(1,437,491)</b>	<b>(6,306,850)</b>	<b>(1,867,249)</b>
<b>Basic earnings (loss) per share for the period</b>				
attributable to common shareholders	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.00)
<b>Diluted earnings (loss) per share for the period</b>				
attributable to common shareholders	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.00)
<b>Weighted average number of common shares - basic</b>	<b>427,160,783</b>	<b>313,209,806</b>	<b>401,085,523</b>	<b>200,707,529</b>
<b>Weighted average number of common shares - diluted</b>	<b>427,160,783</b>	<b>313,209,806</b>	<b>401,085,523</b>	<b>200,707,529</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

## Rye Patch Gold Corp.

### Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Unaudited - Expressed in Canadian Dollars)

	Share capital		Reserves				Foreign currency translation adjustment		Total
	Number of shares	Amount	Warrants	Equity settled employee benefits	Agent's options	Total	adjustment	Deficit	
<b>Balance at December 31, 2016</b>	<b>387,295,488</b>	<b>\$ 82,873,772</b>	<b>\$ 9,739,925</b>	<b>\$ 3,840,675</b>	<b>\$ 249,793</b>	<b>\$ 13,830,393</b>	<b>\$ 3,194,206</b>	<b>\$ (31,381,451)</b>	<b>\$ 68,516,920</b>
Equity issuance, net of share issuance costs	38,470,000	9,103,959	-	-	66,168	66,168	-	-	9,170,127
Exercise of warrants	1,395,295	659,835	(352,870)	-	-	(352,870)	-	-	306,965
Share-based payments	-	-	-	810,243	-	810,243	-	-	810,243
Net comprehensive income (loss) for the period	-	-	-	-	-	-	(5,645,072)	(661,778)	(6,306,850)
<b>Balance at September 30, 2017</b>	<b>427,160,783</b>	<b>\$ 92,637,566</b>	<b>\$ 9,387,055</b>	<b>\$ 4,650,918</b>	<b>\$ 315,961</b>	<b>\$ 14,353,934</b>	<b>\$ (2,450,866)</b>	<b>\$ (32,043,229)</b>	<b>\$ 72,497,405</b>
<b>Balance at December 31, 2015</b>	<b>143,838,246</b>	<b>\$ 31,314,265</b>	<b>\$ 1,875,998</b>	<b>\$ 2,829,261</b>	<b>\$ 249,793</b>	<b>\$ 4,955,052</b>	<b>\$ 2,271,167</b>	<b>\$ (25,936,590)</b>	<b>\$ 12,603,894</b>
Equity issuance	223,247,242	49,114,393	-	-	-	-	-	-	49,114,393
Share issue costs	-	(5,633,352)	2,822,961	-	-	2,822,961	-	-	(2,810,391)
Shares issued upon acquisition of Florida Canyon Group	20,000,000	8,000,000	-	-	-	-	-	-	8,000,000
Warrants issued upon closing of credit facility	-	-	5,040,966	-	-	5,040,966	-	-	5,040,966
Share-based payments	-	-	-	471,805	-	471,805	-	-	471,805
Exercise of share options	210,000	78,466	-	(31,516)	-	(31,516)	-	-	46,950
Net comprehensive income for the period	-	-	-	-	-	-	(902,913)	(964,336)	(1,867,249)
<b>Balance at September 30, 2016</b>	<b>387,295,488</b>	<b>\$ 82,873,772</b>	<b>\$ 9,739,925</b>	<b>\$ 3,269,550</b>	<b>\$ 249,793</b>	<b>\$ 13,259,268</b>	<b>\$ 1,368,254</b>	<b>\$ (26,900,926)</b>	<b>\$ 70,600,368</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

# Rye Patch Gold Corp.

## Condensed Consolidated Interim Statements of Cash Flows (Unaudited - Expressed in Canadian Dollars)

	For the nine months ended	
	September 30, 2017	September 30, 2016
<b>Cash flows provided from (used by):</b>		
<b>OPERATING ACTIVITIES</b>		
Net income (loss) for the period	\$ (661,778)	\$ (964,336)
<b>Adjustments for items not affecting cash:</b>		
Depreciation	220,664	62,580
Foreign exchange gain	5,364	7,875
Share-based payments	658,574	471,805
Accretion expense	629,230	111,385
Amortization of deferred debt issuance costs	3,149,866	-
Change in fair value of contingent consideration	(687,093)	(1,009,500)
Interest expense capitalized to credit facility payable	2,395,789	-
Write-down of inventory	1,671,625	-
Write-off of exploration and evaluation assets	-	871,871
	<b>7,382,241</b>	<b>(448,320)</b>
<b>Net changes in non-cash working capital items:</b>		
Accounts receivable	1,733,977	(841,861)
Inventory	6,188,584	(178,274)
Prepaid expenses and deposits	413,173	1,027,578
Accounts payable and accrued liabilities	3,052,213	(93,274)
Due to related parties	(396,463)	(31,858)
<b>Net cash flows from (used in) operating activities</b>	<b>18,373,725</b>	<b>(566,009)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from equity issuance, net of share issuance costs	9,170,127	46,304,002
Proceeds from the exercise of warrants	306,964	-
Proceeds from the exercise of share options	-	46,950
Proceeds from credit facility	14,483,023	-
Deferred cost related to the credit facility	(150,844)	(1,139,883)
Proceeds from loans	4,882,535	-
Repayment of credit facility	(1,372,800)	-
Repayment of loans payable	(2,391,067)	(204,594)
Repayment of notes payable	-	(3,439,381)
<b>Net cash flows received from (used in) financing activities</b>	<b>24,927,938</b>	<b>41,567,094</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(41,445,987)	(1,908,038)
Exploration and evaluation expenditures	(193,761)	(410,671)
Cash received on Florida Canyon acquisition	-	376,327
Acquisition of Florida Canyon Group	-	(21,984,898)
Prepayment on property, plant and equipment	-	(3,735,332)
Reclamation bond	-	(5,130,923)
<b>Net cash flow used in investing activities</b>	<b>(41,639,748)</b>	<b>(32,793,535)</b>
<b>Effects of currency exchange rate changes on cash and cash equivalents</b>	<b>(845,577)</b>	<b>(549,992)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>816,338</b>	<b>7,657,558</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>11,121,286</b>	<b>3,578,769</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 11,937,624</b>	<b>\$ 11,236,327</b>
<b>Cash and cash equivalents consist of:</b>		
Cash	\$ 11,817,737	\$ 11,116,773
Short-term deposits	119,887	119,554
	<b>\$ 11,937,624</b>	<b>\$ 11,236,327</b>

### Supplementary cash flow information (note 17)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

# Rye Patch Gold Corp.

## Notes to the Condensed Consolidated Interim Financial Statements For the nine months ended September 30, 2017 (Unaudited - Expressed in Canadian Dollar)

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### 1. NATURE OF OPERATIONS

Rye Patch Gold Corp. (the "Company") was incorporated under the British Columbia Business Corporations Act on April 13, 2006 and its head office is located at Suite 1500 – 701 West Georgia Street, Vancouver, British Columbia. The Company is principally engaged in mining operations, and the acquisition, exploration and development of mineral properties located in the state of Nevada.

On July 28, 2016, the Company completed its acquisition of Florida Canyon Mining, Inc. ("Florida Canyon"), Standard Gold Mining, Inc. ("Standard Mine") and RP Dirt, Inc. (collectively the "Florida Canyon Group"). With the acquisition, the Company acquired a producing property, the Florida Canyon Mine, and the existing leach pad of the Standard Mine. The Company holds several other exploration projects in Nevada.

### 2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

These financial statements were authorized for issue on November 27, 2017 by the directors of the Company.

#### **Statement of compliance to International Financial Reporting Standards**

These condensed consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2016, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

#### **Basis of presentation**

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period.

Certain amounts in prior periods have been reclassified to conform to the current period presentation.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements.

These unaudited condensed interim consolidated financial statements follow the same accounting policies and methods of application as the annual audited consolidated financial statements for the year ended December 31, 2016.

# Rye Patch Gold Corp.

## Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2017

(Unaudited - Expressed in Canadian Dollar)

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### 3. NEW ACCOUNTING STANDARDS

#### ***New standards and interpretations not yet adopted***

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. Updates which are not applicable or are not consequential to the Company have not been discussed below. The following standards have not yet been adopted by the Company and are being evaluated to determine their impact:

- IFRS 9: New standard addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 replaces the guidance in International Accounting Standard (“IAS”) 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income (“OCI”) and FVTPL “Fair Value Through Profit and Loss”. There is a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated as FVTPL. The standard is effective for accounting periods beginning on or after January 1, 2018. The Company continues to evaluate the impact of IFRS 9; however, based on the evaluation performed to date, the Company does not anticipate the standard to have a material impact on the consolidated financial statements upon adoption.
- IFRS 15: The IASB has replaced IAS 18, Revenue in its entirety with IFRS 15, Revenue from contracts with customers (“IFRS 15”) which is intended to establish a new control-based revenue recognition model and change the basis for deciding whether revenue is to be recognized over time or at a point in time. IFRS 15 is effective for annual periods commencing on or after January 1, 2018. The Company continues to evaluate the impact of IFRS 15; however, based on the evaluation performed to date, the Company does not anticipate the standard to have a material impact on the consolidated financial statements upon adoption.
- IFRS 16: New standard that replaces IAS 17 with a new approach to lease accounting that requires a lessee to recognize assets and liabilities for the rights and obligations created by substantially all leases. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company has yet to assess the full impact of IFRS 16.



## Rye Patch Gold Corp.

### Notes to the Condensed Consolidated Interim Financial Statements For the nine months ended September 30, 2017 (Unaudited - Expressed in Canadian Dollar)

#### 4. CONTINGENT CONSIDERATION

As part of the acquisition of the Florida Canyon Group, the Company agreed that a portion of the total consideration to be contingent on a future event related to the Florida Canyon Mine. The Company agreed to pay US\$5,000,000 in the form of cash, equity or equity instruments and issue 15,000,000 share purchase warrants 60-days after the Company has reached commercial production at Florida Canyon Mine. The contingent consideration balance is made up of \$6,195,348 (December 31, 2016 - \$6,384,353) for the contingent cash consideration and \$567,000 (December 31, 2016 - \$1,579,500) for the contingent share purchase warrants.

	September 30, 2017	December 31, 2016
Balance, beginning of period	\$ 7,963,853	\$ -
Fair value upon initial recognition - Cash payment	-	6,053,670
Fair value upon initial recognition - Warrants	-	2,730,000
Change in fair value	(687,093)	(926,781)
Foreign exchange	(514,412)	106,964
<b>Balance, end of period</b>	<b>\$ 6,762,348</b>	<b>\$ 7,963,853</b>

The inputs for the valuation of the warrants were as follows:

	September 30, 2017	December 31, 2016
Risk-free interest rate	0.87% - 1.55%	0.51% - 0.84%
Expected annual volatility	82% - 88%	88% - 90%
Expected life	2.08 - 2.41	2.57 - 3.00
Expected dividend yield	-	-
Weighted average share price	\$ 0.24	\$ 0.36
Weighted average exercise price	\$ 0.63	\$ 0.66
Grant date fair value per warrant	\$ 0.18	\$ 0.18
Period-end fair value per warrant	\$ 0.04	\$ 0.11

#### 5. INVENTORIES

	September 30, 2017	December 31, 2016
Ore on heap leach pads	\$ 1,161,169	\$ 5,506,496
Dore	160,872	4,978,658
Material and supplies	1,339,344	1,398,276
	<b>\$ 2,661,385</b>	<b>\$ 11,883,430</b>
Non-current portion of ore on heap leach pads	\$ (157,477)	\$ (1,138,832)
<b>Current portion of inventory</b>	<b>\$ 2,503,908</b>	<b>\$ 10,744,598</b>

The cost of the inventory held at its net realizable value was \$4,172,138 (December 31, 2016 - \$13,485,154). The Company wrote down inventory by \$1,458,255 and \$1,671,625 during the three and nine months ended September 30, 2017.

## Rye Patch Gold Corp.

### Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2017

(Unaudited - Expressed in Canadian Dollar)

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#### 6. ROYALTY INCOME

On June 25, 2013, the Company and Coeur Rochester Inc., a wholly owned subsidiary of Coeur Mining Inc. (collectively, "Coeur"), reached a settlement on the legal dispute over title to certain LH and OG unpatented lode mining claims covering portions of the Rochester and Packard mine areas. In settlement of the legal dispute, the Company conveyed all of the disputed LH and OG unpatented lode mining claims (comprising 386 of the 410 LH claims and all three OG claims) to Coeur in return for the following:

- Coeur made a cash payment to the Company in the sum of US\$10,000,000;
- Coeur granted to Rye Patch Gold US Inc., a production royalty equal to 3.4% of the gross revenue, less refining costs, of gold and silver produced and sold from the Rochester Mine (the "Coeur NSR") capped at 39.4 million silver equivalent ounces; and
- Conveyed all of Coeur's right, title and interest in the Blue Bird patented lode mining claim located near Lincoln Hill.

During the second quarter of 2017, the Company sold the remaining quarterly balance of 13,073,783 silver equivalent ounces of its production royalty back to Coeur for a price of \$6,750,000 (US\$5,000,000). In addition, the Company received royalty income of \$421,898 (US\$313,702) for those ounces sold between the April 1, 2017 and the date of the sale of the royalty. Upon completion of the sale of the production royalty, the Company withdrew the arbitration filed in 2015.

During the three and nine months ended September 30, 2017, the Company earned \$Nil and \$2,137,171 (US\$Nil and US\$1,609,591) as royalty income (Three and nine months ended September 30, 2016 - \$1,744,187 and \$4,582,750 (US\$1,336,849 and US\$3,473,398)).

The account receivable related to royalty income as at September 30, 2017 was \$Nil (US\$Nil) (December 31, 2016 - \$1,624,972 (US\$1,210,227)).

## Rye Patch Gold Corp.

### Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2017

(Unaudited - Expressed in Canadian Dollar)

#### 7. PROPERTY, PLANT AND EQUIPMENT

	Mineral Interests & Mine Development	Construction In Progress	Buildings	Computer hardware & software	Vehicles, machinery & equipment	Office furniture, equipment & other	Total
<b>Cost</b>							
As at December 31, 2016	\$ 48,578,588	\$ 14,809,757	\$ 173,242	\$ 258,543	\$ 10,696,573	\$ 119,636	\$ 74,636,339
Reclassification	(992,570)	(9,406,246)	-	127,860	10,270,956	-	-
Additions	31,899,802	20,674,440	-	-	-	9,710	52,583,952
Disposals	-	-	-	-	(21,764)	-	(21,764)
Currency translation adjustment	(5,130,842)	(1,234,964)	(12,219)	(21,965)	(1,408,191)	(4,215)	(7,812,396)
<b>Balance as at September 30, 2017</b>	<b>\$ 74,354,978</b>	<b>\$ 24,842,987</b>	<b>\$ 161,023</b>	<b>\$ 364,438</b>	<b>\$ 19,537,574</b>	<b>\$ 125,131</b>	<b>\$ 119,386,131</b>
<b>Depreciation</b>							
As at December 31, 2016	\$ -	\$ -	\$ (12,604)	\$ (105,850)	\$ (697,134)	\$ (110,995)	\$ (926,583)
Charged for the period	-	-	(22,085)	(86,707)	(1,848,534)	(8,001)	(1,965,327)
Currency translation adjustment	-	-	1,886	8,970	119,156	3,659	133,671
<b>Balance as at September 30, 2017</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (32,803)</b>	<b>\$ (183,587)</b>	<b>\$ (2,426,512)</b>	<b>\$ (115,337)</b>	<b>\$ (2,758,239)</b>
<b>Net book value</b>							
<b>As at September 30, 2017</b>	<b>\$ 74,354,978</b>	<b>\$ 24,842,987</b>	<b>\$ 128,220</b>	<b>\$ 180,851</b>	<b>\$ 17,111,062</b>	<b>\$ 9,794</b>	<b>\$ 116,627,892</b>
<b>Cost</b>							
As at December 31, 2015	\$ -	\$ -	\$ -	\$ 98,756	\$ 32,269	\$ 121,276	\$ 252,301
Acquisition of Florida Canyon Group	39,243,903	79,440	170,274	-	9,937,219	-	49,430,836
Additions	8,589,627	14,576,479	-	161,005	551,265	-	23,878,376
Currency translation adjustment	745,058	153,838	2,968	(1,218)	175,820	(1,640)	1,074,826
<b>Balance as at December 31, 2016</b>	<b>\$ 48,578,588</b>	<b>\$ 14,809,757</b>	<b>\$ 173,242</b>	<b>\$ 258,543</b>	<b>\$ 10,696,573</b>	<b>\$ 119,636</b>	<b>\$ 74,636,339</b>
<b>Depreciation</b>							
As at December 31, 2015	\$ -	\$ -	\$ -	\$ (78,079)	\$ (6,654)	\$ (102,594)	\$ (187,327)
Charged for the period	-	-	(12,410)	(29,155)	(680,245)	(9,599)	(731,409)
Currency translation adjustment	-	-	(194)	1,384	(10,235)	1,198	(7,847)
<b>Balance as at December 31, 2016</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (12,604)</b>	<b>\$ (105,850)</b>	<b>\$ (697,134)</b>	<b>\$ (110,995)</b>	<b>\$ (926,583)</b>
<b>Net book value</b>							
<b>As at December 31, 2016</b>	<b>\$ 48,578,588</b>	<b>\$ 14,809,757</b>	<b>\$ 160,638</b>	<b>\$ 152,693</b>	<b>\$ 9,999,439</b>	<b>\$ 8,641</b>	<b>\$ 73,709,756</b>

During the three and nine months ended September 30, 2017, the Company capitalized \$803,380 and \$1,744,663 (Three and nine months ended September 30, 2017 - \$Nil and \$Nil) in depreciation related to assets used in the development of the mine to mineral Interests and mine development.

## Rye Patch Gold Corp.

### Notes to the Condensed Consolidated Interim Financial Statements For the nine months ended September 30, 2017 (Unaudited - Expressed in Canadian Dollar)

#### 8. PROVISIONS FOR RECLAMATION

	September 30, 2017		December 31, 2016	
Balance, beginning of period	\$	39,868,568	\$	107,952
Provisions assumed through Florida Canyon Group acquisition		-		37,060,795
Change in estimation		7,446,749		1,771,246
Accretion expense		753,686		284,716
Foreign exchange		(3,378,490)		643,859
<b>Balance, end of period</b>	<b>\$</b>	<b>44,690,513</b>	<b>\$</b>	<b>39,868,568</b>
<b>Current portion of provision for reclamation</b>	<b>\$</b>	<b>111,994</b>	<b>\$</b>	<b>115,878</b>
<b>Non-current portion of provision for reclamation</b>	<b>\$</b>	<b>44,578,519</b>	<b>\$</b>	<b>39,752,690</b>

During the three and nine months ended September 30, 2017, the Company capitalized \$54,354 and \$124,456 of accretion expense.

#### 9. SHARE CAPITAL AND RESERVES

##### Authorized share capital

Unlimited number of common shares without par value.

Unlimited number of preferred shares without par value.

##### Issued and outstanding share capital

At September 30, 2017, there were 427,160,783 common shares issued and outstanding (December 31, 2016 – 387,295,488).

##### During the nine months ended September 30, 2017:

On June 29, 2017, the Company closed a financing of 38,470,000 common shares for gross proceeds of \$10,002,200. In connection with the financing the Company issued 769,400 agent options at an exercise price of \$0.26 per common share exercisable until December 29, 2018. In completing the financing, the Company incurred share issue costs of \$898,241, including \$66,168 in non-cash share issue costs related to the fair value of the agent options.

During the second quarter of 2017, the Company issued 1,395,295 common shares for proceeds of \$306,965 upon exercise of share purchase warrants. A total of \$352,870 was transferred from reserves to share capital representing the grant date fair value of the share purchase warrants.

##### During the year ended December 31, 2016:

On June 16, 2016, the Company completed a private placement of 223,247,242 subscription receipts for gross proceeds of \$49,114,393. The subscription receipts were held in escrow until such time that the Company closed the acquisition of the Florida Canyon Group. On July 28, 2016, the Company completed the acquisition and the subscription receipts were converted to common shares of the Company on a one-to-one basis. In conjunction with the financing, the Company incurred total share issue costs of \$5,633,352 of which \$2,822,961 related to agent warrants and \$2,810,391 in cash share issue costs.

On closing of the acquisition, the Company also issued 20,000,000 common shares as part of the consideration paid for the Florida Canyon Group. The common shares were recorded at their market value of \$0.40 per common share at the time of issue.

During the year ended December 31, 2016, a total of 210,000 common shares were issued upon exercise of share options for total proceeds of \$46,950. A total of \$31,516 was transferred from reserves to share capital upon exercise of these share options.

# Rye Patch Gold Corp.

## Notes to the Condensed Consolidated Interim Financial Statements For the nine months ended September 30, 2017 (Unaudited - Expressed in Canadian Dollar)

### 9. SHARE CAPITAL AND RESERVES (continued)

#### Share purchase options

Effective June 7, 2016, as amended on May 29, 2017, the Company adopted a new share purchase option plan (the "Plan"). Under this Plan, the Company may grant options of up to 10% of its outstanding common shares to its directors, officers, employees and consultants. The exercise price of the share purchase options will be no less than the closing price of the shares on the TSX Venture Exchange (the "Exchange") on the business day immediately preceding the date of granting of the option, unless the Exchange permits discounts, or allows some other minimum exercise price. Vesting of the share options shall be as determined by the Board of Directors from time to time, subject to minimum requirements of the Exchange.

#### During the nine months ended September 30, 2017:

On July 12, 2017, the Company granted 800,000 share purchase options to an employee and director. The share purchase options have an exercise price of \$0.30 per common share and a life of five years.

#### During the year ended December 31, 2016:

On August 12, 2016, the Company granted 10,000,000 share purchase options to employees, officers, directors and consultants. The share purchase options have an exercise price of \$0.50 per common share and a life of ten years.

On December 14, 2016, the Company granted 300,000 share purchase options to a director of the Company. The share purchase options have an exercise price of \$0.30 per common share and a life of ten years.

The changes in share purchase options during the periods ended September 30, 2017 and December 31, 2016 were as follows:

	Period ended September 30, 2017			Period ended December 31, 2016	
	Number	Weighted average		Number	Weighted average
	outstanding	exercise price		outstanding	exercise price
Outstanding, beginning of period	12,825,000	\$ 0.32	Outstanding, beginning of period	5,500,000	\$ 0.32
Granted	800,000	0.30	Granted	10,300,000	0.49
Expired	-	-	Expired	(440,000)	0.35
Exercised	-	-	Exercised	(210,000)	0.22
Cancelled	-	-	Cancelled	(125,000)	0.60
Forfeited	(650,000)	0.50	Forfeited	(2,200,000)	0.49
<b>Outstanding, end of period</b>	<b>12,975,000</b>	<b>\$ 0.31</b>	<b>Outstanding, end of period</b>	<b>12,825,000</b>	<b>\$ 0.32</b>

During the three and nine months ended September 30, 2017 the Company recorded share-based payments expense of \$235,240 and \$810,243 (Three and nine months ended September 30, 2016 - \$413,206 and \$471,805). The Company capitalized \$34,840 and \$151,670 of share based payments expense during the three and nine months ended September 30, 2017 (Three and nine months ended September 30, 2016 - \$Nil and \$Nil).

## Rye Patch Gold Corp.

### Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2017

(Unaudited - Expressed in Canadian Dollar)

#### 9. SHARE CAPITAL AND RESERVES (continued)

The following summarizes information about share purchase options outstanding and exercisable at September 30, 2017:

Expiry date	Options outstanding	Options exercisable	Exercise price	Estimated grant date fair value	Weighted average remaining contractual life (in years)
August 21, 2019	460,000	460,000	0.20	92,552	1.89
January 18, 2022	1,280,000	1,280,000	0.60	870,854	4.30
July 12, 2022	800,000	-	0.30	115,760	4.78
July 12, 2023	1,150,000	1,150,000	0.20	195,881	5.78
July 22, 2024	485,000	485,000	0.27	93,646	6.81
September 16, 2024	150,000	150,000	0.27	22,158	6.97
March 1, 2025	200,000	200,000	0.15	28,520	7.42
August 28, 2025	900,000	900,000	0.16	141,700	7.92
August 12, 2026	7,250,000	3,625,000	0.50	3,248,000	8.87
December 14, 2026	300,000	75,000	0.30	70,020	9.21
	<b>12,975,000</b>	<b>8,250,000</b>	<b>0.42</b>	<b>\$ 4,879,091</b>	<b>7.47</b>

#### Share purchase Warrants

During the year ended December 31, 2016, the Company issued the following share purchase warrants:

- The Company issued 11,162,362 share purchase warrants in conjunction with the equity financing completed on July 28, 2016. The share purchase warrants have an exercise price of \$0.22 and have a life of two years. The share purchase warrants were treated as share issue costs related to the equity financing; and
- On July 28, 2016, in conjunction with the closing of the equity financing and the acquisition of the Florida Canyon Group, the Company also signed a US\$27,000,000 credit facility. Upon signing of the credit facility, the Company issued 16,224,545 share purchase warrants with an exercise price of \$0.22 and a life of five years to the lender. The fair value of the share purchase warrants were recorded as costs related to the credit facility.

In addition to the warrants issued in 2016, the Company has also contingently agreed to issue warrants in relation to the acquisition of the Florida Canyon Group. Refer to note 4 for additional details.

	Period ended September 30, 2017		Period ended December 31, 2016	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning of period	27,386,907	\$ 0.22	Outstanding, beginning of period	- \$ -
Issued	-	-	Issued	27,386,907 0.22
Exercised	(1,395,295)	0.22	Exercised	- -
<b>Outstanding, end of period</b>	<b>25,991,612</b>	<b>\$ 0.22</b>	<b>Outstanding, end of period</b>	<b>27,386,907 \$ 0.22</b>

## Rye Patch Gold Corp.

### Notes to the Condensed Consolidated Interim Financial Statements For the nine months ended September 30, 2017 (Unaudited - Expressed in Canadian Dollar)

#### 9. SHARE CAPITAL AND RESERVES (continued)

As at September 30, 2017, the following share purchase warrants are outstanding:

Expiry date	Warrants outstanding	Exercise price	Estimated grant date fair value	Weighted average remaining contractual life (in years)
July 28, 2018	9,767,067	0.22	2,822,961	0.82
July 28, 2021	16,224,545	0.22	5,040,966	3.83
	<b>25,991,612</b>	<b>0.22</b>	<b>\$ 7,863,927</b>	<b>2.70</b>

#### Agent options

On June 29, 2017, the Company issued 769,400 agent options in connection with the Company's equity financing. The agent options have an exercise price of \$0.26 and have a life of one and a half years. The agent options were treated as share issue costs related to the equity financing.

	Period ended September 30, 2017		Period ended December 31, 2016	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning of period	-	\$ -	Outstanding, beginning of period	- \$ -
Issued	769,400	0.26	Issued	- -
<b>Outstanding, end of period</b>	<b>769,400</b>	<b>\$ 0.26</b>	<b>Outstanding, end of period</b>	<b>- \$ -</b>

As at September 30, 2017, the following agent options were outstanding:

Expiry date	Warrants outstanding	Exercise price	Estimated grant date fair value	Weighted average remaining contractual life (in years)
December 29, 2018	769,400	0.26	66,168	1.25

#### Restricted Share Unit Plan ("RSU Plan")

In April, 2017, the Board of Directors of the Company adopted a new restricted share unit plan ("RSU Plan") for the Company, subject to applicable shareholder and regulatory approvals which have been obtained. A maximum of 3,800,000 common shares of the Company may be issued in respect of restricted share units ("RSU's") granted under the RSU Plan to directors, officers and employees, subject to any performance conditions determined by the Board of Directors of the Company, provided that the number of common shares reserved under the RSU Plan and share options and any other share incentives granted by the Company may not exceed 10% of the issued and outstanding common shares of the Company from time to time.

Each RSU issued entitles the recipient of the award to one common share of the Company or the cash equivalent of one common share. Vesting of the RSUs occurs over a period of three years, with 33% of the RSUs vesting on each of the first, second and third anniversaries of the date of the award. As at September 30, 2017, no restricted share units have been awarded.

## Rye Patch Gold Corp.

### Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2017

(Unaudited - Expressed in Canadian Dollar)

#### 10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2017		December 31, 2016	
Accounts payable	\$	6,728,103	\$	6,700,407
Accrued liabilities		2,081,937		1,352,761
Interest payable		469,001		276,862
Royalty payable		910,661		85,840
	\$	<b>10,189,702</b>	\$	<b>8,415,870</b>

#### 11. LOANS PAYABLE

Prior to acquisition by the Company, the Florida Canyon Group had entered into agreements with Caterpillar Financial Services ("CAT Loan") and Bank of America Leasing and Capital, LLC ("BALC Loan") in 2012 and 2013 respectively. In 2016, the BALC loan was assumed by ADM-Gold Co., Ltd ("Admiral") and as part of the acquisition of the Florida Canyon Group, the Company agreed to repay that loan over 13 months from the date of close.

##### *CAT Loan*

	September 30, 2017		December 31, 2016	
Balance, beginning of period	\$	226,079	\$	-
Florida Canyon Group acquisition		-		513,493
Additional loans		3,681,719		-
Interest expense		32,381		9,126
Payments - principal and interest		(311,213)		(302,010)
Foreign exchange		(52,095)		5,470
	\$	<b>3,576,871</b>	\$	<b>226,079</b>
Non-current portion of loans payable	\$	(2,756,435)	\$	-
Current portion of loans payable	\$	<b>820,436</b>	\$	<b>226,079</b>

In August 2017, the Company acquired four additional haul trucks for a total of US\$3.67 million. In order to secure the haul trucks, the Company financed 80% of the purchase price through Caterpillar Finance, \$3,681,719 (US\$2,911,140). The loan is for a period of 48 months with an annual interest rate of 6.95%.

##### *Admiral Loan*

	September 30, 2017		December 31, 2016	
Balance, beginning of period	\$	953,283	\$	-
Florida Canyon Group acquisition		-		1,439,392
Interest expense		23,884		31,374
Payments - principal and interest		(951,587)		(534,844)
Foreign exchange		(25,580)		17,361
<b>Balance, end of period</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>953,283</b>

The loan was recognized at fair value at the time of acquisition and bears an interest rate of 6.07% and is scheduled to be repaid monthly.



## Rye Patch Gold Corp.

### Notes to the Condensed Consolidated Interim Financial Statements For the nine months ended September 30, 2017 (Unaudited - Expressed in Canadian Dollar)

#### 11. LOANS PAYABLE (continued)

##### *Premium Funding Loan*

	September 30, 2017	December 31, 2016
Balance, beginning of period	\$ -	\$ -
Proceeds from the loan	1,200,816	
Interest expense	17,938	-
Payments - principal and interest	(1,202,470)	-
Foreign exchange	(16,284)	-
<b>Balance, end of period</b>	<b>\$ -</b>	<b>\$ -</b>

In January 2017, the Company entered into a loan agreement with Premium Funding Associates, Inc., for \$1,200,816 (US\$906,276) in order to finance Florida Canyon's 2017 insurance policies. The loan is a short-term loan with an annualized interest rate of 3.62%.

#### 12. CREDIT FACILITY

As at September 30, 2017, US\$25,000,000 (December 31, 2016 - US\$14,178,631) had been drawn down on the credit facility with an additional US\$1,861,611 (December 31, 2016 - \$Nil) of interest capitalized to the principal balance of the credit facility for a total outstanding balance of \$26,861,611 as at September 30, 2017. The Company may capitalize accrued interest up to US\$2,000,000 to the principal balance. The effective interest rates per annum on the funds drawn range from 16% to 36%. The effective interest rate reflects the stated interest rate on the credit facility, *libor* plus 8%, plus the amortization of the deferred debt issuance costs. For the three and nine months ended September 30, 2017, stated interest expense on the credit facility was \$772,501 and \$2,162,514 and the amortization of the deferred debt issuance costs was \$1,084,409 and 3,149,866. There were no such costs for the three and nine months ended September 30, 2016.

	September 30, 2017	December 31, 2016
Balance, beginning of period	\$ 15,491,644	\$ -
Draw downs, net of transaction costs	10,696,134	14,920,826
Interest capitalized to principal balance	2,395,789	-
Amortization of transaction costs	3,149,866	476,852
Foreign exchange	(2,058,905)	93,966
<b>Balance, end of period</b>	<b>\$ 29,674,528</b>	<b>\$ 15,491,644</b>
<b>Non-current portion of credit facility</b>	<b>\$ (8,957,728)</b>	<b>\$ (8,711,009)</b>
<b>Current portion of credit facility</b>	<b>\$ 20,716,800</b>	<b>\$ 6,780,635</b>

In connection with the credit facility, the Company must maintain certain ongoing project ratios and a specific current ratio. As at September 30, 2017, the Company was in compliance with these ratios.

## Rye Patch Gold Corp.

### Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2017

(Unaudited - Expressed in Canadian Dollar)

#### 13. COSTS BY NATURE

##### a) Cost of Sales

	For the three months ended		For the nine months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Direct operating costs	\$ 2,507,980	\$ 3,314,554	\$ 14,187,040	\$ 3,314,554
Depreciation	67,276	42,404	200,273	42,404
Royalty expense	41,550	5,852	275,569	5,852
	\$ 2,616,806	\$ 3,362,810	\$ 14,662,882	\$ 3,362,810

##### b) General and Administrative Expenses

	For the three months ended		For the nine months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Accounting, audit, and tax	\$ 6,827	\$ 184,202	\$ 187,750	\$ 318,710
Depreciation	6,181	5,641	20,391	20,176
Insurance	13,725	6,041	59,546	34,996
Investor relations	130,953	53,092	489,050	221,083
Legal fees	18,076	160,081	177,370	216,588
Management fees	67,325	58,918	187,096	177,746
Office and administration	99,342	33,479	245,316	137,480
Rent	30,254	38,861	74,920	125,057
Share-based payments	200,401	413,206	658,574	471,805
Travel	13,057	12,170	28,107	30,214
Transfer agent and filing fees	12,306	50,885	134,728	82,345
Wages	98,750	161,503	315,329	370,968
	\$ 697,197	\$ 1,178,079	\$ 2,578,177	\$ 2,207,168

#### 14. RELATED PARTY TRANSACTIONS

The condensed consolidated interim financial statements include the accounts of Rye Patch Gold Corp. and its subsidiaries as listed in the following table:

Name	Country of incorporation	Ownership
Rye Patch Gold US Inc.	United States of America	100%
Rye Patch Mining US Inc.	United States of America	100%
Florida Canyon Mining, Inc.	United States of America	100%
Standard Gold Mining, Inc.	United States of America	100%
RP Dirt, Inc.	United States of America	100%

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation.

## Rye Patch Gold Corp.

### Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2017

(Unaudited - Expressed in Canadian Dollar)

#### 14. RELATED PARTY TRANSACTIONS (continued)

Details of the transactions between the Company and other related parties are disclosed below. The Company's related parties consist of companies owned, directly or indirectly, by directors and key management as follows:

Name	Nature of transactions
Tanadog Management and Technical Services Inc.	Management fees
Koffman Kalef LLP Business Lawyers	Legal fees

The Company incurred fees and expenses in the normal course of operations in connection with companies owned by directors and key management. Expenses have been measured at the amount of consideration established and agreed to by the related parties.

The Company's related party expenses are as follows:

	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Legal fees <sup>(1)</sup>	\$ 12,565	\$ 257,372	\$ 297,574	\$ 626,476
Management fees <sup>(2)</sup>	67,325	58,918	187,096	177,746
Office and administration <sup>(2)</sup>	8,718	15,839	35,651	43,103
	<b>\$ 88,608</b>	<b>\$ 332,129</b>	<b>\$ 520,321</b>	<b>\$ 847,325</b>

(1) The Company paid legal and corporate secretary service fees to Koffman Kalef LLP Business Lawyers in which the Company's Corporate Secretary is a partner. As at September 30, 2017, \$47,597 (December 31, 2016 - \$14,649) was owed to this firm.

(2) The Company paid for management fees to Tanadog Management and Technical Services Inc. which is controlled by the Company's President. The Company's management services contract with Tanadog Management and Technical Services Inc. is renewable automatically for consecutive one-year terms, at US\$180,000 per year. Fees payable on termination of services is one and a half times the annual rate and fees payable on change of control is three times the annual rate.

In addition, the Company paid for office and administrative services to the same company. As at September 30, 2017, \$3,544 (December 31, 2016 - \$445,908) was owed to this company.

#### Key management personnel compensation

The remuneration of directors and other members of key management personnel during the three and nine months ended September 30, 2017 and 2016 were as follows:

	Three months ended		Nine months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Salaries and management fees	\$ 124,825	\$ 83,917	\$ 344,592	\$ 252,743
Share-based payments - management <sup>(i)</sup>	71,957	109,034	242,581	132,008
Share-based payments - directors <sup>(i)</sup>	58,540	106,076	190,570	119,702
	<b>\$ 255,322</b>	<b>\$ 299,027</b>	<b>\$ 777,743</b>	<b>\$ 504,453</b>

i. Share-based payments are the fair value of share options granted to key management personnel and directors.

## Rye Patch Gold Corp.

### Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2017

(Unaudited - Expressed in Canadian Dollar)

#### 15. OPERATING SEGMENT INFORMATION

The Company operates in one segment, which is the exploration and development of mineral properties. The Company's assets and liabilities are located within two geographical areas, Canada and the state of Nevada in the United States of America. The property, plant and equipment and exploration and evaluation assets are located solely in the Nevada segment.

The following table shows the assets and liabilities as at September 30, 2017 and December 31, 2016 and the net income (loss) for the nine months ended September 30, 2017 and 2016 attributable to each geographical segment:

	Canada	United States	Total
<b>As at September 30, 2017</b>			
Cash	\$ 242,028	\$ 11,695,596	\$ 11,937,624
Inventory	-	2,661,385	2,661,385
Exploration and evaluation assets	-	7,242,912	7,242,912
Property, plant and equipment	36,149	116,591,743	116,627,892
Reclamation bonds	-	25,791,113	25,791,113
Other assets	127,377	1,681,405	1,808,782
Loans payable	-	(3,576,871)	(3,576,871)
Credit Facility	-	(28,301,728)	(28,301,728)
Contingent consideration payable	-	(6,762,348)	(6,762,348)
Provision for reclamation	-	(44,690,513)	(44,690,513)
Other liabilities	(106,225)	(10,134,618)	(10,240,843)
	<b>\$ 299,329</b>	<b>\$ 72,198,076</b>	<b>\$ 72,497,405</b>
<b>As at December 31, 2016</b>			
Cash	\$ 747,040	\$ 10,374,246	\$ 11,121,286
Inventory	-	11,883,430	11,883,430
Exploration and evaluation assets	-	7,267,391	7,267,391
Property, plant and equipment	9,997	73,699,759	73,709,756
Reclamation bonds	-	27,748,180	27,748,180
Other assets	123,356	10,043,375	10,166,731
Credit Facility	-	(15,491,644)	(15,491,644)
Contingent consideration payable	-	(7,963,853)	(7,963,853)
Provision for reclamation	-	(39,868,568)	(39,868,568)
Other liabilities	(709,140)	(9,346,649)	(10,055,789)
	<b>\$ 171,253</b>	<b>\$ 68,345,667</b>	<b>\$ 68,516,920</b>
<b>Net income (loss):</b>			
For the nine months ended September 30, 2017	\$ (2,185,003)	\$ 1,523,225	\$ (661,778)
For the nine months ended September 30, 2016	\$ (648,384)	\$ (315,952)	\$ (964,336)

## Rye Patch Gold Corp.

### Notes to the Condensed Consolidated Interim Financial Statements For the nine months ended September 30, 2017 (Unaudited - Expressed in Canadian Dollar)

#### 16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

##### *Fair Value Measurement*

As at September 30 2017 and December 31, 2016, the Company's liabilities being held at their fair value are as follows:

<i>Fair value disclosed</i>	Fair value at September 30, 2017			Fair value at December 31, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Contingent share purchase warrants	\$ -	\$ -	\$ 6,195,348	\$ -	\$ -	\$ 6,384,353
Contingent cash consideration	-	-	567,000	-	-	1,579,500
	\$ -	\$ -	\$ 6,762,348	\$ -	\$ -	\$ 7,963,853

There were no transfers in or out of level 3 fair value measurement during the three and nine months ended September 30, 2017.

#### 17. SUPPLEMENTAL CASH FLOW INFORMATION

	Nine months ended	
	September 30, 2017	September 30, 2016
Cash paid during the year for interest	\$ 73,857	\$ -
Cash paid during the year for income taxes	\$ -	\$ -
Interest received	\$ 141,765	\$ 19,961
Accounts payable capitalized to property, plant and equipment	\$ 1,075,939	\$ 575,046
Accounts payables in inventory	\$ 326,030	\$ -
Prepaid balances transferred to property, plant and equipment	\$ 2,435,790	\$ -
Accretion expense related to the asset retirement obligation	\$ 753,686	\$ 111,385
Accretion expense capitalized mine development costs	\$ 124,456	\$ -
Amortization related to deferred transactions costs	\$ 3,149,866	\$ -

#### 18. EVENTS AFTER THE REPORTING PERIOD

In October 2017, the Company renegotiated the terms for approximately C\$49 million (US\$32.4 million) of reclamation bonds for the Florida Canyon mine and the Standard Mine. The new terms result in a material reduction in the portion of the reclamation bond that the Company is required to fund through cash reclamation deposits. This funding requirement has been reduced from 40% of the bond amount to 25% for the renegotiated bonds, resulting in a cash refund to the Company of approximately C\$6.2 million (US\$4.9 million).