Management Discussion and Analysis

Date of Report

Rye Patch Gold Corp. ("Rye Patch" or the "Company") is a resource company focused on the operation, acquisition, exploration and development, of precious metal resource properties in Nevada, United States of America. 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 two producing properties in Florida Canyon and Standard Mine. The Company owns and controls several resource and early-stage projects in west central Nevada. The Company operates through its wholly owned subsidiaries, Rye Patch Gold US Inc. ("Rye Patch US"), its exploration arm, and Rye Patch Mining US Inc. ("Rye Patch Mining"), Florida Canyon, Standard Mine and RP Dirt Inc. This Management's Discussion and Analysis ("MD&A") is prepared as of November 27, 2017 and should be read in conjunction with the Company's unaudited condensed consolidated financial statements for the nine-month period ended September 30, 2017 and supporting notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). All currency references are expressed in Canadian dollars unless otherwise specifically indicated.

Forward-Looking Statements

This MD&A contains forward-looking statements within the meaning of applicable Canadian securities legislation. Such forward-looking statements concern the Company's anticipated results and developments in the Company's operations in future periods, the price of gold, the estimation of resources, planned exploration and development of its properties, sources of funds, including future cash flows from operations, plans related to its business and other matters that may occur in the future. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies and include assumptions as to the Company's operating costs, resource estimates and the price of gold and silver. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to:

- Fluctuations in the currency markets such as Canadian dollar and U.S. dollar;
- Fluctuations in the prices of gold and silver and other minerals;
- Changes in government legislation, taxation, controls, regulations and political or economic developments in Canada and the United States;
- Risks associated with mining activities;
- The speculative nature of exploration, including the risk of obtaining necessary licenses and permits, and quantities or grades of mineral resources;
- The nature of mineral exploration and mining and the uncertain commercial viability of certain mineral deposits;
- The Company's ability to achieve and maintain consistent operating revenues; and
- The Company's ability to obtain necessary financing to fund the re-start of mining operations at the Florida Canyon Mine, development of its mineral properties or the completion of further exploration programs in accordance with its 2017 development and exploration program.

This is not an exhaustive list of the factors that may affect the Company's forward-looking statements. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly, undue reliance should not be put on such statements due to their inherent uncertainty.

Additional Information

Additional information relating to the Company, including the Company's Annual Information Form, news releases and technical reports, is available on SEDAR at www.sedar.com and on the Company's website at www.ryepatchgold.com.

Outlook and Summary

The Company's project to restart the Florida Canyon Mine is on-track to achieve positive cashflows in December this year and commercial production in Q1 2018. During the third quarter, mining, crushing and stacking increased significantly and outperformed the published plan. Gold production benefited from the increase in leach cell size as the mine transitioned to the larger Section 1B portion of the South Heap Leach Pad ("SHLP"). Gold is being produced at increasingly higher levels as it builds toward commercial production.

"Plan" refers to the Company's preliminary economic assessment ("PEA") effective March 16, 2016 and dated January 27, 2017 titled "Amended Technical Report – Preliminary Economic Assessment for the Florida Canyon Mine, Pershing County, Nevada" available on the Company's website and under the Company's profile at www.sedar.com.

In October the Company started the first phase of a multi-phase multi-year exploration drilling program designed to add oxide resource ounces in and around the Florida Canyon Mine and began the detailed economic studies required to support the proposed production expansion. From this work, a new feasibility study with a revised resource estimate and potential mine expansion is anticipated in Q1 2018. The Company also began testing the sulphide body beneath the Florida Canyon mine to evaluate the potential size of the ore body, gold grades and metallurgical characteristics to expand upon and confirm the pre-feasibility work documented in 1996 by Pegasus Gold.

In the medium term, the Company has the opportunity to expand, organically, both its global resources and production profile. It will pursue this goal through increased exploration and resource expansion drilling along a 30 kilometres section of the Oreana Trend that includes the Florida Canyon Mine in the north and its Lincoln Hill and Wilco resource properties to the south. The approval of the Environmental Assessment, (submitted 2014) on our Lincoln Hill and Wilco properties is expected before the end of 2017, and will allow for in-fill and expansion drilling on the Lincoln Hill and Wilco resources along with additional metallurgical and engineering studies so that these resources can be advanced to a production decision.

The longer-term objective is to continue to expand the company-wide resource base in tandem with a steady increase in production, both organically and through merger and acquisition activity with the goal of achieving mid-tier production status. On an ongoing basis, the Company continues to review other property and corporate opportunities.

Company Overview

Operations

Florida Canyon Mine Restart - 2017 ramp-up progress

Third quarter highlights compared to prior quarter:

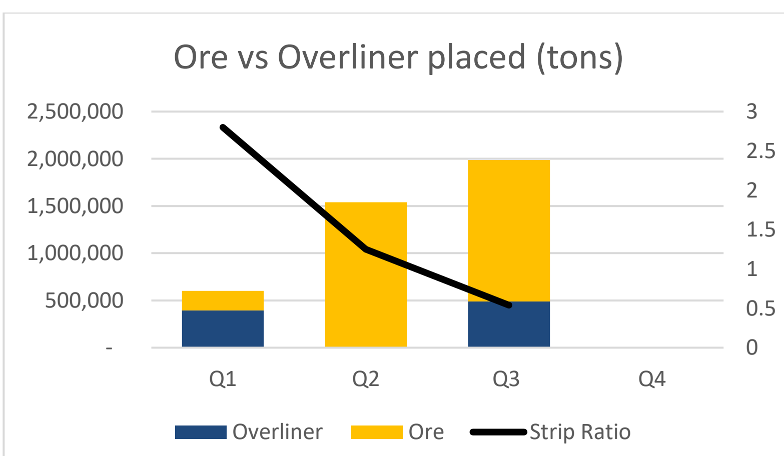
- Gold production increased 13 percent at 7,982 ounces (ozs);
- Gold sent to pad increased by 45 percent, averaging 7,125 ozs per month;
- Ore tons mined increased by 57 percent for the quarter, averaging over 810,000 tons per month (tpm);
- Strip ratio decreased 56 percent to 0.54;
- Ore tons crushed increased by 29 percent, averaging over 660,000 tpm;
- Gold grade increased by 10 percent to 0.011 ounces per ton (opt) (combined ore and sub-grade overliner);
- Gold ounces placed on the South Heap Leach Pad ("SHLP") in Q3 represents 52 percent of the total gold to date; and
- Production transitioned from the first starter cell (Section 1A) of the SHLP on to the main part of the pad (Section 1B).

Mining, Ore and Overliner Placement
Mining, strip ratio and crusher rates continue to improve and are now consistently outperforming plan. During the period, a 57 percent increase in ore tons mined above plan was achieved, and an overall reduction in waste tons positively affected the strip ratio. A significant portion of the excess mined tonnage has been placed into a stockpile as the SHLP continues to be built out. The Company expects the stockpile ore to be completely placed on the pad by the first quarter of 2018. This has continued into Q4 with 815,400 tons of ore being mined in October.

Ore tons crushed also showed a positive increase. The crusher averaged 660,000 tons per month during Q3. This is a 29 percent increase over the plan of 600,000 tons per month. Further monthly increases have been experienced in October with the crusher, crushing a record, 821,100 tons of ore.

Ore and overliner are currently being stacked simultaneously. The operation expects to complete the overliner on section 1B of the SHLP by the middle of December followed by ore stacking only. As each section of overliner is approved, ore is stacked and readied for irrigation.

Chart 1

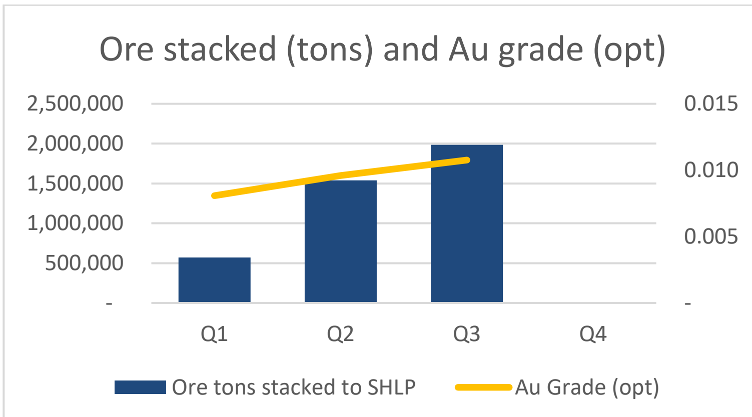


Gold Ounces Placed on SHLP, Gold Grade, and Gold Dore' Poured

A combination of the crusher exceeding plan and a gradual increase in combined grade has resulted in an increase of 45 percent more ounces being placed on the pad in Q3 compared to Q2. Approximately 7,125 gold ounces per month were placed on average for Q3, and year to date, a total of 40,789 ounces have been placed. This upward trend continued in October with the placement of 9,100 ounces onto the pad for the month.

Overall, grade increased by 10 percent compared with the previous quarter, and will remain steady until the sub ore grade overliner is completed in December. The overliner material is typically below ore grade as it is selected primarily because it meets strict design criteria as the rock that creates a drain blanket between the ore and the plastic liner. However, in the third quarter, the overliner grade was the same as the ore grade. The overall grade is expected to increase when placement of the overliner on Section 1B is complete.

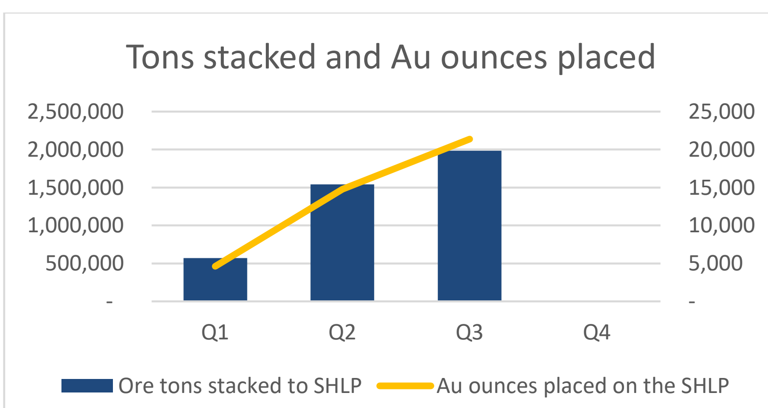
Chart 2



The transition from the winter contingency pad, Section 1A, to the main part of the SHLP (Section 1B) has meant that the Company has been able to start building out larger cells, which will in turn lead to higher and more stable monthly recoveries. As a result, over half of all the ounces placed (52 percent) for the year on the SHLP occurred in Q3 (21,376 ounces from 1.98 million tons).

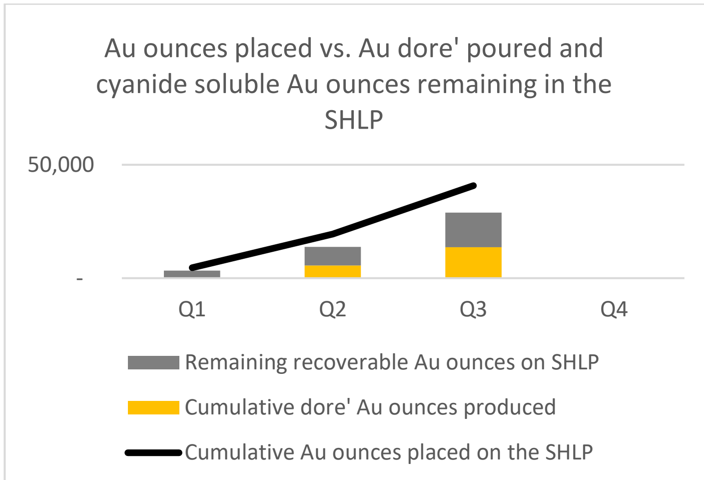
The first of the larger cells was placed under irrigation in mid-September and began to yield gold from the first part of its leach curve in late October. As more of the larger leach cells are placed through to the end of the year and the layering impact of each cells' recovery curve is experienced, gold production will continue to rise towards commercial production levels.

Chart 3



Gold dore' production continues to demonstrate a positive upward trend with a quarter on quarter increase of 13 percent. The leach kinetics are showing consistency and tracking with the historical recovery data from the original Florida Canyon heap leach pad. In line with the historical data, the Company estimates a 73% recovery of all ounces placed on the pad. As discussed above, the transition to the main Section 1B of SHLP is resulting in higher levels of production and fewer fluctuations month to month.

Chart 4



The spot price of gold during the third quarter ranged from US$1,212 on July 7, 2017 to a high of US$1,348 on September 7, 2017. The average spot price for the quarter was US$1,277. As a result of the Company's forward sales contract, Rye Patch realized gold sales price of US$1,280.33 for the quarter.

Gold is sold into the forward sales contract when spot gold prices are below US$1,276, and sold in to the spot gold price when gold is above US$1276. The forward sale contract has a 5-year term with 150,000 sold forward. For the quarter, a total of 8,320 ounces of gold was delivered into the forward sales contract leaving approximately 134,838 ounces of gold remaining.

The four recently acquired 785 haulage trucks arrived at site in October. The first truck will go into operations in November.

The Company made its first repayment to Macquarie Bank under the current terms of its Credit Agreement.

On October 31, 2017 the Company received payment of a bond refund of $6.2 million. The Company has renegotiated the terms of its reclamation bonds and this payment results from a material reduction in the portion of the reclamation bonds that it is required to fund.

Florida Canyon Mine - ramp up data for the South Heap Leach Pad:

		Three months ended September 30, 2017	Three months ended June 30, 2017	Three months ended March 31, 2017	**Nine months ended September 30, 2017**
Ore mined	tons	**2,443,745**	1,560,342	612,578	4,616,665
Waste mined	tons	**1,331,761**	1,953,817	1,713,217	4,998,795
Total mined	tons	**3,775,506**	3,514,159	2,325,795	9,615,460
		0.54	1.25	2.80	5
Ore crushed	tons	**1,994,765**	1,542,031	746,241	4,283,037
Ore and overliner stacked on pad	tons	**1,985,860**	1,540,544	571,884	4,098,288
Ounces sent to HLP		**21,376**	14,792	4,621	40,789
Grade Ore		**0.011**	0.010	-	0.010
Grade Overliner		**0.011**	-	0.008	0.009
Combined grade		**0.011**	-		0.010
Gold absorbed onto carbon	Ounces	**8,125**	7,480	-	15,605
Gold Produced Dore	Ounces	**7,982**	7,075	-	15,057
Silver produced Dore	Ounces	**5,239**	5,603	-	10,842
Mine Development Expenditures		**$**	$	$	$
Other		**150,875**	88,082	-	238,957
Mining		**6,877,269**	7,108,045	4,668,877	18,654,191
Engineering		**192,887**	188,766	170,569	552,222
Crushing		**1,993,876**	1,742,170	1,309,496	5,045,542
Plant and Processing		**3,057,362**	1,390,143	-	4,447,505
General and Administraion		**473,129**	514,017	598,484	1,585,630
Human Resources		**33,613**	90,509	57,068	181,190
Safety		**96,631**	86,103	55,087	237,821
Environmental		**181,630**	298,966	87,483	568,079
Indirect costs		**644,713**	440,820	-	1,085,533
		13,701,985	11,947,621	6,947,064	32,596,670
Incidental Revenue - Gold		**(9,809,938)**	(5,392,649)	-	(15,202,587)
Incidental Revenue - Silver		**(78,534)**	(52,680)	-	(131,214)
		3,813,513	6,502,292	6,947,064	17,262,869

* Note – The above mine development costs are presented in US dollars and do not include certain non-cash developments costs.

For further information on the Florida Canyon mine and the Oreana trend projects refer to the audited annual financial statements and management discussion and analysis for the year ended December 31, 2016 and the unaudited condensed interim consolidated financial statements and management discussion and analysis for the nine months ended September 30, 2017.

Further detailed information is included in the Company's Annual Information Form and the full PEA both can be found on www.SEDAR.com

Finance and Liquidity

The Company's working capital deficit has increased by $23 million since December 31, 2016. This is largely a consequence of completing its planned drawdown of the credit facility secured to fund construction of the South Heap Leach Project. In the second quarter, with the leach pad construction complete, the credit facility was fully drawn and as a consequence the deficit was then at its highest point prior to the commencement of loan repayments and commercial production. Reduction in the credit facility started on September 30, 2017 with the first repayment and will continue to be reduced with each quarterly repayment thereafter. The Florida Canyon Mine, with more than 20 years of production history, is on course to be cash flow positive once again by the end of the current year.

It should be noted that a significant portion of the mine development costs that are currently carried as a long-term asset represents the cost of inventory on the heap leach pad. Once the Company has completed the testing phase/ramp-up, the carrying value of the inventory on the pad will be reclassified from mine development costs to inventory. A significant portion of the mine development costs, at the time of commercial production, will be current in nature and is expected to significantly offset the working capital deficit at that time.

The Company experienced start-up delays in the current year, largely caused by adverse weather conditions in the first part of 2017. The cash impact of this was mitigated by applying funds from various alternative sources including;

- fully completing the drawdown of the credit facility;
- realising $6.75 million from the sale of its Coeur Royalty;
- completing a $10 million bought deal financing;
- receiving, subsequent to the quarter end, a $6.2 million refund from renegotiating its reclamation bonds; and
- on-going sales of gold and silver totalling $35 million to date.

At the end of October 2017, the Company had approximately $16 million in treasury.

Since experiencing the aforementioned delays, the project ramp-up has proceeded well and has succeeded in offsetting some of the earlier delays. In spite of the set-backs, the mine operations are now expected to achieve positive cash flows in December 2017, just two months behind what was originally anticipated in the PEA of March 16, 2016 (Amended January 27, 2017). The current repayment schedule was derived largely from this PEA, therefore assuming the ramp-up is executed as expected the Company is expected to complete the repayments as required and meet its other obligations as they come due.

Reclamation bond refund

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).

Rochester Mine Royalty

During the three months end June 30, 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.

Bought Deal Financing

On June 29, 2017, the Company closed a prospectus offering whereby the Company offered 38,470,000 common shares for gross proceeds of $10,002,200. The offering was led by PI Financial Corp., and included Canaccord Genuity Corp. and Industrial Alliance Securities Inc. 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 $776,037, including $66,168 in non-cash share issue costs related to the fair value of the agent options. The net proceeds are to be used for continued expansion of the Florida Canyon Mine, additional haulage equipment, resource development and working capital.

Macquarie Bank Credit Facility

In July 2016, the Company entered into a credit agreement (the "Credit Agreement") with Macquarie Bank Limited ("Macquarie Bank") for a US$25 million credit facility (the "Credit Facility") for the Company's wholly owned U.S. subsidiary, Rye Patch Mining U.S. Inc. ("Rye Patch U.S.") with an additional US$2 million allotted for capitalized interest until the first scheduled repayment. The Credit Facility bears interest at LIBOR plus 8% per annum and includes a provision to deliver 150,000 ounces of gold over a five-year period at USD$1,276 an ounce through gold forward sales contracts.

As at September 30, 2017 US$ 25,000,000 (December 31, 2016, US$14,178,631) had been drawn down on the credit facility, exclusive of the capitalized interest. There were no drawdowns of the facility in the third quarter as the facility was fully drawn down at the end of the second quarter. During the quarter ended June 30, 2017, the Company had net inflows from drawdowns of its credit facility of approximately US$2.7 million and US$10.8 million during the six months ended June 30, 2017. The September 30, 2017 repayment of US$1.1 million was made on September 30, 2017. The repayment schedule requires payments of US$5.1 million in 2017, US$14.9 million in 2018, US$4.8 million in 2019, and US$2.2 million in 2020. The balance remaining on the forward contract at September 30, 2017 was 134,838 ounces.

The availability of capital resources to meet its 2017 requirements is dependent on the timely restart of the Florida Canyon Mine. Any delays to the restart of the Florida Canyon Mine may require the Company to raise further equity or debt financing. There is no certainty that further equity or debt financing will be available to the Company in any amount, on a timely basis, or terms acceptable to the Company.

Mining development and exploration is a capital-intensive business and there may be many years between initial exploration and any prospect of revenues. This nature of the mining business increases risks of insufficient capital resources above the risk level of many other businesses.

Impairment of Long-lived Assets

The Company completed an impairment analysis as at September 30, 2017, which considered the indicators of impairment in accordance with IAS 36, "Impairment of Assets". Management concluded that no impairment indicators existed as at September 30, 2017 because:

~ There have been no significant changes in the legal factors or climate that affects the value of the properties;
~ All property rights remain in good standing;
~ There have been no significant changes in the projections for the properties;
~ Exploration results continue to be positive; and
~ The Company intends to continue its exploration and development plans on its properties.

Results of Operations

Selected Annual Information

	For the years ended			
	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Income (loss) from mining operations	$ (4,837,059)	$ -	$ -	$ -
Royalty Income	6,197,192	6,090,298	4,136,994	-
Operating expenses	(6,678,619)	(6,138,834)	(5,192,914)	(3,847,752)
Interest and miscellaneous income	28,400	39,334	60,806	68,890
Net income (loss)	(5,444,861)	289,108	(991,411)	3,986,378
Comprehensive income (loss)	(4,521,822)	1,711,216	(299,769)	4,377,883
Earnings (loss) per share:				
Basic	$ (0.02)	$ 0.00	$ (0.01)	$ 0.03
Diluted	$ (0.02)	$ 0.00	$ (0.01)	$ 0.03

As at:	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Working capital	$ 480,550	$ 4,576,855	$ 6,411,573	$ 7,647,506
Total assets	141,896,774	13,104,279	11,622,922	11,586,773
Total liabilities	73,379,854	500,385	479,699	349,468
Share capital	82,873,772	31,314,265	31,700,768	31,700,768
Deficit	31,381,451	25,936,590	26,225,698	25,234,287

Summary of Quarterly Results

	For the three months ended			
	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
Income (loss) from mining operations	$ (1,534,092)	$ (172,371)	$ (178,934)	$ (2,718,868)
Royalty Income	-	421,898	1,715,273	1,614,442
Other income (loss)	(1,808,288)	5,634,794	(1,980,138)	268,013
Net income (loss)	(4,081,605)	4,643,038	(1,223,211)	(4,480,525)
Earnings (loss) per share:				
Basic	$ (0.01)	$ 0.01	$ -	$ (0.02)
Diluted	$ (0.01)	$ 0.01	$ -	$ (0.02)

	For the three months ended			
	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
Income (loss) from mining operations	$ (2,118,191)	$ -	$ -	$ -
Royalty Income	1,744,187	1,458,709	1,379,854	1,289,041
Other income (loss)	392,059	85,424	(871,871)	20,786
Net income (loss)	(1,344,561)	786,273	(406,048)	(402,706)
Earnings (loss) per share:				
Basic	$ -	$ -	$ -	$ -
Diluted	$ -	$ -	$ -	$ -

- The expenses incurred by the Company from July 1, 2015 to June 30, 2016 were typical of junior exploration companies that did not have established mineral reserves. Expenses were not incurred evenly over the quarters as a result of non-recurring activities or events.
- During the three months ended September 30, 2016, the Company made a significant acquisition, the Florida Canyon Group, and as a result, the financial results changed significantly from that point forward.
- The net loss for the three months ended December 31, 2016 were significantly higher as compared with the three months ended March 31, 2017 and June 30, 2017 due to the fact the Company did not sell any gold during the

quarter. The Company was in the process of finalizing the forward sales contract, refining agreement and several other aspects related to the acquisition and the credit facility.

- For the three months ended March 31, 2017, the Company began selling its inventory, including the amounts accumulated in the fourth quarter 2016.
- During the three months ended June 30, 2017, the Company continued its ramp up of the new heap leach pad and continued to recover gold from the old leach pads. Net income increased significantly in the second quarter 2017 due to the sale of the production royalty, resulting in a gain of $6.75 million. The Company had royalty income of $421,898 in the second 2017, a significant reduction from prior quarters, due to the fact the Company agreed to sell the royalty during the quarter and thereby not having a full quarter of royalty income.
- During the three months ended September 30, 2017, the Company experienced higher losses than previous quarters as the Company incurred $1.46 million in write downs related to obsolete inventory and leach pad inventory on the old pads.

The Company anticipates losses to continue until such time as the Company reaches profitable commercial production at Florida Canyon.

Three months ended September 30, 2017, compared to the three months ended September 30, 2016

The Company's net loss was $4,081,605 during the three months ended September 30, 2017 as compared with $1,344,561 during the same period in 2016. The significant difference can be attributed to interest expense of $1.8 million during the three months ended September 30, 2017 whereas in the same period in 2016, the Company had no interest expense. The Company did not complete its first drawdown of the credit facility until October 2016.

Revenue

During the quarter, the Company had income from doré sales and its royalty agreement. The Company earned $1,082,714 (Three months ended September 30, 2016 - $1,262,955) from doré sales, selling 674 ounces of gold and 123 ounces of silver. The gold sales included in revenue are from gold produced by residual leaching from the old leach pads at Florida Canyon and Standard Gold mines and do not include gold produced and sold from the new South Heal Leach Pad. Sales proceeds from these sales are off-set against Mine Development costs prior up until commercial production is reached. Royalty revenue for the quarter was $nil compared to $1,744,187 for the same period in the prior year. The significant decrease was the result of the production royalty being sold in the second quarter of 2017.

Cost of Sales

Cost of sales includes direct operating costs, depreciation, royalty expense and impairment of inventory. For the three months ended September 30, 2017, the breakdown of cost of sales was as follows:

	For the three months ended	
	September 30, 2017	**September 30, 2016**
Direct operating costs	**$ 2,507,980**	$ 3,314,554
Depreciation	**67,276**	42,404
Royalty expense	**41,550**	5,852
	$ 2,616,806	$ 3,362,810

General and Administrative Expenses

	For the three months ended	
	September 30, 2017	**September 30, 2016**
Accounting, audit, and tax	**$ 6,827**	$ 184,202
Depreciation	**6,181**	5,641
Insurance	**13,725**	6,041
Investor relations	**130,953**	53,092
Legal fees	**18,076**	160,081
Management fees	**67,325**	58,918
Office and administration	**99,342**	33,479
Rent	**30,254**	38,861
Share-based payments	**200,401**	413,206
Travel	**13,057**	12,170
Transfer agent and filing fees	**12,306**	50,885
Wages	**98,750**	161,503
	$ 697,197	$ 1,178,079

The Company has maintained a similar level of general and administrative expenditures in spite of the Company's significant transformation from an exploration company to a mining company. The only increases of note are:

- Accounting, audit and tax – The Company incurred significant accounting and tax fees related to the acquisition of Florida Canyon during the three months ended September 30, 2016.
- Investor relations – As a consequence of the acquisition of the Florida Canyon Group, the Company has become significantly more active in marketing the Company and increasing the visibility of the Company. In January 2017, the Company hired an investor relations consultant on a one-year contract and that has contributed to the increase in the cost for the three months ended September 30, 2017 as compared with the same period in 2016.
- Legal fees –During the three months ended September 30, 2016, the Company incurred significant fees related to the acquisition of Florida Canyon whereas during the three months ended September 30, 2017, the Company had no major transactions or events.
- Share-based payments – The decrease in the share based payments is the result of several option issuances fully vesting during the quarter as compared to the same period in 2016.

Exploration, evaluation and resource development expenses

The Company incurred $42,028 in exploration, evaluation and resource development expenditures in the third quarter as compared with $73,152 the same period in 2016. The Company has been focusing its resources on ramping up Florida Canyon and has decreased exploration expenditures.

Other

	For the three months ended	
	September 30, 2017	**September 30, 2016**
Interest expense	**$ (1,894,743)**	$ -
Change in fair value of contingent consideration	**$ 91,136**	$ 1,009,500
Accretion expense	**$ (186,191)**	$ (111,385)
Business acquisition costs	**$ -**	$ (715,596)

The following costs were the result of the acquisition of the Florida Canyon Group.

- The change in fair value of contingent consideration is related to the contingent warrants issuable and the contingent cash consideration payable related to the acquisition;

- The accretion expense relates to the cash contingent liability, accretion of the asset retirement obligation and accretion of the deferred transaction costs related to the credit facility;
- Business acquisition costs were costs incurred to acquire the Florida Canyon Group.
- Interest expense relates to the interest incurred on the credit facility, including the amortization of the deferred transaction costs, and interest on the loans payable. Below is a breakdown of the interest expense:

	For the three months ended	
	September 30, 2017	**September 30, 2016**
Credit facility	$ **1,861,148**	$ -
CAT loans payable	**30,545**	4,504
Admiral loan payable	**3,050**	13,832
	$ **1,894,743**	$ 18,336

The interest expense related to the credit facility consists of $776,739 interest expense based on the stated rate and the remaining $1,084,409 relates to the amortization of the transaction costs. The interest related to the Premium Funding loan are charged to direct operating expenses.

Nine months ended September 30, 2017, compared to the nine months ended September 30, 2016

The Company's net loss was $661,778 during the nine months ended September 30, 2017 as compared with $964,336 during the same period in 2016. The nine-month period ended September 30, 2017 includes nine months of Florida Canyon operations whereas during the same period in 2016, it only included two months of Florida Canyon operations.

Revenue

During the nine months ended September 30, 2017, the Company had income from doré sales and its royalty agreement. The Company earned $12,777,485 (Nine months ended September 30, 2016 - $2,262,955) from doré sales, selling 7,454 ounces of gold and 9,654 ounces of silver. The gold sales included in revenue are from gold produced by residual leaching from the old leach pads at Florida Canyon and Standard Gold mines and do not include gold produced and sold from the new South Heal Leach Pad. Sales proceeds from these sales are off-set against Mine Development costs prior up until commercial production is reached.

Royalty revenue for the nine-month period was $2,137,171 compared to $4,582,750 for the same period in the prior year. The significant decrease was the result of the production royalty being sold part way through the second quarter of 2017.

Cost of Sales

Cost of sales includes direct operating costs, depreciation, royalty expense and impairment of inventory. For the nine months ended September 30, 2017, the breakdown of cost of sales was as follows:

	For the nine months ended	
	September 30, 2017	**September 30, 2016**
Direct operating costs	$ **14,187,040**	$ 3,314,554
Depreciation	**200,273**	42,404
Royalty expense	**275,569**	5,852
	$ **14,662,882**	$ **3,362,810**

General and Administrative Expenses

	For the nine months ended	
	September 30, 2017	September 30, 2016
Accounting, audit, and tax	**$ 187,750**	$ 318,710
Depreciation	**20,391**	20,176
Insurance	**59,546**	34,996
Investor relations	**489,050**	221,083
Legal fees	**177,370**	216,588
Management fees	**187,096**	177,746
Office and administration	**245,316**	137,480
Rent	**74,920**	125,057
Share-based payments	**658,574**	471,805
Travel	**28,107**	30,214
Transfer agent and filing fees	**134,728**	82,345
Wages	**315,329**	370,968
	$ 2,578,177	$ 2,207,168

The Company's general and administrative expenditures have increased in the nine months ended September 30, 2017 as compared with the same period in 2016, largely due to the increased activity in the Company and increased expenditures related to the changes in the Company's overall compensation structures. Increases of note are:

- Accounting, audit and tax – The Company incurred significant accounting and tax fees related to the acquisition of Florida Canyon during the three months ended September 30, 2016.
- Investor relations – As a consequence of the acquisition of the Florida Canyon Group, the Company has become significantly more active in marketing the Company and increasing the visibility of the Company. In January 2017, the Company hired an investor relations consultant on a one-year contract and that has contributed to the increase in the cost for the nine months ended September 30, 2017 as compared with the same period in 2016.
- Office and administration – costs have increased as a result of the Company being more active during the nine-month period in 2017 as compared with 2061. In the prior year, the Company was focused on the acquisition of the Florida Canyon mine.
- Share-based payments – The increase is the result of the share options issued in 2016 and their cost being recognized over their vesting terms as well as new options issued in 2017.

Exploration, evaluation and resource development expenses

The Company incurred $181,745 in exploration, evaluation and resource development expenditures during the nine months ended September 30, 2017 as compared with $716,571 as compared with the same period in 2016. The significant decrease was the result of the Company focusing its resources on construction and ramp up of the Florida Canyon mine.

Other

	For the nine months ended	
	September 30, 2017	September 30, 2016
Gain on sale of production royalty	**$ 6,750,000**	$ -
Interest expense	**$ (5,427,190)**	$ (18,336)
Change in fair value of contingent consideration	**$ 687,093**	$ 1,009,500
Accretion expense	**$ (629,230)**	$ (111,385)
Business acquisition costs	**$ -**	$ (715,596)

- The Company sold its production royalty in the second quarter 2017 resulting in a significant gain.

The following costs were the result of the acquisition of the Florida Canyon Group and the sale of the Company's production royalty.

- The change in fair value of contingent consideration is related to the contingent warrants issuable and the contingent cash consideration payable related to the acquisition; and
- The accretion expense relates to the cash contingent liability, accretion of the asset retirement obligation and accretion of the deferred transaction costs related to the credit facility
- Interest expense relates to the interest incurred on the credit facility, including the amortization of the deferred transaction costs, and interest on the loans payable. Below is a breakdown of the interest expense:

	For the nine months ended	
	September 30, 2017	**September 30, 2016**
Credit facility	**$ 5,370,925**	$ -
CAT loans payable	**32,381**	4,504
Admiral loan payable	**23,884**	13,832
	$ 5,427,190	$ 18,336

The interest expense related to the credit facility consists of $2,221,059 interest expense based on the stated rate and the remaining $3,149,866 relates to the amortization of the transaction costs. The interest related to the Premium Funding loan are charged to direct operating expenses.

Disclosure of Outstanding Share Data

Common Shares

Authorized: unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

	Issued and Outstanding	
	At September 30, 2017	At the date of this MD&A
Common shares	427,160,783	427,160,783

As at September 30, 2017, 12,975,000 share purchase options, 25,991,612 share purchase warrants and 769,400 agent options were outstanding, which would result in an additional 39,736,012 common shares issued and outstanding on a fully diluted basis.

Transactions with Related Parties

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.

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 (1)	$ 12,565	$ 257,372	$ 297,574	$ 626,476
Management fees (2)	67,325	58,918	187,096	177,746
Office and administration (2)	8,718	15,839	35,651	43,103
	$ 88,608	**$ 332,129**	**$ 520,321**	**$ 847,325**

(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 (i)	71,957	109,034	242,581	132,008
Share-based payments - directors (i)	58,540	106,076	190,570	119,702
	$ 255,322	**$ 299,027**	**$ 777,743**	**$ 504,453**

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

Commitments and contingencies

a) The Company has a Reno office lease that was renewed May 1, 2017 for a term of five years. The monthly rent is US$3,600 adjusted annually by the consumer price index.

b) The Company entered into agreements to lease vehicles from a company controlled by its President. The monthly lease payments total US$4,800 per month with terms of 12 and 36 months.

c) Florida Canyon entered into a three-year extension in 2015 to a previous contract to purchase its cyanide. The extension runs through fiscal 2020 and requires the Company to purchase a minimum of 5,000,000 pounds of cyanide.

d) Gold and silver produced from the Florida Canyon Mine are subject to a 2.5% net smelter return royalty ("NSR"). Certain gold produced from the Standard Mine is subject to a 1% NSR. Additionally, all gold produced from both the Florida Canyon and Standard Mines is subject to a 3.25% NSR. Royalty expense is recorded at the time of sale of gold and silver, measured using the applicable royalty percentage.

Events after 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).

Off-balance sheet arrangements

There are no off-balance sheet arrangements as at the date of the MD&A.

Financial instruments and risk management

In accordance with IFRS, financial instruments are classified into one of the five following categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets and other financial liabilities. The fair value of cash and cash equivalents, accounts receivable, reclamation bonds, accounts payables and accrued liabilities and due to related parties approximate their carrying value due to their short terms maturity.
Loans payable have been classified as other financial liabilities measured at amortized cost. The fair value of loans payables approximates their carrying values as the effective interest rates are based on the market rates. Contingent consideration has been classified as fair value through profit and loss at inception and re-valued at the balance sheet date.

IFRS 13 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

Level 1 quoted prices in active markets for identical assets or liabilities;

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

Level 3 inputs for the asset or liability that are not based upon observable market data.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies. At September 30, 2017, the Company has contingent consideration composed of share purchase warrants and deferred cash consideration. The share purchase warrants and contingent cash consideration are being measured and recognized on the consolidated statement of financial position using level 3 inputs with changes in fair value being recorded through profit and loss. As at September 30, 2017, the contingent share purchase warrants had a value $567,000 and the contingent cash consideration had a value of $6,195,348.

Market Risks

The Company’s operations consist of the acquisition, exploration and development of mineral resource properties in North America. The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of being affected by these risks, which may include credit risk, liquidity risk, currency risk, interest rate risk and other price risks. When material, these risks are also reviewed and monitored by the Board of Directors.

Credit risk

Counterparty credit risk is the risk that the financial benefits of a contract with a specific counterparty will be lost if the counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by that counterparty, less any amounts owed to the counterparty by the Company where a legal right of offset exists and also includes the fair values of contracts with individual counterparties which are recorded in the consolidated financial statements. The Company manages this risk by only entering into contracts with counterparties who have sufficient financial strength to minimize the risk of a financial default. The Company’s cash and cash equivalents are held with large Canadian and U.S. financial institutions. Accounts receivable consist of refundable excise taxes due from the Federal Government of Canada, accrued interest, and accounts receivable from the sale of gold and silver and royalty receivable from Coeur which has been received subsequent to year end. Reclamation bonds are amounts deposited with the Bureau of Land Management of the United States Department of the Interior and the Department of Conservation & Natural Resources of the State of Nevada.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet is financial obligations as they come due. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements and its exploration and development plans. The annual budget is approved by the Board of Directors. The Company ensures, through the management of its available cash and the issue of shares, that there are sufficient cash balances to meet its short-term business requirements. Accounts payable and accrued liabilities and amounts due to related parties are due on demand.

The Company expects its current capital resources will be sufficient to carry out its exploration plans and operations through 2017.

Currency risk

The Company is subject to minimum currency risk as the Company and its subsidiaries operate primarily in their respective functional currencies. The Company does not invest in derivatives to mitigate this risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Company has interest bearing cash balances, which are subject to fluctuation in the interest rate. A 10% increase or decrease in the interest rate earned from financial institutions on deposits would result in nominal increase or decrease in the Company's net loss. The Company had additional exposure to interest rate risk on its credit facility, which is subject to a floating interest. A 5% increase or decrease in the rate would result in an increase or decrease in interest expense $2.5 million.

Commodity price risk

The ability of the Company to develop its mineral properties and the future profitability of the Company will be directly related to the market price of gold. As part of the Company's Credit Facility the Company has entered into forward contracts for the sale of 150,000 at a fixed gold price of US$1,276 per ounce.