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 August 24, 2017 and should be read in conjunction with the Company's unaudited condensed consolidated financial statements for the six-month period ended June 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.

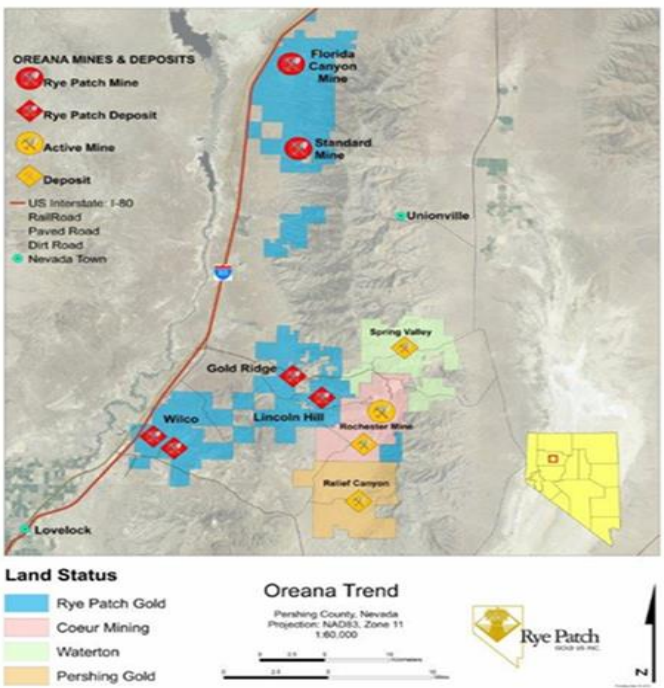
Rye Patch
GOLD CORP.

Outlook and Summary

In the coming months, the Company will complete the commissioning of the South Heap Leach Pad at the Florida Canyon Mine with the aim of being in commercial production by the end of the third quarter or early fourth quarter. The focus will be on maintaining current mining and crushing output levels, month over month, as the amount of ore under leach at any one time is steadily increasing. Concurrently we anticipate increased efficiencies and continual improvement as the Florida Canyon mine operations become routine.

The four newly acquired 785C haul trucks will be integrated into the mine plan by the start of the New Year and will help drive production levels up and should drive unit costs down.

Once production normalizes, the Company will commence exploration drilling, initially looking at adding oxide resource ounces in and around the Florida Canyon Mine and begin the detailed economic studies required to support the proposed production expansion. From this work, a new feasibility document with a revised resource estimate and potential mine expansion is anticipated.



In the medium term, the Company plans to increase its exploration and resource expansion drilling along approximately 30 kilometres of the Oreana Trend between Florida Canyon in the north and our Lincoln Hill and Wilco properties to the south. The approval of the Environmental Assessment, (submitted 2014) on our Lincoln Hill and Wilco properties is expected in the latter half 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 to advance these resources 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 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

Second quarter highlights:

- ~ Poured first gold from the new South Heap Leach Pad was announced at the end of April, 2017;
- ~ Completed leach pad construction with ore stacking on the phase 1B portion of the pad on-going;
- ~ Stacked an average of 560,000 tons of ore averaged during Q2;
- ~ Improved strip ratio from 2.80:1 in the first quarter to 1.25:1, with all mining areas currently ore-bound;
- ~ Increased crusher through put with crusher out-performing plan by 20%-40%;
- ~ Improved availability and utilization of the haulage fleet achieving 73% and 86% respectively;
- ~ Increased carbon plant efficiencies now approaching 90-95% after re-building kiln and replacing acid wash plant;
- ~ Mined and processed ore grades within 5% to 10% of modelled tons and grade;
- ~ Completed leach pad audit showing gold recovery within 1% of modelled recoveries;
- ~ Loading of Phase 1B will increase gold production to commercial levels;
- ~ Recruited mine operators and technical staff now at 95% of plan.
- ~ Sold 100% of the gold into the forward sales contract, at approximately USD$1,275 per ounce of gold;
- ~ Mine development costs continue to be marginally less than expectations and are flattening as production approaches a steady state; and
- ~ The purchase of four 785C haulage trucks for US$3.67m was completed augmenting the current fleet and enabling planned production increases and mining flexibility to be brought forward.

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

		Three months ended June 30, 2017	Three months ended March 31, 2017	Six months ended June 30, 2017
Ore mined	tons	**1,560,342**	612,578	2,172,920
Waste mined	tons	**1,953,817**	1,713,217	3,667,034
Total mined	tons	**3,514,159**	2,325,795	5,839,954
		1.25	2.80	1.69
Ore crushed	tons	**1,529,662**	746,241	2,275,903
Ounces sent to HLP		**13,482**	3,998	17,480
Gold absorbed onto carbon	Ounce	**7,362**	-	7,362
Gold Produced Dore	Ounce	**7,075**	-	7,075
Silver produced Dore	Ounce	**5,603**	-	5,603
Mine Development Expenditures		$	$	$
Other		**88,082**	-	88,082
Mining		**7,108,045**	4,668,877	11,776,922
Engineering		**188,766**	170,569	359,335
Crushing		**1,742,170**	1,309,496	3,051,666
Plant and Processing		**1,390,143**	-	1,390,143
General and Administraion		**514,017**	598,484	1,112,501
Human Resources		**90,509**	57,068	147,577
Safety		**86,103**	55,087	141,190
Environmental		**298,966**	87,483	386,449
Indirect costs		**440,820**	-	440,820
		11,947,621	6,947,064	18,894,685
Incidental Revenue - Gold		**(5,392,649)**	-	(5,392,649)
Incidental Revenue - Silver		**(52,680)**	-	(52,680)
		6,502,292	6,947,064	13,449,356

* 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, 2017 and the unaudited condensed interim consolidated financial statements and management discussion and analysis for the six months ended June 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

Liquidity

As of June 30, 2017, the Company had cash and cash equivalents of $ 22,080,948 compared to $11,121,286 as of December 31, 2016. The Company had a working capital deficit of $8,140,686 at June 30, 2017 (December 31, 2016 – working capital of $480,550). However, the deficit includes $7,126,070 contingent consideration relating to the purchase of the Florida Canyon Mine and includes provisions to satisfy this amount by way of equity or equity instruments. The Company considers that it has sufficient cash resources to complete the ramp-up phase and enter into production. Current cash balances and cash expected to be generated by once fully operational is expected to be sufficient for the company to satisfy its debts as and when they come due. The company has bolstered its short-term cash resources in the recent quarter through the sale of the Rochester Royalty US$5 million, completion of a $10m equity offering and completing the drawdown of its credit facility with Macquarie Bank.

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 June 30, 2017 US$ 25,000,000 (December 31, 2016, US$14,178,631) had been drawn down on the credit facility. 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 Company may also roll accrued interest on the credit facility to the principal balance up to a maximum of US$2 million. As at June 30, 2017, a total of US$0.8 million accrued interest has been rolled into the principal balance. 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 June 30, 2017 was 139,162 ounces.

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 - $10 million

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.

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 June 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 June 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			
	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
Income (loss) from mining operations	$ (172,371)	$ (178,934)	$ (2,718,868)	$ (2,118,191)
Royalty Income	421,898	1,715,273	1,614,442	1,744,187
Other income (loss)	5,634,794	(1,980,138)	268,013	392,059
Net income (loss)	4,643,038	(1,223,211)	(4,480,525)	(1,344,561)
Earnings (loss) per share:				
Basic	$ 0.01	$ -	$ (0.02)	$ -
Diluted	$ 0.01	$ -	$ (0.02)	$ -

	For the three months ended			
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
Income (loss) from mining operations	$ -	$ -	$ -	$ -
Royalty Income	1,458,709	1,379,854	1,289,041	1,473,184
Other income (loss)	85,424	(871,871)	20,786	152,295
Net income (loss)	786,273	(406,048)	(402,706)	497,501
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.

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

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

The Company's net income was $4,643,038 during the three months ended June 30, 2017 as compared with $786,273 during the same period in 2016. The change is due to the inclusion of the Florida Canyon Group's operation during the three months ended June 30, 2017, whereas in 2016, the operations were not included in the Company's operation until July 28, 2016, the date of acquisition of the Florida Canyon Group. In addition, the Company sold its production royalty in the second quarter 2017, resulting in a significant gain of $6.75 million.

Revenue

During the quarter, the Company had income from doré sales and its royalty agreement. The Company earned $2,684,747 (Three months ended June 30, 2016 - $Nil) from doré sales, selling 1,547 ounces of gold and 1,407 ounces of silver. Royalty revenue for the quarter was $421,898 compared to $1,458,709 for the same period in the prior year. The significant decrease was the result of the production royalty being sold part way through the quarter.

Cost of Sales

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

		June 30, 2017		June 30, 2016
Direct operating costs	$	2,706,760	$	-
Depreciation		65,566		-
Royalty expense		84,792		-
	$	2,857,118	$	-

General and Administrative Expenses

	For the three months ended	
	June 30, 2017	June 30, 2016
Accounting, audit, and tax	**$ 151,523**	$ 115,008
Depreciation	**6,222**	7,117
Insurance	**22,694**	11,819
Investor relations	**211,915**	102,403
Legal fees	**133,627**	22,379
Management fees	**60,515**	57,569
Office and administration	**90,399**	62,693
Rent	**22,736**	41,412
Share-based payments	**240,147**	22,619
Travel	**6,696**	13,512
Transfer agent and filing fees	**110,091**	19,466
Wages	**115,399**	102,833
	$ 1,171,964	$ 578,830

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:

- 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 June 30, 2017 as compared with the same period in 2016. In addition, the Company held its Annual General Meeting ("AGM") during the three months ended June 30, 2017. With the increased activity and size of the Company, the costs associated with the meeting were significantly higher than the comparable period last year.
- Share-based payments – The increase is the result of the share options issued in 2016 and their cost being recognized over their vesting terms.
- Legal fees – The increase in fees is the result of the additional work required for the AGM and the revisions in the Company's share based compensation plan and the adoption of the Company's restricted share unit plan.

Exploration, evaluation and resource development expenses

The Company incurred $69,319 in exploration, evaluation and resource development expenditures in the second quarter as compared with $170,030 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 three months ended	
	June 30, 2017	June 30, 2016
Gain on sale of production royalty	**$ 6,750,000**	$ -
Interest expense	**$ (1,865,448)**	$ -
Change in fair value of contingent consideration	**$ 864,453**	$ -
Accretion expense	**$ (230,096)**	$ -

- The Company sold its production royalty during the quarter and recognized a significant gain.

The following costs were the result of the acquisition of 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.

- 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

Six months ended June 30, 2017, compared to the six months ended June 30, 2016

The Company's net income was $3,384,067 during the six months ended June 30, 2017 as compared with $380,225 during the same period in 2016. The change is due to the inclusion of the Florida Canyon Group's operation during the six months ended June 30, 2017, whereas in 2016, the operations were not included in the Company's operation until July 28, 2016, the date of acquisition of the Florida Canyon Group. The Company's net income for the six months ended June 30, 2017 was largely due to the Company's sale of its production royalty in 2017 resulting in a gain of $6.75 million (US$5 million).

Revenue

During the six months ended June 30, 2017, the Company had income from doré sales and its royalty agreement. The Company earned $11,694,711 (Six months ended June 30, 2016 - $Nil) from doré sales, selling 6,780 ounces of gold and 9,531 ounces of silver.

Royalty revenue for the six-month period was $2,137,171 compared to $2,838,563 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 six months ended June 30, 2017, the breakdown of cost of sales was as follows:

	For the six months ended	
	June 30, 2017	**June 30, 2016**
Direct operating costs	**$ 11,679,060**	$ -
Depreciation	**132,997**	-
Royalty expense	**234,019**	-
	$ 12,046,076	$ -

General and Administrative Expenses

	For the six months ended	
	June 30, 2017	**June 30, 2016**
Accounting, audit, and tax	**$ 180,923**	$ 134,508
Depreciation	**14,210**	14,535
Insurance	**45,821**	28,955
Investor relations	**358,097**	167,991
Legal fees	**159,294**	56,507
Management fees	**119,771**	118,828
Office and administration	**145,974**	104,001
Rent	**44,666**	86,196
Share-based payments	**458,173**	58,599
Travel	**15,050**	18,044
Transfer agent and filing fees	**122,422**	31,460
Wages	**216,579**	209,465
	$ 1,880,980	$ 1,029,089

The Company's general and administrative expenditures have increased in the six months ended June 30, 2017 as compared with the same period in 2016, largely due to the increased activity in the Company, increased expenditures related to the changes in the Company's overall compensation structures and the 2016 Annual General Meeting ("AGM"). The only increases of note are:

- 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 June 30, 2017 as compared with the same period in 2016. In addition, the Company held its AGM in Q2 2017. With the increased activity and size of the Company, the costs associated with the meeting were significantly higher than the comparable period last year.
- Share-based payments – The increase is the result of the share options issued in 2016 and their cost being recognized over their vesting terms.
- Legal fees – The increase in fees is the result of the additional work required for the AGM and the revisions in the Company's compensation structure.
- Transfer agent and filing fees – The increase in the transfer agent and filing fees was the result of a higher 2017 TSX Venture sustaining fee, filing fees related to the Company's updated share option plan, filing of the Annual Information return, and increased costs related to the 2016 Annual General Meeting held in June 2017.

Exploration, evaluation and resource development expenses

The Company incurred $139,715 in exploration, evaluation and resource development expenditures during the six months ended June 30, 2017 as compared with $643,419 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 six months ended	
	June 30, 2017	**June 30, 2016**
Gain on sale of production royalty	**$ 6,750,000**	$ -
Interest expense	**$ (3,532,447)**	$ -
Change in fair value of contingent consideration	**$ 595,957**	$ -
Accretion expense	**$ (443,039)**	$ -

No such expensed were incurred in 2016.

- 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.

- 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.
- 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

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 June 30, 2017	At the date of this MD&A
Common shares	427,160,783	427,160,783

As at June 30, 2017, 12,175,000 share purchase options, 25,991,612 share purchase warrants and 769,400 agent options were outstanding, which would result in an additional 38,936,012 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:

	Three months ended		Six months ended	
	June 30, 2017	**June 30, 2016**	**June 30, 2017**	**June 30, 2016**
Legal fees (1)	$ 234,542	$ 334,977	$ 285,009	$ 369,105
Management fees (2)	60,515	57,569	119,771	118,828
Office and administration (2)	14,068	12,341	26,933	27,264
	$ 309,125	**$ 404,887**	**$ 431,713**	**$ 515,197**

(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 June 30, 2017, $172,480 (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 June 30, 2017, $4,632 (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 six months ended June 30, 2017 and 2016 were as follows:

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Salaries and management fees	$ 110,513	$ 82,568	$ 219,767	$ 168,826
Share-based payments - management (i)	93,862	8,842	170,624	22,974
Share-based payments - directors (i)	71,394	5,041	132,030	13,626
	$ 275,769	**$ 96,451**	**$ 522,421**	**$ 205,426**

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 in prior years for three years ending June 30, 2017. The monthly rent is US$5,400 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

On July 12th, 2017, the Company granted 800,000 share purchase options to a new director of the Company and the new general manager at the Florida Canyon Mine. The share purchase options are exercisable at a price of $0.26 per common share for a period of five years. Vesting for the share options granted occurs over a period of two years, with an initial 25% of the share purchase options vesting on the sixth month immediately after the date of grant, followed by an additional 25% of the share purchase options every six months thereafter until fully vested.

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 June 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 June 30, 2017, the contingent share purchase warrants had a value $684,000 and the contingent cash consideration had a value of $6,442,070.

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, 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 it's 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 $750,000.

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.