Rye Patch
GOLD CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For Nine Months Ended September 30, 2016

(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 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)

As at		September 30, 2016		December 31, 2015
ASSETS				
Current assets				
Cash and cash equivalents	$	**11,236,327**	$	3,578,769
Accounts receivable (note 6)		**2,589,275**		1,349,190
Inventory (note 12)		**10,359,548**		-
Prepaid expenses		**1,362,148**		119,717
Deposits		**2,162**		29,564
Deferred costs		**6,180,849**		-
		31,730,309		5,077,240
Non-current assets				
Inventory (note 12)		**3,305,432**		-
Prepaid expenses		**3,735,332**		-
Property, plant and equipment (note 7)		**16,427,382**		64,974
Mineral properties (note 8)		**39,305,707**		7,608,316
Reclamation bonds (note 9)		**27,400,529**		353,749
		90,174,382		**8,027,039**
TOTAL ASSETS	$	**121,904,691**	$	13,104,279
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$	**5,178,668**	$	342,308
Royalty payable		**44,288**		-
Contingent consideration payable (note 5)		**7,737,472**		-
Loans payable (note 13)		**1,275,200**		-
Due to related parties (note 15)		**18,267**		50,125
Provisions for reclamation (note 10)		**102,313**		107,952
		14,356,208		500,385
Non-current liabilities				
Provision for reclamation (note 10)		**36,948,115**		-
		36,948,115		-
TOTAL LIABILITIES		**51,304,323**		500,385
EQUITY				
Share capital (note 11)		**82,873,772**		31,314,265
Foreign currency translation adjustment		**1,368,254**		2,271,167
Reserves (note 11)		**13,259,268**		4,955,052
Deficit		**(26,900,926)**		(25,936,590)
TOTAL EQUITY		**70,600,368**		12,603,894
TOTAL EQUITY AND LIABILITIES	$	**121,904,691**	$	13,104,279

Nature of operations (note 1)
Commitments and contingencies (note 16)
Events after reporting period (note 20)

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* *Director* *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, 2016	September 30, 2015	September 30, 2016	September 30, 2015
MINING OPERATIONS				
Metals sales	$ **1,262,955**	$ -	$ **1,262,955**	$ -
Direct operating costs	**(3,332,890)**	-	**(3,332,890)**	-
Depreciation	**(42,404)**	-	**(42,404)**	-
Royalty expense	**(5,852)**	-	**(5,852)**	-
INCOME (LOSS) FROM MINING OPERATIONS	**(2,118,191)**	-	**(2,118,191)**	-
ROYALTY INCOME (note 6)	**1,744,187**	1,473,184	**4,582,750**	4,801,257
	(374,004)	**1,473,184**	**2,464,559**	**4,801,257**
MINERAL PROPERTY OPERATIONS				
Exploration costs (note 6)	**73,152**	452,037	**716,571**	2,657,803
EXPENSES				
Accounting and audit (note 15)	**184,202**	33,751	**318,710**	133,168
Accretion expense (note 10)	**111,385**	-	**111,385**	-
Depreciation	**5,641**	7,390	**20,176**	18,632
Insurance	**6,041**	7,144	**34,996**	32,992
Investor relations	**53,092**	33,974	**221,083**	182,422
Legal fees (note 15)	**160,081**	3,541	**216,588**	53,325
Management fees (note 15)	**58,918**	190,481	**177,746**	289,191
Office and administration (note 15)	**33,479**	49,858	**137,480**	245,849
Rent	**38,861**	41,389	**125,057**	129,370
Share-based payments (note 11)	**413,206**	29,145	**471,805**	92,004
Travel	**12,170**	3,534	**30,214**	44,533
Transfer agent and filing fees	**50,885**	6,820	**82,345**	44,765
Wages and bonuses (note 15)	**161,503**	268,914	**370,968**	502,247
	1,289,464	**675,941**	**2,318,553**	**1,768,498**
OTHER INCOME (EXPENSE)				
Interest income	**6,117**	8,661	**7,864**	19,961
Other revenue	**2,609**	1,067	**6,091**	5,402
Business acquisition costs	**(715,596)**	-	**(715,596)**	-
Write-off of mineral property interests	**-**	-	**(871,871)**	-
Change in fair value of derivative liability	**1,009,500**	-	**1,009,500**	-
Foreign exchange gain	**89,429**	142,567	**170,241**	291,495
	392,059	**152,295**	**(393,771)**	**316,858**
NET INCOME (LOSS) FOR THE PERIOD	**(1,344,561)**	**497,501**	**(964,336)**	**691,814**
OTHER COMPREHENSIVE INCOME				
Foreign currency translation adjustment	**(92,930)**	507,341	**(902,913)**	1,197,695
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	$ **(1,437,491)**	$ **1,004,842**	$ **(1,867,249)**	$ **1,889,509**
Basic earnings (loss) per share for the period attributable to common shareholders (note 17)	$ **(0.00)**	$ 0.00	$ **(0.00)**	$ 0.00
Diluted earnings (loss) per share for the period attributable to common shareholders (note 17)	$ **(0.00)**	$ 0.00	$ **(0.00)**	$ 0.00
Weighted average number of common shares - basic (note 17)	**313,209,806**	144,875,804	**200,707,529**	145,917,344
Weighted average number of common shares - diluted (note 17)	**313,209,806**	144,875,804	**200,707,529**	145,917,344

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						
	Number of shares	Amount	Warrants	Equity settled employee benefits	Agent's options	Total	Foreign currency translation adjustment	Deficit	Total
Balance at December 31, 2015	**143,838,246**	**$ 31,314,265**	**$ 1,875,998**	**$ 2,829,261**	**$ 249,793**	**$ 4,955,052**	**$ 2,271,167**	**$ (25,936,590)**	**$ 12,603,894**
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 acuisition 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)
Balance at September 30, 2016	**387,295,488**	**$ 82,873,772**	**$ 9,739,925**	**$ 3,269,550**	**$ 249,793**	**$ 13,259,268**	**$ 1,368,254**	**$ (26,900,926)**	**$ 70,600,368**
Balance at December 31, 2014	**146,446,746**	**31,700,768**	**1,875,998**	**2,693,303**	**249,793**	**4,819,094**	**849,059**	**(26,225,698)**	**11,143,223**
Share-based payments	-	-	-	92,004	-	92,004	-	-	92,004
Repurchase of shares	(1,809,000)	(284,772)	-	-	-	-	-	-	(284,772)
Net comprehensive income for the period	-	-	-	-	-	-	1,197,695	691,814	1,889,509
Balance at September 30, 2015	**144,637,746**	**$ 31,415,996**	**$ 1,875,998**	**$ 2,785,307**	**$ 249,793**	**$ 4,911,098**	**$ 2,046,754**	**$ (25,533,884)**	**$ 12,839,964**

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, 2016	September 30, 2015
Cash flows provided from (used by):		
OPERATING ACTIVITIES		
Net income (loss) for the period	$ **(964,336)**	$ 691,814
Adjustments for items not affecting cash:		
Depreciation	**62,580**	18,632
Foreign exchange gain	**7,875**	(101,316)
Share-based payments	**471,805**	92,004
Accretion expense	**111,385**	-
Change in fair value of derivative liability	**(1,009,500)**	-
Write-off of mineral porperty interests	**871,871**	-
	(448,319)	701,134
Net changes in non-cash working capital items:		
Accounts receivable	**(841,861)**	(78,646)
Inventory	**(178,274)**	-
Prepaid expenses	**1,000,176**	(108,096)
Deposits	**27,402**	2,915
Accounts payable and accrued liabilities	**(98,749)**	(161,511)
Royalty payable	**5,473**	-
Due to related parties	**(31,858)**	(52,201)
Net cash flows from (used in) operating activities	**(566,009)**	303,595
FINANCING ACTIVITIES		
Equity financing, net of share issue costs	**46,304,002**	-
Shares issued upon exercise of share options	**46,950**	-
Deferred cost related to the credit facility	**(1,139,883)**	-
Repayment of loans payable	**(204,594)**	
Repayment of notes payable (note 4)	**(3,439,381)**	
Repurchase of common shares	**-**	(284,772)
Net cash flows used in financing activities	**41,567,094**	(284,772)
INVESTING ACTIVITIES		
Cash received on Florida Canyon acquisition	**376,327**	(30,082)
Acquisition of Florda Canyon Group	**(21,984,898)**	
Purchase of property, plant and equipment	**(1,908,038)**	(1,319,096)
Prepayment on property, plant and equipment	**(3,735,332)**	-
Mineral properties	**(410,671)**	-
Reclamation bond	**(5,130,922)**	(52,034)
Net cash flow used in investing activities	**(32,793,535)**	(1,401,212)
Effects of currency exchange rate changes on cash and cash equivalents	**(549,992)**	486,847
Net increase (decrease) in cash and cash equivalents	**7,657,558**	(1,008,884)
Cash and cash equivalents, beginning of period	**3,578,769**	5,499,399
Cash and cash equivalents, end of period	$ **11,236,327**	$ 4,490,515
Cash and cash equivalents consist of:		
Cash	$ **11,116,773**	$ 2,465,061
Short-term deposits	**119,554**	2,025,454
	$ **11,236,327**	$ 4,490,515
Supplementary cash flow information		
Cash paid during the period for interest	$ **14,105**	$ -
Cash paid during the period for income taxes	$ **-**	$ -
Interest received	$ **7,864**	$ 11,300
Accounts payable capitalized to property, plant and equipment	$ **575,046**	$ -

1. NATURE OF OPERATIONS

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 the operations, 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, (the "Florida Canyon Group"). With the acquisition, the Company acquired two producing properties in Florida Canyon and Standard Mine. The Company holds several other projects in Nevada that range from exploration properties to early development properties.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

These financial statements were authorized for issue on November 29, 2016 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 Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements comply with International Accounting Standard 34, Interim Financial Reporting ("IAS 34").

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. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2015.

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

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, 2015, with the exception of the following new accounting standards resulting from the acquisition of the Florida Canyon Group:

Revenue Recognition

Our primary source of revenue is from the sale of gold doré. Revenue is recognized in the consolidated financial statements when the following conditions are met:

- the significant risks and rewards of ownership have passed to the customer;
- neither continuing managerial involvement, to the degree usually associated with ownership, nor effective control over the good sold, has been retained;
- the amount of revenue can be measured reliably; it is probable that economic benefits associated with the sale will flow to us; and
- the costs incurred or to be incurred in respect of the sale can be measured reliably.

Revenue from the sale of gold doré or bullion is typically recognized on the trade settlement date when funds are received.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (continued)

Accounting estimates and judgments

The preparation of these condensed consolidated interim financial statements requires management to make estimates and judgments and form assumptions that affect the reported amounts and other disclosures in these consolidated financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

Critical accounting estimates and judgments include in the condensed consolidated interim financial statements are consistent with those applied and disclosed in the audited consolidated financial statements for the year ended December 31, 2015 except as outlined below:

(i) Business Combination – Acquisition of Florida Canyon Group

Judgment is required to determine whether we acquired a business under the definition of IFRS 3, Business combinations ("IFRS 3"), and also the acquisition date when we obtained control over the acquiree, which was the date that consideration is transferred and when we assumed the assets and liabilities of the acquiree. The valuation of certain consideration requires significant management estimates and judgement, especially as it relates to contingent consideration with respect to the likelihood, timing and valuation of the contingent consideration.

Business combinations are accounted for using the acquisition method whereby identifiable assets acquired and liabilities assumed, including contingent liabilities, are recorded at their fair values at the date of acquisition. The valuation of certain assets and liabilities requires significant management estimates and judgment. Property, plant and equipment requires judgment over the appropriate fair value methodology to appraise the assets and various assumptions around estimated useful lives and current replacement costs. The mineral property assets valuations are based upon estimates of Mineral Reserves and Mineral Resources used in the life of mine plan, as well as estimates of future metal prices, production, costs, and economic assumptions around inflation rates and discount rates. The inventory valuation requires estimates of the quantity on the leach pads and costs to convert inventory into saleable form. The reclamation provision requires an estimate of the magnitude and timing of future cash flows and economic assumptions around inflation and discount rates.

(ii) Forward Contracts – Own Use

Contracts to buy or sell a non-financial item, such as a commodity, that can be settled net in cash or another financial instrument, fall under the scope of IAS 39 and are accounted for as derivatives and marked to market through the statement of loss and comprehensive loss. However, certain criteria exist whereby a contract may fall under an ‘own use’ exemption, and exempt from the requirements of IAS 39. The determination of the Company’s accounting for its gold forward sales contracts (Note 14) requires judgment to determine that the contracts meet the requirements of ‘own use’.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (continued)

Accounting estimates and judgments (continued)

(ii) Forward Contracts – Own Use (continued)

An 'Own Use' contract is a contract that was entered into and continues to be held for the purpose of the delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements. In the case of the Company's gold forward sales contracts, the Company plans to settle the hedging contracts through the delivery of its own gold production, and therefore, these contracts result in the physical delivery of a commodity, and as per the Company's Credit Facility (Note 14), there is a specified schedule whereby the Company will be required to deliver a set number of ounces. Given the Company's current production levels and expected production levels based on the Company's current life of mine plan, that the production of ore will be sufficient to fulfill the physical delivery requirements of the hedge contracts based on the agreed schedule within the Credit Facility

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 accounting periods beginning on or after January 1, 2016. Updates which are not applicable or are not consequential to the Company have been excluded thereof. The following have not yet been adopted by the Company and are being evaluated to determine their impact:

- IFRS 9: New standard that replaces IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018
- 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 leases, effective for annual periods beginning on or after January 1, 2019
- 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, 2017. We are currently evaluating the impact the standard is expected to have on our consolidated financial statements.

(Unaudited - Expressed in Canadian Dollar)

4. ACQUISITION OF FLORIDA CANYON GROUP

On July 28, 2016, the Company completed the acquisition of a 100% interest in the Florida Canyon Group consisting of Florida Canyon, Standard Mine and Dirt, Inc. for a total purchase price of $38,457,232 (US $29,140,890). The purchase price consisted of the acquisition of all of the issued and outstanding shares of Florida Canyon, Standard Mine and Dirt, Inc. for consideration of cash, common shares of the Company and contingent consideration in the form of US$5,000,000 in any combination of cash, equity or equity instruments and 15,000,000 share purchase warrants.

The acquisition is a business combination and has been accounted for in accordance with the measurement and recognition provisions of IFRS 3. IFRS 3 requires that the purchase consideration be allocated to the assets acquired and liabilities assumed in a business combination based upon their estimated fair values at the date of acquisition.

The purchase price has been preliminarily allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the date of acquisition. Fair values are determined based on third party appraisals, discounted cash flow models, and quoted market prices, as deemed appropriate. This allocation is preliminary in nature as the Company is in the process of finalizing certain fair value assumptions and current and future income tax impacts related to mineral interests, property, plant and equipment, inventory, the reclamation provision and this allocation may require adjustment in future periods. Acquisition costs, in the form of advisory, legal and other professional fees, associated with the transaction to acquire the Florida Canyon Group of $715,596 were expensed as incurred.

The following table shows the preliminary allocation of the purchase price to assets acquired and liabilities assumed, based on estimates of fair value, including a summary of the identifiable classes of consideration transferred, and amounts by category of assets acquired and liabilities assumed at the acquisition date:

Cash payment	$	19,795,500
Cash payment based on working capital adjustment		1,878,062
20,000,000 common shares issued (1)		8,000,000
Contingent consideration (2)		8,783,670
Consideration	**$**	**38,457,232**
Cash and cash equivalents	$	376,327
Accounts receivable		405,338
Prepaid expense		2,241,313
Inventory		13,567,999
Property, plant and equipment		14,015,336
Mineral property interests		32,737,088
Reclamation bonds		21,965,769
Accounts payable and accrued liabilities		(4,360,063)
Royalty payable		(38,815)
Notes payable (3)		(3,439,381)
Loans payable		(1,952,884)
Provision for reclamation		(37,060,795)
Net identifiable assets acquired	**$**	**38,457,232**

(1) The common shares were valued at the closing price of our shares on the Toronto Venture Exchange on July 28, 2016, $0.40.

(2) Contingent consideration consists of 15,000,000 common share warrants and a US$5,000,000 payment due 60 days after commercial production. The US$5,000,000 payment was present valued using a credit-adjusted risk free rate. The common share purchase warrants have a life of two years from the date of grant and have an exercise price of US$0.50. Refer to note 5 for complete details on the valuation of the contingent consideration.

(3) Repaid on the date of acquisition

(Unaudited - Expressed in Canadian Dollar)

5. CONTINGENT CONSIDERATION

As part of the acquisition of the Florida Canyon Group, the Company agreed upon 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.

As it relates to the US$5,000,000 contingent consideration, the Company has the discretion to decide as to what form this payment will take. It is the Company's best estimate that the Company will make this contingent payment in cash and as such, we have fair valued the payment by discounting the US$5,000,000 over a one year period, being the best estimate of 60 days after commercial production, using a credit-adjusted risk free rate of 9%.

The contingent common share purchase warrants have been valued using the Black-Scholes option pricing model. The common share purchase warrants have an exercise price of US$0.50, or such higher price as may be required by Toronto Venture Exchange policies. In accordance with IAS 32, the contingent common share warrants have been recognized as a derivative liability as they do not meet the criteria for equity recognition due to the variable consideration value resulting from the exercise price being denominated in a currency other than the Company's functional currency.

Balance, beginning of period	$	-
Fair value upon initial recognition - Cash payment		6,053,670
Fair value upon initial recognition - Warrants		2,730,000
Change in fair value		(1,009,500)
Foreign exchange		(36,698)
Balance, September 30, 2016	**$**	**7,737,472**

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

Risk-free interest rate		0.51% - 0.59%
Expected annual volatility		88% - 90%
Expected life		2.91 - 3.00
Expected dividend yield		-
Weighted average share price	$	0.36
Weighted average exercise price	$	0.66
Weighted average grant date fair value per option	$	0.15

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 disputed LH and OG unpatented lode mining claims at the Rochester mine. The Company and Coeur engaged in 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 Ten Million Dollars (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"); and
- Conveyed all of Coeur's right, title and interest in the Blue Bird patented lode mining claim located near Lincoln Hill.

The Coeur NSR was effective as of January 1, 2014 and will terminate after 39.4 million silver equivalent ounces have been produced and sold from the Rochester Mine. Silver equivalent will be determined by converting sales of gold to the equivalent number of ounces of silver based on actual prices of gold and silver at the time of sale. The Coeur NSR is non-assignable except to an affiliate controlled by the Company; however, from and after January 1, 2014, the Coeur NSR may be assigned (i) in a single-asset transaction, (ii) for cash consideration, (iii) upon at least 30 days' advance notice to Coeur and (iv) to a company whose principal business is the acquisition, holding or management of precious metals production royalties and streams. Coeur shall have a right of first refusal to acquire the Coeur NSR on the same terms as any proposed permitted sale of the Coeur NSR by the Company.

The Coeur NSR will be paid quarterly, and is fully leveraged to the price of gold and silver.

During the three and nine month periods ended September 30, 2016, the Company accrued $1,744,187 and $4,582,750 (US$1,336,849 and US$3,473,398), respectively, as royalty income (Three and nine months ended September 30, 2015 - $1,473,184 and $4,801,257 (US$1,155,341 and US$3,818,624).

The account receivable relate to royalty income as at September 30, 2016 was $1,458,709 (US$1,336,849) (September 30, 2015 - $1,541,802 (US$1,155,341)). This amount had been received subsequent to September 30, 2016.

(Unaudited - Expressed in Canadian Dollar)

7. PROPERTY, PLANT AND EQUIPMENT

	Mine Development	Construction In Progress	Buildings	Computer hardware & software	Machinery & equipment	Land	Office furniture, equipment & other	Total
Cost								
As at December 31, 2015	$ -	$ -	$ -	$ 98,756	$ 32,269	$ -	$ 121,276	**$ 252,301**
Acquisiton of Florida Canyon Group	2,047,998	79,440	170,274	-	10,512,251	1,205,372	-	**14,015,335**
Additions	219,722	2,478,350	-	4,709	-		-	**2,702,781**
Currency translation adjustment	(11,117)	14,153	(1,032)	(3,919)	(65,410)	(7,338)	(2,872)	**(77,535)**
Balance as at September 30, 2016	**$ 2,256,603**	**$ 2,571,943**	**$ 169,242**	**$ 99,546**	**$ 10,479,110**	**$ 1,198,034**	**$ 118,404**	**$ 16,892,882**
Depreciation								
As at December 31, 2015	$ -	$ -	$ -	$ (78,079)	$ (6,654)	$ -	$ (102,594)	**$ (187,327)**
Charged for the year	-	-	(4,896)	(7,272)	(261,810)		(8,298)	**(282,276)**
Currency translation adjustment	-	-	-	2,874	(1,134)	-	2,363	**4,103**
Balance as at September 30, 2016	**$ -**	**$ -**	**$ (4,896)**	**$ (82,477)**	**$ (269,598)**	**$ -**	**$ (108,529)**	**$ (465,500)**
Net book value								
As at September 30, 2016	**$ 2,256,603**	**$ 2,571,943**	**$ 164,346**	**$ 17,069**	**$ 10,209,512**	**$ 1,198,034**	**$ 9,875**	**$ 16,427,382**

	Computer hardware & software	Machinery & equipment	Machinery & equipment	Total
Cost				
As at December 31, 2014	$ 71,866	$ 3,938	$ 112,484	**$ 188,288**
Additions	17,319	24,495	-	**41,814**
Currency translation adjustment	9,571	3,836	8,792	**22,199**
Balance as at December 31, 2015	**$ 98,756**	**$ 32,269**	**$ 121,276**	**$ 252,301**
Depreciation				
As at December 31, 2014	$ (57,346)	$ (2,537)	$ (87,528)	**$ (147,411)**
Charged for the year	(13,061)	(3,454)	(8,338)	**(24,853)**
Currency translation adjustment	(7,672)	(663)	(6,728)	**(15,063)**
Balance as at December 31, 2015	**$ (78,079)**	**$ (6,654)**	**$ (102,594)**	**$ (187,327)**
Net book value				
As at December 31, 2015	**$ 20,677**	**$ 25,615**	**$ 18,682**	**$ 64,974**

Rye Patch Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements
For the nine months ended September 30, 2016
(Unaudited - Expressed in Canadian Dollar)

8. MINERAL PROPERTIES

	Oreana Trend			Cortez Trend				
	Lincoln Hill		Wilco - Newmont (Note 8b)	Garden Gate (Note 8c)	Patty (Note 8d)	Florida Canyon (Note 4)	Others (Notes 8e, 8f and 8g)	Total
	Lincoln Hill Property (Note 8a)	Gold Ridge Property (Note 8a)						
Acquisition costs								
Cumulative acquisition costs as at December 31, 2015	$ 2,445,040	$ 1,266,831	$ 2,074,589	$ 760,877	$ 878,153	$ -	$ 182,826	**$ 7,608,316**
During the period:							-	
Acquisition costs	6,955	-	-	-	-	32,737,088	46,173	**32,790,216**
Holdings costs	31,857	126,668	55,548	41,027	-	-	19,011	**274,111**
Permits and licences	176	156	43	-	-	-	-	**375**
Lease obligations	11,321	(865)	66,781	-	-	-	-	**77,237**
Staking costs	5,820	-	-	-	-	-	-	**5,820**
Total acquisition costs for the period	**56,129**	**125,959**	**122,372**	**41,027**	**-**	**32,737,088**	**65,184**	**33,147,759**
Write-off of mineral property interetsts	-	-	-	-	(871,871)	-	-	**(871,871)**
Foreign currency translation adjustment	**(128,184)**	**(67,199)**	**(109,367)**	**(40,080)**	**(6,282)**	**(198,452)**	**(28,933)**	**(578,497)**
Balance as at September 30, 2016	**$ 2,372,985**	**$ 1,325,591**	**$ 2,087,594**	**$ 761,824**	**$ -**	**32,538,636**	**$ 219,077**	**$ 39,305,707**
Acquisition costs								
Cumulative acquisition costs as at December 31, 2014	$ 1,312,486	$ 431,160	$ 1,494,235	$ 527,669	$ 595,810	$ -	$ 63,602	**$ 4,424,962**
During the year:						-	-	
Acquisition costs	664,799	562,946	33,049	6,323	144	-	39,348	**1,306,609**
Holding costs	29,574	118,969	52,307	34,531	128,069	-	17,897	**381,347**
Permitting and licenses	237	81	41	-	-	-	-	**359**
Lease obligations	112,069	-	183,222	75,370	25,123	-	-	**395,784**
Staking costs	-	2,003	-	4,288	-	-	39,984	**46,275**
Total acquisition costs for the year	**806,679**	**683,999**	**268,619**	**120,512**	**153,336**	**-**	**97,229**	**2,130,374**
Foreign currency translation adjustment	**325,875**	**151,672**	**311,735**	**112,696**	**129,007**	**-**	**21,995**	**1,052,980**
Balance as at December 31, 2015	**$ 2,445,040**	**$ 1,266,831**	**$ 2,074,589**	**$ 760,877**	**$ 878,153**	**$ -**	**$ 182,826**	**$ 7,608,316**

(Unaudited - Expressed in Canadian Dollar)

8. MINERAL PROPERTIES (continued)

	Oreana Trend			Cortez Trend				
	Lincoln Hill		Wilco - Newmont (Note 8b)	Garden Gate (Note 8c)	Patty (Note 8d)	Florida Canyon	Others (Notes 8e, 8f and 8g)	Total
	Lincoln Hill Property (Note 8a)	Gold Ridge Property (Note 8a)						
Expenditures (recovery) charged to operations for the nine months ended September 30, 2016								
During the period:								
Exploration Expenditures								
Assay and sampling (Non-drill)	$ -	$ 4,600	$ -	$ -	$ -	$ -	$ 3,280	$ **7,880**
Communication costs	78	267	-	-	-	-	676	**1,021**
Property office expenses	2,849	2,820	2,865	305	271	-	-	**9,110**
Drilling	(1,137)	321	2,024	9,078	18,990	-	-	**29,276**
Geological costs	60,189	82,112	29,075	14,833	21,642	-	33,904	**241,755**
Legal	9,744	-	-	-	202	-	-	**9,946**
Property investigations & generative	-	-	-	-	-	-	224,960	**224,960**
Total Exploration Expenses	71,723	90,120	33,964	24,216	41,105	-	262,820	**523,948**
Development Expenditures								
Drilling - metalugical testing	7,957	-	-	-	-	-	-	**7,957**
Approval & permits	63,974	2,655	37,356	-	-	-	-	**103,985**
Metallurgy, mine processing & engineering	80,681	-	-	-	-	-	-	**80,681**
Total Development Expenditures	152,612	2,655	37,356	-	-	-	-	**192,623**
Total expenditures charged to operations during the period	**$ 224,335**	**$ 92,775**	**$ 71,320**	**$ 24,216**	**$ 41,105**	**$ -**	**$ 262,820**	**$ 716,571**

(Unaudited - Expressed in Canadian Dollar)

8. MINERAL PROPERTIES (continued)

	Oreana Trend			Cortez Trend				
	Lincoln Hill		Wilco - Newmont (Note 8b)	Garden Gate (Note 8c)	Patty (Note 8d)	Florida Canyon	Others (Notes 8e, 8f and 8g)	Total
	Lincoln Hill Property (Note 8a)	Gold Ridge Property (Note 8a)						
Expenditures (recovery) charged to operations for the nine months ended September 30, 2015								
During the period:								
Exploration Expenditures								
Assays & Sampling	$ 14,833	$ 23,797	$ -	$ -	$ -	$ -	$ 26,256	$ **64,886**
Consultants	163	56	81	-	192	-	168	**660**
Communication costs	-	63	-	-	183	-	301	**547**
Property office expenses	617	23	2,618	-	710	-	-	**3,968**
Drilling	35,743	2,531	90	(5,621)	993,495	-	-	**1,026,238**
Field costs	2,008	-	-	1,494	108	-	471	**4,081**
Geological costs	105,250	62,246	71,183	10,763	18,696	-	78,831	**346,969**
Geophysical costs	11,856	-	-	-	-	-	-	**11,856**
Property investigations & Generative	-	-	-	-	-	-	251,533	**251,533**
Total Exploration Expenses	170,470	88,716	73,972	6,636	1,013,384	-	357,560	**1,710,738**
Development Expenditures								
Drilling - in-fill	2,049	-	-	-	-	-	-	**2,049**
Drilling - Metalugical testing	313,266	-	-	-	-	-	1,344	**314,610**
Approval & Permits	344,268	52,081	123,050	-	12,765	-	-	**532,164**
Metallurgy, Mine processing & Engineering	98,242	-	-	-	-	-	-	**98,242**
Infrastructure	-	-	-	-	-	-	-	**-**
Total Development Expenditures	757,825	52,081	123,050	-	12,765	-	1,344	**947,065**
Total expenditures charged to operations during the period	**$ 928,295**	**$ 140,797**	**$ 197,022**	**$ 6,636**	**$ 1,026,149**	**$ -**	**$ 358,904**	**$ 2,657,803**

8. MINERAL PROPERTIES (continued)

Oreana Trend – gold exploration properties, Nevada, United States of America

a) Lincoln Hill Resource Project, Pershing County:

a. Lincoln Hill - developing a gold and silver resource

On November 7, 2007, the Company entered into a renewable 20 year Mining Lease agreement with Mountain Gold Exploration, Inc. and Lane Griffin (collectively, the "Lessors") on the Lincoln Hill property. The property is comprised of one patented lode claim and unpatented mining claims.

Between 2007 and 2015, the Company made advanced royalty payments of US$640,000, issued 750,000 common shares and completed the required US$2.1 million in exploration expenditures, in satisfaction of the terms of the Mining Lease agreement. Each year thereafter the Company must pay advanced royalty of US$80,000, with the Lessors retaining a 4% net smelter royalty ("NSR"), 1% of which can be acquired by the Company for US$3 million. The advanced royalties are credited towards the Lessors' NSR.

Lincoln Hill property additions:

In April 2015, the Company purchased 1,654.75 acres (670 hectares) of surface and mineral estate on private lands adjacent to the Lincoln Hill resource project and surrounding exploration targets. The acquired lands represent strategic locations for infrastructure and facilities associated with the Lincoln Hill gold/silver deposit. The Company paid US$500 per acre for the surface and mineral estate with the vendor retaining an NSR royalty ranging from 2.125% to 3.5% depending on the parcel.

The Company entered into a five year surface lease agreement, dated October 21, 2011, for three parcels of land with annual lease payments of US$9,500. The leased land totaled approximately 2.1 square kilometers. The lease is in good standing. On September 8, 2009, the Company acquired certain mining claims for consideration of US$41,000 plus a 4% NSR, up to half of which can be acquired by the Company for US$200,000.

b. Gold Ridge Property – exploration drilling

In November 2006, April 2009 and April 2015, the Company acquired, through staking, 100% of an area of lode mining claims that are located 1.5 kilometres west of the Lincoln Hill resource. Exploration drilling in 2014 confirmed the presence of mineralization with further drilling completed in 2016.

c. Independence Hill – exploration drilling

The target is located less than one kilometre south of the Lincoln Hill resource. Mapping, sampling and drilling in 2014, identified this area as an extension of the Lincoln Hill resource trend and a possible target for resource expansion. A follow-up drill program is planned as part of the larger Plan of Operations permit that is in progress

d. Panther Canyon – purchased mining claims

Rye Patch US staked 119 unpatented lode claims covering the historic Rye Patch mine located 13 kilometres north of Gold Ridge and 6 kilometres south of Florida Canyon's Standard Gold mine operation along a major north-south structural zone in Pershing County, Nevada

8. MINERAL PROPERTIES (continued)

b) Wilco - Newmont Property:

a. Wilco – 100% owned with a limited 60% back-in right

A 2006 agreement between the Company and North American Diversified Resources Corporation ("NADR"), assigned a prior 2005 agreement between NADR and Newmont Mining Corporation ("Newmont") to the Company. Subsequently, the Company acquired a 100% interest in the Wilco property by making acquisition payments of 5 million shares valued at US$500,000, cash of US$150,000 and completing US$3 million of exploration expenditures. The Company is obligated to make the following payments: an index linked annual rent of US$84,000 to Newmont should the Company fail to spend minimum required expenditures on the property, annual advanced royalty payments of US$20,000 (prior to 2011, US$15,000) and sliding scale royalties between 2% to 5% should certain of the properties achieve production. As a result of the Company not meeting its US$500,000 annual work commitment in 2015, a rental fee totalling US$85,858 was paid to Newmont. All other payments are in good standing.

Newmont has a back-in right to earn up to 60% by spending US$15 million over 8 years (or 70% by spending US$20 million). This right must be exercised within 120 days of a feasibility study being issued. Should Newmont fail to complete its obligations for the back-in right, the Company can acquire Newmont's interest for US$2 million and reduce Newmont and the underlying owners to a range of NSRs between 2% and 5%.

b. Wilco – Newmont Property – 100% owned staked claims

In December 2006 and October 2010, further claims were added to this land package by way of staking.

c. Wilco – H&M Mining – leased mining claims

On March 21, 2007, the Company entered into a Lease and Option agreement on a separate mining claim within the Wilco-Newmont project area. The lease is for 20 years (with two 20 year extension provisions). The lease allows for the purchase of the mining claim by the Company for US$1 million, less lease and NSR payments made. The lease is subject to a 1% to 3% gold price linked NSR and annual payments totaling US$110,000 from 2007 to 2011 and US$40,000 thereafter. All payments are in good standing.

d. Wilco – Rose Claims – purchased mining claims

In April 2015, the Company purchased 23 unpatented lode claims east of the Wilco project covering the Rosal mine property in Section 30, T28N, R33E from Platoro West Inc. The Company paid approximately US$1,087 per claim and granted a 1.5% NSR royalty to the seller.

e. South Coal Canyon

In December 2010, the Company acquired, through staking, the South Coal Canyon property in Pershing County, Nevada.

f. X Claims

In January 2012, the Company acquired, through staking, the X Claims property in Pershing County, Nevada.

Cortez Trend – gold exploration properties, Nevada, United States of America

c) Garden Gate Pass Property

On October 1, 2010, the Company acquired the Garden Gate Pass property from Pyramid Lake LLC ("Pyramid Lake"). The project consists of unpatented lode claims and is located 12 kilometres (7 miles) south-southeast of Barrick Gold's Cortez Hills mine and abuts the newly discovered Goldrush deposit. The Company controls 100% of the property subject to annual advance royalty payments and a 2% NSR payable to Pyramid Lake. Advanced royalty payments are as follows:

(Unaudited - Expressed in Canadian Dollar)

8. MINERAL PROPERTIES (continued)

c) Garden Gate Pass Property (continued)

	US$ Amount	
Initial payments to October 1, 2012	145,000	Paid
By October 1, 2013 and every year to 2017	60,000	Paid
By October 1, 2018 and every year thereafter	100,000	

d) Patty Property

On October 18, 2011, the Company entered into an agreement with Barrick Gold, US Gold Corp and Chapleau Resources ("the Patty Joint Venture") to earn an undivided 60% of the Patty project located in Eureka County, Nevada. The Patty project consists of 616 unpatented lode claims covering 53.1 square kilometres and is located immediately south of the Company's 100% owned Garden Gate Pass project. Under the terms of this agreement, the Company has the right to earn a 60% undivided interest in the Patty project by spending US$5 million over a five year period, of which the first year's expenditure of US$500,000 is committed. In addition, the Company reimbursed the Patty Joint Venture US$93,120 of lease payments and one half of federal claim rental fees paid by the Patty Joint Venture in 2011.

After completion of the earn-in amount by the Company and within 90 days of this completion, the Patty Joint Venture will have the right to back in to a 60% interest by expending US$15 million over a five year period, of which one-third will be paid in cash to the Company. After the completion of this back-in, the Company will control 40% of the mineral property and the mineral property will be carried to production. The Patty Joint Venture is required to spend a minimum of US$500,000 annually (the "Work Commitment") on the property until the commencement of production.

The core Damele claims retain a 3% NSR and an annual 1,500 metre drill commitment, except for 2012, which required a 3,300 metre drill commitment that was completed by December 31, 2012. On September 5, 2014, the Barrick Group renegotiated the underlying lease agreement with the Damele group. No changes to the Company's commitments were made; however, a favourable change to the annual 1,500 metre drill commitment was agreed. An annual work requirement of US$125,000 ("Damele work commitment") replaces the annual footage (meterage) drill commitment. The Damele work commitment is to be completed within each calendar year until commercial production is achieved.

Rye Patch Gold US Inc. has completed its first and second year Work Commitment obligation of US$500,000 in 2012 and US$700,000 in 2013. From October 18, 2011 to September 30, 2014, the Company completed US$2,081,442 in expenditures on the Patty project. As a result of permitting delays with the Bureau of Land Management, the Company was not able to drill on the Patty project in 2014. On November 4, 2014, Rye Patch Gold US Inc. signed a waiver with the Barrick Group to defer the remaining 2014 Work Commitment of US$118,558 to the 2015 Work Commitment obligation. The 2015 Work Commitment obligation was amended in December 2015 to reduce the commitment from $1,450,000 to $800,000 and total aggregate expenditures to $2,850,000 as at December 31, 2015. During the three months ended June 30, 2016, the Company terminated the agreement with Barrick Gold. The Company wrote-off all the capitalized mineral property interests related to the Patty property as at March 31, 2016.

(Unaudited - Expressed in Canadian Dollar)

9. RECLAMATION BONDS

The reclamation bonds represent cash that has been placed in trust as security to the United States Bureau of Land Management (the "BLM") relating to the Company's site closure obligations.

a) At Rye Patch Gold US Inc., the reclamation deposit has been made totaling $335,269 (US$255,599) (December 31, 2015 - $353,749 (US$255,599)).

b) At the Standard Gold Mine, the reclamation deposit for bonding requirements at September 30, 2016 is $6,296,295 (US$4,800,103). The full amount of the deposit is invested in reclamation insurance policies to collateralize $14,250,150 (US$10,863,879) in surety bonding provided by the Company's insurance companies.

c) At the Florida Canyon Mine, the restricted certificates of deposit for bonding requirements at September 30, 2016 are$20,768,965 (US$15,833,624). Of these deposits, $9,439,893 (US$7,196,686) pertains to the Florida Canyon Mine Irrevocable Trust (the "Trust"). The remaining balance of 11,329,072 (US$8,636,938) surety bonds.

   On August 10, 2006, in order to provide surety for long-term monitoring and maintenance costs ("LTMM") after the planned demise of mining permits, Florida Canyon was required by the BLM to establish the Trust. Funds paid to the Trust can only be returned upon BLM determination that LTMM is no longer necessary or on completion of approved reclamation activities. All amounts paid to the Trust have been recorded as restricted certificates of deposit.

   The surety bonds and restricted certificates of deposit have named the overseeing government agencies as beneficiaries in the event of the Company's failure and the requirement for the government agencies to complete site restoration, as required under government regulation. These certificates of deposit will be released when the government approves successful site restoration and surety bonding is no longer necessary.

10. PROVISIONS FOR RECLAMATION

		September 30, 2016		December 31, 2015
Balance, beginning of period	$	104,091	$	90,691
Provisions assumed through Florida Canyon Group acquisition		37,060,795		-
Accretion expense		111,385		-
Foreign exchange		(225,843)		13,400
Balance, end of period	**$**	**37,050,428**	**$**	**104,091**
Current portion of provision for reclamation	**$**	**102,313**	**$**	**104,091**
Non-current portion of provision for reclamation	**$**	**36,948,115**	**$**	**-**

The acquisition of Standard Mine and Florida Canyon resulted in the Company assuming total undiscounted reclamation provisions of $36,884,861 (US$28,119,891). The reclamation expenditures are expected to be incurred from 2018 to 2028.

The provision for reclamation has been calculated to reflect the amount of the expected cash flows disturbances incurred as of September 30, 2016. The Company applied a discount rate of 1.52% and an inflation rate of 1.51% in calculating the estimated obligation. The long-term portion of the provision for reclamation represents the discounted portion attributable to Florida Canyon and Standard Mine.

11. 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, 2016, there were 387,295,488 common shares issued and outstanding (December 31, 2015 – 143,838,246).

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 for the Florida Canyon Group. The common shares were issued at their market value of $0.40 per common share.

During the three months ended September 30, 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 the share options.

During the year ended December 31, 2015, the Company repurchased and cancelled 2,608,500 common shares for a total cost of $386,503. There were no repurchased common shares during the nine months ended September 30, 2016.

Share purchase options

Effective May 28, 2008, as amended on April 6, 2009, the Company adopted a share purchase option 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 before the date of granting of the option, unless the Exchange permits discounts, or allows some other minimum exercise price.

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

During the year ended December 31, 2015:

a) On August 28, 2015, the Company granted share purchase options to its directors, officers, employees and consultants to purchase up to an aggregate of 1,000,000 common shares of the Company. The share purchase options are exercisable for a term of ten years at an exercise price of $0.16 per common share. Vesting will occur 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.

(Unaudited - Expressed in Canadian Dollar)

11. SHARE CAPITAL AND RESERVES (continued)

b) On March 1, 2015, the Company granted share purchase options to its Chief Financial Officer to purchase up to an aggregate of 200,000 common shares of the Company. The share purchase options are exercisable for a term of ten years at an exercise price of $0.15 per common share. Vesting will occur 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.

The changes in share purchase options during the nine months ended September 30, 2016 and 2015 were as follows:

	Nine months ended September 30, 2016				Nine months ended September 30, 2015		
	Number outstanding		Weighted average exercise price		Number outstanding		Weighted average exercise price
Outstanding, beginning of period	5,500,000	$	0.32	Outstanding, beginning of period	4,640,000	$	0.37
Granted	10,000,000		0.50	Granted	1,200,000		0.16
Expired	(565,000)		0.35	Expired	(292,500)		0.40
Exercised	(210,000)		0.22	Exercised	-		-
Forfeited	(100,000)		0.19	Forfeited	(47,500)		0.27
Outstanding, end of period	**14,625,000**	**$**	**0.44**	**Outstanding, end of period**	**5,500,000**	**$**	**0.32**

During the three and nine months ended September 30, 2016 the Company recorded share-based payments expense of $413,206 and 471,805 (Three and nine months ended September 30, 2015 – $29,145 and $92,004).

Share purchase options (continued)

The fair value of the share-based payments expense was estimated using the following assumptions:

	For the nine months ended			
	September 30, 2016		September 30, 2015	
Risk-free interest rate		1.01%		1.30% - 1.44%
Expected annual volatility		117%		120% - 122%
Expected life		10.00		10.00
Expected dividend yield		-		-
Weighted average share price	$	0.35	$	0.15
Weighted average exercise price	$	0.50	$	0.16
Weighted average grant date fair value per option	$	0.32	$	0.14

The estimates of expected life incorporate an estimate of the potential early exercise of these options and warrants. The estimates of expected volatility are based on the historically observed volatility of the Company for a period generally commensurate with the expected lives of the instruments.

(Unaudited - Expressed in Canadian Dollar)

11. SHARE CAPITAL AND RESERVES (continued)

The following summarizes information about share purchase options outstanding and exercisable at September 30, 2016:

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	2.89
January 18, 2022	1,280,000	1,280,000	0.60		870,854	5.30
July 12, 2023	1,150,000	1,150,000	0.20		195,881	6.78
July 22, 2024	485,000	485,000	0.27		93,646	7.81
September 16, 2024	150,000	150,000	0.27		22,158	7.97
March 1, 2025	200,000	150,000	0.15		28,520	8.42
August 28, 2025	900,000	450,000	0.16		141,700	8.92
August 28, 2026	10,000,000	-	0.50		3,248,000	9.92
	14,625,000	**4,125,000**	**0.44**	**$**	**4,693,311**	**8.88**

Share purchase Warrants

During the three and nine months ended September 30, 2016, the Company issued the following share purchase warrants:

a) 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
b) 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 its US$27,000,000 credit facility (Note 14). 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. The fair value of the share purchase warrants were capitalized to deferred costs related to the credit facility.

Share purchase Warrants (continued)

	Nine months ended September 30, 2016 Number outstanding		Weighted average exercise price		Nine months ended September 30, 2015 Number outstanding		Weighted average exercise price
Outstanding, beginning of preiod	-	$	-	Outstanding, beginning of preiod	-	$	-
Issued	27,386,907		0.22	Issued	-		-
Expired	-		-	Expired	-		-
Outstanding, end of period	**27,386,907**	**$**	**0.22**	**Outstanding, end of period**	**-**	**$**	**-**

As at September 30, 2016, the following share purchase warrants are outstanding (Note 5):

Expiry date	Warrants outstanding	Exercise price		Estimated grant date fair value	Weighted average remaining contractual life (in years)
July 28, 2018	11,162,362	0.22		2,822,961	1.82
July 28, 2021	16,224,545	0.22		5,040,966	4.83
	27,386,907	**0.22**	**$**	**7,863,927**	**3.60**

(Unaudited - Expressed in Canadian Dollar)

11. SHARE CAPITAL AND RESERVES (continued)

The fair value of the share purchase warrants was estimated using the following assumptions:

	For the nine months ended			
		September 30, 2016		September 30, 2015
Risk-free interest rate		0.58% - 0.65%		0.00%
Expected annual volatility		90% - 91%		0%
Expected life		2.00 - 5.00		-
Expected dividend yield		-		-
Weighted average share price	$	0.40	$	-
Weighted average exercise price	$	0.22	$	-
Weighted average grant date fair value per option	$	0.29	$	-

12. INVENTORIES

		September 30, 2016		December 31, 2015
Ore on heap leach pads	$	1,408,679	$	-
Dore		10,788,924		-
Material and supplies		1,467,377		-
	$	**13,664,980**	**$**	
Ore on heap leach pads:				
Current portion	**$**	**7,483,492**	**$**	**-**
Non-current portion	**$**	**3,305,432**	**$**	**-**

13. LOANS PAYABLE

The Florida Canyon Group of companies 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 taken over by ADM-Gold Co., Ltd ("Admiral") and as part of the acquisition of the Florida Canyon Group, the Company agreed to pay out the loan over the remaining 13 months from the date of close.

CAT Loan

		September 30, 2016
Balance, beginning of period	$	-
Provisions assumed through Florida Canyon Group acquisition		513,493
Interest expense		4,504
Payments		(74,251)
Foreign exchange		(3,487)
Balance, end of period	**$**	**440,259**

The loan was recognized at fair value at the time of acquisition and bears an interest rate of 4.97% and is scheduled to be repaid monthly with the final payment to be completed in March 2017.

(Unaudited - Expressed in Canadian Dollar)

13. LOANS PAYABLE (continued)

Admiral Loan

		September 30, 2016
Balance, beginning of period	$	-
Provisions assumed through Florida Canyon Group acquisition		1,439,392
Interest expense		13,898
Payments		(211,087)
Foreign exchange		(9,784)
Balance, end of period	**$**	**1,232,419**

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 with the final payment to be completed in September 2017.

14. CREDIT FACILITY

Prior to the completion of the Florida Canyon Group, the Company entered into a credit agreement (the "Credit Agreement") with Macquarie Bank Limited ("Macquarie Bank") for a US$27 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.").

The Credit Facility will bear interest at LIBOR plus 8% per annum and includes a hedging provision of 150,000 ounces deliverable over five years at USD$1276 an ounce. Repayment of the Credit Facility will be amortized over the first four years of production following the restart of the Florida Canyon mine, subject to earlier mandatory prepayment from certain levels of any excess free cash flow from the mine. Rye Patch U.S.'s obligations under the Credit Facility will be guaranteed by the Company and certain material subsidiaries. In addition, Macquarie Bank will have a first ranking security interest over all of the properties and assets of the Company and its material subsidiaries, including the Florida Canyon mine property and assets as well as shares of the subsidiary companies that hold the property and assets.

Upon the signing of the Credit Agreement, Rye Patch issued to Macquarie Bank 16,224,545 share purchase warrants, each share purchase warrant being exercisable for one common share of the Company for a five-year term from date of issue at an exercise price of Cdn$0.22 per common share. The share purchase warrants, and the common shares underlying the warrants, are subject to a four-month hold period expiring November 29, 2016. The share purchase warrants were fair valued at $5,404,966 (Note 11) and recognized as deferred costs. In addition to the share purchase warrants, the Company incurred $775,883 in costs related to the Credit Facility.

Hedge Facility

In order to mitigate gold price risk and as a condition of the Credit Facility, the Company is required to enter into margin free gold forward sales contracts of 150,000 ounces. On September 19, 2016, the Company finalized and scheduled out its hedged contracts at a flat forward price of US$1,276 per ounce (the "Hedge Facility").

For accounting purposes, management has determined that the Hedge Facility meets the requirements of 'Own Use', and thereby exempt from the requirements of IAS 39. An 'Own Use' contract is a contract that was entered into and continues to be held for the purpose of the delivery of the non-financial item in accordance with the Company's expected purchase, sale or usage requirements, that is, it will result in the physical delivery of a commodity, and as per the Credit Facility, there is a specified schedule whereby the Company will be required to deliver the produced ounces. As a result, the Hedge Facility is not considered a derivative and is not marked to market at each reporting period, and recognition is deferred until settlement and delivery of the gold.

(Unaudited - Expressed in Canadian Dollar)

15. RELATED PARTY TRANSACTIONS

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

Name	Country of incorporation	Equity ownership as at September 30, 2016	Equity ownership as at December 31, 2015
Rye Patch Gold US Inc.	United States of America	100%	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 and are not disclosed in this note. 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
Quantum Advisory Partners LLP	Accounting and audit
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 exchange amount which is the amount of consideration established and agreed to by the related parties.

The Company's related party expenses are as follows:

	For the three months ended September 30, 2016	For the three months ended September 30, 2015	For the nine months ended September 30, 2016	For the nine months ended September 30, 2015
Accounting and audit (1)	$ -	$ -	$ -	$ 43,212
Legal fees (2)	257,372	3,541	626,476	51,311
Management fees (3)	58,918	48,519	177,746	289,191
Directors fees	-	105,000	-	105,000
Office and administration (3)	15,839	9,180	43,103	35,837
	$ 332,129	**$ 166,240**	**$ 847,325**	**$ 524,551**

(1) The Company paid for accounting services to Quantum Advisory Partners LLP whose incorporated partner was the Company's Chief Financial Officer until March 1, 2015.

(2) The Company paid for legal and corporate secretary services fees to Koffman Kalef LLP Business Lawyers in which the Company's Corporate Secretary is a partner. Of the $626,476 fees incurred during the nine months ended September 30, 2016, $146,153 were expensed to legal fees and the remaining were capitalized to deferred costs as they related the Credit Facility. As at September 30, 2016, $263,079 (December 31, 2015 - $Nil) was owed to this firm.

(Unaudited - Expressed in Canadian Dollar)

15. RELATED PARTY TRANSACTIONS (continued)

(3) The Company paid for management fees to Tanadog Management and Technical Services Inc. which is controlled by its President. In addition, the Company paid for office and administrative services to the same company. As at September 30, 2016 $18,267 (December 31, 2015 - $50,125) was owed to this company.

The Company's management services contract 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.

Key management personnel compensation

The remuneration of directors and other members of key management personnel during the three and nine months ended September 30, 2016 and 2015 were as follows:

	For the three months ended		For the nine months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Salaries and management fees	$ 83,917	$ 124,784	$ 252,743	$ 435,853
Directors fees	-	105,000	-	105,000
Share-based payments - management (i)	109,034	13,141	132,008	71,124
Share-based payments - directors (i)	106,076	7,245	119,702	33,237
	$ 299,027	**$ 108,921**	**$ 504,453**	**$ 198,910**

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

16. COMMITMENTS

a) The Reno office lease was renewed for an additional three years ending June 30, 2017. The monthly rent is US$5,400 and is adjusted annually by the consumer price index.

b) As disclosed in Note 6(a), if Newmont does not exercise the joint venture option by the 120th day of receipt of a feasibility study from the Company, or elects not to proceed with the joint venture after the joint venture agreement is signed, or fails to complete the Phase 1 Earn-in Expenditures, it will be obligated to sell its interest in the Wilco – Newmont property to the Company for US$2,000,000, which may be partially payable in shares at the discretion of the Company.

c) The Company entered into a geographic information systems service contract at US$70 per hour from January 1, 2016 until December 31, 2016.

d) 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.

e) The Company entered into a consulting agreement for project evaluation and mine engineering services at US$150 per hour from January 4, 2016 until December 31, 2016.

f) Gold and silver produced by FCMI are subject to a 2.5% net smelter return royalty ("NSR"). Certain gold produced by SGMI is subject to a 1% NSR. Royalty expense is recorded at the time of sale of gold and silver production, measured using the applicable royalty percentage.

(Unaudited - Expressed in Canadian Dollar)

17. EARNINGS (LOSS) PER SHARE

Basic and diluted income/loss per share

The calculation of basic and diluted income per share for the three and nine months ended September 30, 2016 was based on the net loss attributable to common shareholders of $1,344,561 and $964,336 (Three and nine months ended September 30, 2015 – Net income of $497,501 and net income of $1,197,695). The basic and diluted weighted average number of common shares outstanding were 313,209,806 and 200,707,529 for the three and nine months ended September 30, 2016 (Three and nine months ended September 30, 2015 – 144,875,804 and 145,917,344).

Diluted loss per share did not include the effect of 14,625,000 (September 30, 2015 – 5,500,000) share purchase options and 27,386,907 (September 30, 2015 – Nil) share purchase warrants as they were anti-dilutive.

18. OPERATING SEGMENT INFORMATION

The Company operates in one industry segment within two geographical areas, Canada and the state of Nevada in the United States of America. The mineral properties are located solely in the Nevada segment.

The following table shows the assets and liabilities as at September 30, 2016 and December 31, 2015 and the net income (loss) for the three and nine months ended September 30, 2016 and 2015 attributable to each geographical segment:

	Canada	United States	Total
As at September 30, 2016			
Mineral property interests	$ -	$ 39,305,707	**$ 39,305,707**
Property, plant and equipment	9,480	16,417,902	**16,427,382**
Other assets	353,378	65,818,224	**66,171,602**
Liabilities	(2,137,574)	(49,166,749)	**(51,304,323)**
	$ (1,774,716)	**$ 72,375,084**	**$ 70,600,368**
As at December 31, 2015			
Mineral property interests	$ -	$ 7,608,316	**$ 7,608,316**
Property, plant and equipment	10,992	53,982	**64,974**
Other assets	1,820,930	3,675,034	**5,495,963**
Liabilities	(54,142)	(446,243)	**(500,385)**
	$ 1,777,780	**$ 10,891,089**	**$ 12,668,868**
Mining Operations income (loss)			
For the nine months ended September 30, 2016	$ -	$ (2,229,576)	$ **(2,229,576)**
For the nine months ended September 30, 2015	$ -	$ -	$ -
Royalty income:			
For the nine months ended September 30, 2016	$ -	$ 4,582,750	$ **4,582,750**
For the nine months ended September 30, 2015	$ -	$ 4,801,257	$ **4,801,257**
Net income (loss):			
For the nine months ended September 30, 2016	$ (648,384)	$ (315,952)	$ **(964,336)**
For the nine months ended September 30, 2015	$ (1,134,975)	$ 1,826,789	$ **691,814**

19. 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. Cash and cash equivalents are designated as loans and receivables and their carrying value approximates fair value as they are cash or they are readily convertible into cash in the normal course. Accounts receivable and reclamation bonds are classified as loans and receivables. Their carrying values approximate fair value due to their limited time to maturity and ability to convert them to cash in the normal course of business. Accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities. Their carrying values also approximate fair value due to their short term maturities. 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 interest rates are based on the market rates. Contingent consideration has been classified as fair value through profit and loss at inceptions and re-valued at the balance sheet date. The fair value of the consideration initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported as charges or credits to profit or loss.

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, 2016, cash and cash equivalents of $11,236,327 have been measured and recognized in the consolidated statement of financial position using Level 1 inputs (December 31, 2015 - $3,578,769). At September 30, 2016, contingent consideration of $7,737,472 have been measured and recognized in the consolidated statement of financial position using Level 2 and 3 inputs (Note 5).

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, Australian and United States of America 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.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

As such, the Company considers this risk to be minimal.

i. Trade credit risk

The Company does not extend credit on its sales of gold and silver. Payment is required upon delivery.

ii. Accounts receivable

The Company's accounts receivable balance consists of excise taxes refundable from the Federal Government of Canada, royalty receivable and interest receivable. The maximum exposure is $1,492,639 (December 31, 2015 - $1,349,190). Accounts receivable do not arise on gold and silver sales as they are fully paid upon delivery.

iii. Cash and cash equivalents

In order to manage credit and liquidity risk to minimize the likelihood of a loss, the Company invests only in highly rated investment grade instruments that have maturities of three months or less. Monetary limits are also established based on the type of investment, the counterparty and the credit rating.

iv. Derivative financial instruments

As at September 30, 2016 and December 31, 2015 the Company had no financial assets that were derivative financial instruments.

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.

Currency risk

Currency risk is the risk of loss due to fluctuation of foreign exchange rates and the effects of these fluctuations on foreign currency denominated monetary assets and liabilities. The Company's mineral property interests in the United States subject the Company to foreign currency fluctuations which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian dollar and US dollar.

A change in the value of the US dollar by 10% relative to the Canadian dollar would affect the Company's US dollar monetary assets and liabilities by approximately $920,000 (December 31, 2015 - $392,100).

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 limits its exposure to interest rate risk by investing only in short term investments at major Canadian financial institutions. As at September 30, 2016, the Company was not exposed to interest rate risk.

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.

20. EVENTS AFTER REPORTING PERIOD

Following September 30, 2016, the Company completed its first and second drawdowns of its Credit Facility for a total of US$13.2 million.