

Rye Patch
GOLD CORP.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For Three Months Ended March 31, 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 in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Rye Patch Gold Corp.

(An exploration stage company)

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

As at		March 31, 2016		December 31, 2015
ASSETS				
Current assets				
Cash and cash equivalents	**$**	**3,632,299**	$	3,578,769
Accounts receivable (note 4)		**1,310,767**		1,349,190
Prepaid expenses		**100,620**		119,717
Deposits		**7,969**		29,564
		5,051,655		5,077,240
Non-current assets				
Property and equipment (note 5)		**59,066**		64,974
Mineral properties (note 6)		**6,369,931**		7,608,316
Reclamation bonds (note 7)		**331,946**		353,749
		6,760,943		8,027,039
TOTAL ASSETS	**$**	**11,812,598**	$	13,104,279
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**130,903**	$	342,308
Provisions for reclamation (note 8)		**101,299**		107,952
Due to related parties (note 11)		**12,723**		50,125
TOTAL LIABILITIES		**244,925**		500,385
EQUITY				
Share capital (note 9)		**31,314,265**		31,314,265
Foreign currency translation adjustment		**1,605,014**		2,271,167
Reserves		**4,991,032**		4,955,052
Deficit		**(26,342,638)**		(25,936,590)
TOTAL EQUITY		**11,567,673**		12,603,894
TOTAL EQUITY AND LIABILITIES	**$**	**11,812,598**	$	13,104,279

Continuing operations and going concern (note 1)
Commitments and contingencies (note 12)
Events after reporting period (note 16)

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

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

/s/ Jonathan Challis *Director*

/s/ William C. Howald *Director*

Rye Patch Gold Corp.

(An exploration stage company)

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

(Unaudited - Expressed in Canadian Dollars)

	For the three months ended March 31, 2016	March 31, 2015
ROYALTY INCOME (note 4)	**$ 1,379,854**	$ 1,836,684
	-	
MINERAL PROPERTY OPERATIONS	**-**	
Exploration costs (note 6)	**464,389**	584,528
EXPENSES		
Accounting and audit (note 11)	**19,500**	45,970
Depreciation (note 5)	**7,418**	5,639
Insurance	**17,136**	8,105
Investor relations	**65,588**	58,254
Legal fees (note 11)	**34,128**	14,882
Management fees (note 11)	**61,259**	50,191
Office and administration (note 11)	**41,308**	137,189
Rent	**44,784**	40,262
Share-based payments (note 9)	**35,980**	37,441
Travel	**4,532**	26,989
Transfer agent and filing fees	**11,994**	16,114
Wages and bonuses (note 11)	**106,632**	82,081
	450,259	523,117
OTHER INCOME		
Interest income	**1,666**	8,891
Other revenue	**1,613**	3,413
Write-off of mineral property interests	**(871,871)**	-
Foreign exchange gain	**(2,662)**	145,993
	(871,254)	158,297
NET INCOME (LOSS) FOR THE PERIOD	**(406,048)**	887,336
OTHER COMPREHENSIVE INCOME		
Foreign currency translation adjustment	**(666,153)**	833,574
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**$ (1,072,201)**	$ 1,720,910
Basic earnings (loss) per share for the period attributable to common shareholders (note 10)	**$ (0.00)**	$ 0.01
Diluted earnings (loss) per share for the period attributable to common shareholders (note 10)	**$ (0.00)**	$ 0.01
Weighted average number of common shares - basic (note 10)	**143,838,246**	146,446,746
Weighted average number of common shares - diluted (note 10)	**143,838,246**	146,652,133

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

Rye Patch Gold Corp.

(An exploration stage company)

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**
Share-based payments	-	-	-	35,980	-	35,980	-	-	35,980
Repurchase of shares			-	-	-	-	-	-	-
Net comprehensive income for the period	-	-	-	-	-	-	(666,153)	(406,048)	(1,072,201)
Balance at March 31, 2016	**143,838,246**	**$ 31,314,265**	**$ 1,875,998**	**$ 2,865,241**	**$ 249,793**	**$ 4,991,032**	**$ 1,605,014**	**$ (26,342,638)**	**$ 11,567,673**
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	-	-	-	37,441	-	37,441	-	-	37,441
Net comprehensive income for the period	-	-	-	-	-	-	833,574	887,336	1,720,910
Balance at March 31, 2015	**146,446,746**	**$ 31,700,768**	**$ 1,875,998**	**$ 2,730,744**	**$ 249,793**	**$ 4,856,535**	**$ 1,682,633**	**$ (25,338,362)**	**$ 12,901,574**

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Rye Patch Gold Corp.

(An exploration stage company)

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	For the three months ended March 31, 2016	For the three months ended March 31, 2015
Cash flows provided from (used by):		
OPERATING ACTIVITIES		
Net income (loss) for the period	$ (406,048)	$ 887,336
Adjustments for items not affecting cash:		
Depreciation	7,418	5,639
Foreign exchange gain	(65,537)	-
Share-based payments	35,980	37,441
Write-off of mineral porperty interests	871,871	-
	443,684	930,416
Net changes in non-cash working capital items:		
Accounts receivable	24,757	(480,226)
Prepaid expenses	19,097	(25,414)
Deposits	21,595	(261)
Accounts payable and accrued liabilities	(211,405)	(74,423)
Due to related parties	(37,402)	(22,052)
Net cash flows from (used in) operating activities	260,326	328,040
FINANCING ACTIVITIES		
Net cash flows used in financing activities	-	-
INVESTING ACTIVITIES		
Purchase of property and equipment	(4,709)	(3,857)
Mineral properties	(57,626)	(56,997)
Land deposit	-	(1,038,224)
Reclamation bond	-	(44,679)
Net cash flow used in investing activities	(62,335)	(1,143,757)
Effects of currency exchange rate changes on cash and cash equivalents	(144,461)	340,946
Net increase (decrease) in cash and cash equivalents	53,530	(474,771)
Cash and cash equivalents, beginning of period	3,578,769	5,499,399
Cash and cash equivalents, end of period	$ 3,632,299	$ 5,024,628
Cash and cash equivalents consist of:		
Cash	$ 2,663,969	$ 2,361,583
Short-term deposits	968,330	2,663,045
	$ 3,632,299	$ 5,024,628
Supplementary cash flow information		
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for income taxes	$ -	$ -
Interest received	$ **1,666**	$ 8,891

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

1. CONTINUING OPERATIONS AND GOING CONCERN

The Company was incorporated under the British Columbia Business Corporations Act on April 13, 2006 and its head office is located at Suite 1740 – 1177 West Hastings Street, Vancouver, British Columbia. The Company is an exploration stage company, and its wholly owned subsidiaries, Rye Patch Gold US Inc. and Rye Patch Mining US Inc., is engaged principally in the acquisition and exploration of mineral properties in the State of Nevada, United States of America. Rye Patch Mining US Inc. was incorporated on March 4, 2016. The recovery of the Company's investment in its mineral properties is dependent upon the future discovery, development and sale of minerals, and the ability to raise sufficient capital to finance these activities, or the proceeds from the sale of these properties.

These condensed consolidated interim financial statements have been prepared on the basis that the Company is a going concern. This assumes that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The ability of the Company to continue as a going concern is dependent on obtaining additional financing through the issuance of debt or common shares. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These condensed consolidated interim financial statements do not reflect the adjustments or reclassifications that would be necessary if the Company was unable to continue operations.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

These financial statements were authorized for issue on May 30, 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 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. However, this interim financial report provides selected significant disclosures that are required in the annual financial statements under IFRS.

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 standard and amendments which the Company adopted and are effective for the Company's interim and annual consolidated financial statements commencing January 1, 2016.

- IAS 1: Amendments that enhance financial statement disclosures and presentation.

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

4. 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 period ended March 31, 2016, the Company accrued $1,379,854 (US$1,004,437) as royalty income (Three months ended March 31, 2015 - $1,836,684 (US$1,479,884).

The account receivable relate to royalty income as at March 31, 2016 was $1,304,463 (US$1,004,437) (March 31, 2015 - $1,874,421 (US$1,479,884)). This amount had been received subsequent to March 31, 2016.

5. PROPERTY AND EQUIPMENT

	Computer equipment	Computer software	Exploration equipment	Leasehold improvements	Office, furniture and equipment	Total
Cost						
As at December 31, 2015	$ 79,130	$ 19,626	$ 32,269	$ 25,254	$ 96,022	**$ 252,301**
Additions	4,709	-	-	-	-	**4,709**
Currency translation adjustment	(3,421)	(1,210)	(1,989)	-	(3,389)	**(10,009)**
Balance as at March 31, 2016	**$ 80,418**	**$ 18,416**	**$ 30,280**	**$ 25,254**	**$ 92,633**	**$ 247,001**
Depreciation						
As at December 31, 2015	$ (58,453)	$ (19,626)	$ (6,654)	$ (25,254)	$ (77,340)	**$ (187,327)**
Charged for the year	(2,926)	-	(1,602)	-	(2,890)	**(7,418)**
Currency translation adjustment	2,240	1,210	498	-	2,862	**6,810**
Balance as at March 31, 2016	**$ (59,139)**	**$ (18,416)**	**$ (7,758)**	**$ (25,254)**	**$ (77,368)**	**$ (187,935)**
Net book value						
As at December 31, 2015	$ 20,677	$ -	$ 25,615	$ -	$ 18,682	$ 64,974
As at March 31, 2016	**$ 21,279**	**$ -**	**$ 22,522**	**$ -**	**$ 15,265**	**$ 59,066**

	Computer equipment	Computer software	Exploration equipment	Leasehold improvements	Office, furniture and equipment	Total
Cost						
As at December 31, 2014	$ 55,378	$ 16,488	$ 3,938	$ 25,254	$ 87,230	**$ 188,288**
Additions	17,319	-	24,495	-	-	**41,814**
Currency translation adjustment	6,433	3,138	3,836	-	8,792	**22,199**
Balance as at December 31, 2015	**$ 79,130**	**$ 19,626**	**$ 32,269**	**$ 25,254**	**$ 96,022**	**$ 252,301**
Depreciation						
As at December 31, 2014	$ (44,834)	$ (12,512)	$ (2,537)	$ (22,222)	$ (65,306)	**$ (147,411)**
Charged for the year	(8,802)	(4,259)	(3,454)	(3,032)	(5,306)	**(24,853)**
Currency translation adjustment	(4,817)	(2,855)	(663)	-	(6,728)	**(15,063)**
Balance as at December 31, 2015	**$ (58,453)**	**$ (19,626)**	**$ (6,654)**	**$ (25,254)**	**$ (77,340)**	**$ (187,327)**
Net book value						
As at December 31, 2015	**$ 20,677**	**$ -**	**$ 25,615**	**$ -**	**$ 18,682**	**$ 64,974**

6. MINERAL PROPERTIES

	Oreana Trend			Cortez Trend			
	Lincoln Hill		Wilco - Newmont	Garden Gate	Patty	Others	Total
	Lincoln Hill Property (Note 6a)	Gold Ridge Property (Note 6a)	(Note 6b)	(Note 6c)	(Note 6d)	(Notes 6e and 6f)	
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	1,288	-	-	-	-	-	**1,288**
Lease obligations	(899)	(899)	54,964	-	-	-	**53,166**
Staking costs	3,172	-	-	-	-	-	**3,172**
Total acquisition costs for the period	**3,561**	**(899)**	**54,964**	**-**	**-**	**-**	**57,626**
Write-off of mineral property interetsts	-	-	-	-	(871,871)	-	**(871,871)**
Foreign currency translation adjustment	**(150,788)**	**(78,029)**	**(130,879)**	**(46,895)**	**(6,282)**	**(11,267)**	**(424,140)**
Balance as at March 31, 2016	**$ 2,297,813**	**$ 1,187,903**	**$ 1,998,674**	**$ 713,982**	**$ -**	**$ 171,559**	**$ 6,369,931**
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**

6. MINERAL PROPERTIES (continued)

	Oreana Trend			Cortez Trend			
	Lincoln Hill		Wilco - Newmont	Garden Gate	Patty	Others	Total
	Lincoln Hill Property (Note 6a)	Gold Ridge Property (Note 6a)	(Note 6b)	(Note 6c)	(Note 6d)	(Notes 6e and 6f)	
Expenditures (recovery) charged to operations for the three months ended March 31, 2016							
During the period:							
Exploration Expenditures							
Communication costs	$ 80	$ 132	$ -	$ -	$ -	$ 691	$ **903**
Property office expenses	855	826	854	9	27	-	**2,571**
Drilling	(3,676)	328	-	615	-	-	**(2,733)**
Geological costs	40,997	50,460	8,855	7,646	11,143	23,226	**142,327**
Property investigations & generative	-	-	-	-	-	229,930	**229,930**
Total Exploration Expenses	38,256	51,746	9,709	8,270	11,170	253,847	**372,998**
Development Expenditures							
Drilling - metalugical testing	328	-	-	-	-	-	**328**
Approval & permits	12,518	428	9,905	-	979	-	**23,830**
Metallurgy, mine processing & engineering	67,233	-	-	-	-	-	**67,233**
Total Development Expenditures	80,079	428	9,905	-	979	-	**91,391**
Total expenditures charged to operations during the period	**$ 118,335**	**$ 52,174**	**$ 19,614**	**$ 8,270**	**$ 12,149**	**$ 253,847**	**$ 464,389**
Expenditures (recovery) charged to operations for the three months ended March 31, 2015							
During the period:							
Exploration Expenditures							
Assays & sampling	$ 1,134	$ 244	$ -	$ -	$ -	$ 11,799	$ **13,177**
Geological costs	27,523	14,001	47,957	5,671	19,153	91,196	**205,501**
Geophysical costs	10,239	-	-	-	-	-	**10,239**
Legal costs	11,386	93	-	-	186	-	**11,665**
Property investigations & generative	-	-	-	-	-	-	**-**
Total Exploration Expenses	50,282	14,338	47,957	5,671	19,339	102,995	**240,582**
Development Expenditures							
Drilling - metalugical testing	2,630	-	-	-	-	1,340	**3,970**
Approval & permits	208,061	28,920	90,903	192	11,900	-	**339,976**
Total Development Expenditures	210,691	28,920	90,903	-	11,900	1,340	**343,946**
Total expenditures charged to operations during the period	**$ 260,973**	**$ 43,258**	**$ 138,860**	**$ 5,671**	**$ 31,239**	**$ 104,335**	**$ 584,528**

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

6. 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.

Past work at the Rosal mine property shows the extension of the Wilco mineral system to the east. Historic Santa Fe Pacific assay results in the southwest quarter of Section 30 returned anomalous gold values including 12.2 metres grading 1.3 g/t gold and 15.85 metres grading 0.92 g/t gold from surface rock-chip channel sampling. The anomaly is open to the east and requires additional exploration work.

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:

6. 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. Subsequent to March 31, 2016, the Company terminated the agreement with Barrick Gold and wrote-off all the capitalized mineral property interests related to the Patty property as at March 31, 2016.

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.

7. RECLAMATION BOND

As of March 31, 2016, the Company had deposited $331,946 (US$255,599) (December 31, 2015 - $353,749 (US$255,599)) reclamation bonds 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.

8. PROVISIONS FOR RECLAMATION

As at March 31, 2016 and December 31, 2015, the present values of the expected future reclamation expenditures relating to exploration and evaluation activities that have occurred to date were $101,299 (US$78,000) and $107,952 (US$78,000), respectively. Future reclamation expenditures are expected to be made within the next one to two years.

9. SHARE CAPITAL AND RESERVES

Authorized share capital

Unlimited number of common shares without par value.

Unlimited number of preferred shares without par value.

Issued and outstanding share capital

At March 31, 2016, there were 143,838,246 common shares issued and outstanding (December 31, 2015 – 143,838,246).

During the year ended December 31, 2015, the Company repurchased and cancelled 2,608,500 common shares (December 31, 2014 - Nil) for a total cost of $386,503 (December 31, 2014 – $Nil). There were no repurchased common shares during the three months ended March 31, 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.

During the three months ended March 31, 2016, the Company did not issue any share purchase options and no options were exercised, cancelled, forfeited and no options expired.

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.

9. SHARE CAPITAL AND RESERVES (continued)

Share purchase options (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.

c) No options were exercised, cancelled, forfeited and no options expired.

The changes in share purchase options during the three months ended March 31, 2016 and 2015 were as follows:

	Three months ended March 31, 2016			Three months ended March 31, 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	-	-	Granted	200,000	0.15
Outstanding, end of period	**5,500,000**	**$ 0.32**	Outstanding, end of period	4,840,000	$ 0.36

During the three months ended March 31, 2016 the Company recorded share-based payments expense of $35,980 (Three months ended March 31, 2015 – $37,441).

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

	For the three months ended	
	March 31, 2016	March 31, 2015
Risk-free interest rate	-	1.30%
Expected annual volatility	-	122%
Expected life	-	10.00
Expected dividend yield	-	-
Weighted average share price	$ -	$ 0.14
Weighted average exercise price	$ -	$ 0.15
Weighted average grant date fair value per option	$ -	$ 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.

9. SHARE CAPITAL AND RESERVES (continued)

Share purchase options (continued)

The following summarizes information about share purchase options outstanding and exercisable at March 31, 2016:

	Expiry date	Options outstanding	Options exercisable	Exercise price	Estimated grant date fair value	Weighted average remaining contractual life (in years)
*	May 25, 2016	440,000	440,000	$ 0.35	$ 115,808	0.15
	August 21, 2019	460,000	460,000	0.20	92,552	3.39
	January 18, 2022	1,405,000	1,405,000	0.60	870,854	5.81
	July 12, 2023	1,250,000	1,250,000	0.20	195,881	7.28
	July 22, 2024	595,000	446,250	0.27	93,646	8.32
	September 16, 2024	150,000	112,500	0.27	22,158	8.47
	March 1, 2025	200,000	100,000	0.15	28,520	8.92
	August 28, 2025	1,000,000	250,000	0.16	141,700	9.42
		5,500,000	**4,463,750**		**$ 1,561,119**	**6.60**

* Expired subsequent to March 31, 2016

10. EARNINGS (LOSS) PER SHARE

Basic and diluted income/loss per share

The calculation of basic and diluted income per share for the three months ended March 31, 2016 was based on the net loss attributable to common shareholders of $406,048 (Three months ended March 31, 2015 – Net income of $833,574). The basic and diluted weighted average number of common shares outstanding were 143,838,246 for the three months ended March 31, 2016 (Three months ended March 31, 2015 – Basic – 146,446,746; Diluted – 146,652,133).

The Company's share purchase options could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share because they are antidilutive for the three months ended March 31, 2016. The diluted weighted average number of common shares for three months ended March 31, 2015 included an adjustment of 205,387 representing the impact of the dilutive employee share purchase options.

11. 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 March 31, 2016	December 31, 2015
Rye Patch Gold US Inc.	United States of America	100%	100%
RyePatch Mining US Inc.	United States of America	100%	-

11. RELATED PARTY TRANSACTIONS (continued)

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	
	March 31, 2016	March 31, 2015
Accounting and audit [(1)]	**$ -**	$ 31,720
Legal fees [(2)]	**34,128**	12,974
Management fees [(3)]	**61,259**	50,191
Office and administration [(3)]	**14,923**	14,881
	$ 110,310	$ 109,766

(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. As at March 31, 2016, $1,050 (December 31, 2015 - $Nil) was owed to this firm.

(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 March 31, 2016, $12,723 (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.

11. RELATED PARTY TRANSACTIONS (continued)

Key management personnel compensation

The remuneration of directors and other members of key management personnel during the three months ended March 31, 2016 and 2015 were as follows:

Key management personnel compensation

	For the three months ended	
	March 31, 2016	March 31, 2015
Salaries and management fees	**$ 86,258**	$ 66,858
Director fees	**-**	-
Share-based payments - management [(i)]	**14,132**	12,919
Share-based payments - directors [(i)]	**8,585**	10,212
	$ 108,975	$ 89,989

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

12. COMMITMENTS AND CONTINGENCIES

a) The Company has commitments under operating leases for its premises in Vancouver, British Columbia, for an approximate minimum annual rent of $77,152 until August 31, 2016. 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.

13. 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 March 31, 2016 and December 31, 2015 and the net income (loss) for the three months ended March 31, 2016 and 2015 attributable to each geographical segment:

	Canada	United States	Total
As at March 31, 2016			
Evaluation and exploration assets	$ -	$ 6,369,931	**$ 6,369,931**
Other assets	1,492,857	3,949,810	**5,442,667**
Liabilities	(56,792)	(188,133)	**(244,925)**
	$ 1,436,065	**$ 10,131,608**	**$ 11,567,673**
As at December 31, 2015			
Evaluation and exploration assets	$ -	$ 7,608,316	**$ 7,608,316**
Other assets	1,820,929	3,675,034	**5,495,963**
Liabilities	(54,142)	(446,243)	**(500,385)**
	$ 1,766,787	**$ 10,837,107**	**$ 12,603,894**
Royalty income:			
For the three months ended March 31, 2016	$ -	$ 1,379,854	$ **1,379,854**
For the three months ended March 31, 2015	$ -	$ 1,836,684	$ **1,836,684**
Net income (loss):			
For the three months ended March 31, 2016	$ (366,704)	$ (39,344)	$ **(406,048)**
For the three months ended March 31, 2015	$ (246,338)	$ 1,133,674	$ **887,336**

14. MANAGEMENT OF CAPITAL

The Company's shareholders' equity is considered to be its capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk level.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company expects its current capital resources will be sufficient to carry out its exploration plans and operations throughout the year. There are no external restrictions on the Company's capital.

15. 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 held-for-trading 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.

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 March 31, 2016, cash and cash equivalents of $3,632,299 have been measured and recognized in the condensed consolidated interim statement of financial position using Level 1 inputs (December 31, 2015 - $3,578,769). At March 31, 2016 and December 31, 2015, there were no financial assets or liabilities measured and recognized in the condensed consolidated interim statements of financial position at fair value that would be categorized as Level 2 and 3 in the fair value hierarchy above.

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.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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 financial institutions. Accounts receivable consist of refundable excise taxes due from the Federal Government of Canada, accrued interest 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. As such, the Company considers this risk to be minimal.

i. Trade credit risk

The Company is in the exploration stage and has not yet commenced commercial production. Therefore, the Company is not exposed to significant trade credit risk.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

ii. Accounts receivable

The Company's accounts receivable balance consists of excise taxes refundable from the Federal Government of Canada and the royalty income. The maximum exposure is $1,310,767 (December 31, 2015 - $1,349,190).

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 March 31, 2016 and December 31, 2015, the Company had no 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 $443,614 (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 March 31, 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.

16. EVENTS AFTER REPORTING PERIOD

The following events occurred after the three months ended March 31, 2016:

1. On May 25, 2016, 440,000 share purchase options expired unexercised.
2. On May 25, 2016, The Company announced that it had signed a definitive agreement (the "Acquisition Agreement") to acquire 100% ownership of the Florida Canyon gold mine (with the Standard gold mine) located in Pershing County, Nevada, for total consideration payable in cash and shares of US$23 million, including contingent payments and subject to adjustment for outstanding liabilities. The Company has also signed a commitment letter for a US$27 million credit facility (the "Credit Facility") with Macquarie Bank Limited ("Macquarie Bank") to fund the proposed redevelopment of the Florida Canyon mine. The Company has engaged Macquarie Capital Markets Canada Ltd. ('Macquarie Capital") and Canaccord Genuity Corp. ("Canaccord Genuity") with regard to a proposed equity financing to fund the purchase consideration. Closing of the acquisition is anticipated to occur on or before June 30, 2016, subject to regulatory approvals and satisfying conditions of closing under the Acquisition Agreement.