Rye Patch
GOLD CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For Six Months Ended June 30, 2017

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

Rye Patch Gold Corp.

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

As at		June 30, 2017		December 31, 2016
ASSETS				
Current assets				
Cash and cash equivalents	**$**	**22,078,418**	$	11,121,286
Accounts receivable (note 6)		**305,233**		2,180,412
Inventory (note 5)		**4,229,097**		10,744,598
Prepaid expenses and deposits		**1,056,613**		1,350,409
		27,669,361		25,396,705
Non-current assets				
Inventory (note 5)		**427,059**		1,138,832
Prepaid expenses and deposits		**595,667**		2,995,334
Deferred debt issue costs (note 12)		**485,978**		3,640,576
Property, plant and equipment (note 7)		**107,841,306**		73,709,756
Exploration and evaluation assets		**7,213,793**		7,267,391
Reclamation bonds		**26,818,213**		27,748,180
		143,382,016		116,500,069
TOTAL ASSETS	**$**	**171,051,377**	$	141,896,774
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (note 10)	**$**	**8,485,114**	$	8,415,870
Due to related parties (note 14)		**177,112**		460,557
Current portion of credit facility (note 12)		**19,205,960**		6,780,635
Loans payable (note 11)		**703,797**		1,179,362
Contingent consideration payable (note 4)		**7,126,070**		7,963,853
Provisions for reclamation (note 8)		**111,994**		115,878
		35,810,047		24,916,155
Non-current liabilities				
Credit facility (note 12)		**9,697,544**		8,711,009
Provision for reclamation		**46,109,044**		39,752,690
		55,806,588		48,463,699
TOTAL LIABILITIES		**91,616,635**		73,379,854
EQUITY				
Share capital (note 9)		**92,637,566**		82,873,772
Foreign currency translation adjustment		**640,106**		3,194,206
Reserves (note 9)		**14,118,694**		13,830,393
Deficit		**(27,961,624)**		(31,381,451)
TOTAL EQUITY		**79,434,742**		68,516,920
TOTAL EQUITY AND LIABILITIES	**$**	**171,051,377**	$	141,896,774

Events after reporting period (note 18)

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

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

/s/ Jonathan Challis *Director*

/s/ William C. Howald *Director*

Rye Patch Gold Corp.

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

		For the three months ended		For the six months ended	
		June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
MINING OPERATIONS					
Revenue		$ 2,684,747	$ -	$ 11,694,771	$ -
Cost of sales (note 13)		(2,857,118)	-	(12,046,076)	-
INCOME (LOSS) FROM MINING OPERATIONS		(172,371)	-	(351,305)	-
ROYALTY INCOME (note 6)		421,898	1,458,709	2,137,171	2,838,563
		249,527	**1,458,709**	**1,785,866**	**2,838,563**
EXPENSES					
General and administrative expenses (note 13)		(1,171,964)	(578,830)	(1,880,980)	(1,029,089)
Exploration and evaluation expenses		(69,319)	(179,030)	(139,715)	(643,419)
Write-down of exploration and evaluation assets		-	-	-	(871,871)
	2.7	**(1,241,283)**	**(757,860)**	**(2,020,695)**	**(2,544,379)**
OTHER INCOME (EXPENSE)					
Gain on sale of production royalty (note 6)		6,750,000	-	6,750,000	-
Interest and other income		145,351	1,950	311,298	5,229
Interest expense (notes 11 and 12)		(1,865,448)	-	(3,532,447)	-
Change in fair value of contingent consideration (note 4)		864,453	-	595,957	-
Accretion expense		(230,096)	-	(443,039)	-
Currency exchange gain (loss)		(29,466)	83,474	(27,113)	80,812
		5,634,794	**85,424**	**3,654,656**	**86,041**
		-			
NET INCOME (LOSS) FOR THE PERIOD		**4,643,038**	**786,273**	**3,419,827**	**380,225**
OTHER COMPREHENSIVE INCOME					
Item that will be reclassified to net income (loss)					
Foreign currency translation adjustment		(1,801,190)	(143,830)	(2,554,100)	(809,983)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		**$ 2,841,848**	**$ 642,443**	**$ 865,727**	**$ (429,758)**
Basic earnings (loss) per share for the period attributable to common shareholders		$ 0.01	$ 0.01	$ 0.01	$ 0.00
Diluted earnings (loss) per share for the period attributable to common shareholders		$ 0.01	$ 0.01	$ 0.01	$ 0.00
Weighted average number of common shares - basic		388,362,218	143,838,246	387,831,800	143,838,246
Weighted average number of common shares - diluted		389,290,589	144,536,777	388,862,581	144,104,700

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, 2016	**387,295,488**	**$ 82,873,772**	**$ 9,739,925**	**$ 3,840,675**	**$ 249,793**	**$ 13,830,393**	**$ 3,194,206**	**$ (31,381,451)**	**$ 68,516,920**
Equity issuance, net of share issuance costs	38,470,000	9,103,959	-	-	66,168	66,168	-	-	9,170,127
Exercise of warrants	1,395,295	659,835	(352,870)	-	-	(352,870)	-	-	306,965
Share-based payments	-	-	-	575,003	-	575,003	-	-	575,003
Net comprehensive income (loss) for the period	-	-	-	-	-	-	(2,554,100)	3,419,827	865,727
Balance at June 30, 2017	**427,160,783**	**$ 92,637,566**	**$ 9,387,055**	**$ 4,415,678**	**$ 315,961**	**$ 14,118,694**	**$ 640,106**	**$ (27,961,624)**	**$ 79,434,742**
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	-	-	-	58,599	-	58,599	-	-	58,599
Net comprehensive income for the period	-	-	-	-	-	-	(809,983)	380,225	(429,758)
Balance at June 30, 2016	**143,838,246**	**$ 31,314,265**	**$ 1,875,998**	**$ 2,887,860**	**$ 249,793**	**$ 5,013,651**	**$ 1,461,184**	**$ (25,556,365)**	**$ 12,232,735**

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 six months ended June 30, 2017	June 30, 2016
Cash flows provided from (used by):		
OPERATING ACTIVITIES		
Net income (loss) for the period	**$ 3,419,827**	$ 380,225
Adjustments for items not affecting cash:		
Depreciation	**147,207**	14,535
Foreign exchange gain	**27,113**	36,406
Share-based payments	**458,173**	58,599
Accretion expense	**443,039**	-
Amortization of deferred debt issuance costs	**2,065,457**	-
Change in fair value of contingent consideration	**(727,600)**	-
Interest expense capitalized to credit facility payable	**1,110,618**	-
Write-down of inventory	**213,370**	-
Write-off of exploration and evaluation assets	**-**	871,871
	7,157,204	1,361,636
Net changes in non-cash working capital items:		
Accounts receivable	**1,872,491**	(331,650)
Inventory	**6,867,278**	-
Prepaid expenses and deposits	**145,037**	74,371
Accounts payable and accrued liabilities	**1,657,721**	(173,055)
Due to related parties	**(274,167)**	(35,366)
Net cash flows from (used in) operating activities	**17,425,564**	895,936
FINANCING ACTIVITIES		
Proceeds from equity issuance, net of share issuance costs	**9,170,127**	-
Proceeds from the exercise of warrants	**306,965**	-
Proceeds from credit facility	**14,483,023**	-
Deferred cost related to the credit facility	**(140,067)**	(1,072,451)
Proceeds from loans	**1,200,816**	-
Repayment of loans payable	**(1,657,061)**	-
Net cash flows received from (used in) financing activities	**23,363,803**	(1,072,451)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(29,021,432)**	(4,432)
Exploration and evaluation expenditures	**(193,761)**	(370,913)
Net cash flow used in investing activities	**(29,215,193)**	(375,345)
Effects of currency exchange rate changes on cash and cash equivalents	**(617,042)**	(155,252)
Net increase (decrease) in cash and cash equivalents	**10,957,132**	(707,112)
Cash and cash equivalents, beginning of period	**11,121,286**	3,578,769
Cash and cash equivalents, end of period	**$ 22,078,418**	$ 2,871,657
Cash and cash equivalents consist of:		
Cash	**$ 21,958,531**	$ 2,752,103
Short-term deposits	**119,887**	119,554
	$ 22,078,418	$ 2,871,657

Supplementary cash flow information (note 17)

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

1. NATURE OF OPERATIONS

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

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

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

These financial statements were authorized for issue on August 24, 2017 by the directors of the Company.

Statement of compliance to International Financial Reporting Standards

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

Basis of presentation

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

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

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

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

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

3. NEW ACCOUNTING STANDARDS

New standards and interpretations not yet adopted

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

- IFRS 9: New standard addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 replaces the guidance in International Accounting Standard ("IAS") 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income ("OCI") and FVTPL "Fair Value Through Profit and Loss". There is a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated as FVTPL. The standard is effective for accounting periods beginning on or after January 1, 2018. We are currently evaluating the impact the standard is expected to have on our consolidated financial statements.

- IFRS 15: The IASB has replaced IAS 18, Revenue in its entirety with IFRS 15, Revenue from contracts with customers ("IFRS 15") which is intended to establish a new control-based revenue recognition model and change the basis for deciding whether revenue is to be recognized over time or at a point in time. IFRS 15 is effective for annual periods commencing on or after January 1, 2018. We are currently evaluating the impact the standard is expected to have on our consolidated financial statements.

- IFRS 16: New standard that replaces IAS 17 with a new approach to lease accounting that requires a lessee to recognize assets and liabilities for the rights and obligations created by substantially all leases. IFRS 16 is effective for annual periods beginning on or after January 1, 2019.

4. CONTINGENT CONSIDERATION

As part of the acquisition of the Florida Canyon Group, the Company agreed that a portion of the total consideration to be contingent on a future event related to the Florida Canyon Mine. The Company agreed to pay US$5,000,000 in the form of cash, equity or equity instruments and issue 15,000,000 share purchase warrants 60-days after the Company has reached commercial production at Florida Canyon Mine. The contingent consideration balance is made up of $6,442,070 (December 31, 2016 - $6,384,353) for the contingent cash consideration and $684,000 (December 31, 2016 - $1,579,500) for the contingent share purchase warrants.

	June 30, 2017	December 31, 2016
Balance, beginning of period	$ 7,963,853	$ -
Fair value upon initial recognition - Cash payment	-	6,053,670
Fair value upon initial recognition - Warrants	-	2,730,000
Change in fair value	(727,600)	(926,781)
Foreign exchange	(110,183)	106,964
Balance, end of period	**$ 7,126,070**	**$ 7,963,853**

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

	June 30, 2017	December 31, 2016
Risk-free interest rate	0.87% - 1.09%	0.51% - 0.84%
Expected annual volatility	83% - 88%	88% - 90%
Expected life	2.08 - 2.33	2.57 - 3.00
Expected dividend yield	-	-
Weighted average share price	$ 0.27	$ 0.36
Weighted average exercise price	$ 0.66	$ 0.66
Grant date fair value per warrant	$ 0.18	$ 0.18
Period-end fair value per warrant	$ 0.05	$ 0.11

5. INVENTORIES

		June 30, 2017		December 31, 2016
Ore on heap leach pads	$	2,635,114	$	5,506,496
Dore		232,157		4,978,658
Material and supplies		1,788,885		1,398,276
	$	**4,656,156**	**$**	**11,883,430**
Non-current portion of ore on heap leach pads	$	(427,059)	$	(1,138,832)
Current portion of inventory	**$**	4,229,097	**$**	10,744,598

The cost of the inventory held at its net realizable value was $3,073,153 (December 31, 2016 - $13,485,154). The Company wrote down inventory by $213,370 during the three and six months ended June 30, 2017.

6. ROYALTY INCOME

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

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

During the three months end June 30, 2017, the Company sold the remaining quarterly balance of 13,073,783 silver equivalent ounces of its production royalty back to Coeur for a price of $6,750,000 (US$5,000,000). In addition, the Company received royalty income of $421,898 (US$313,702) for those ounces sold between the April 1, 2017 and the date of the sale of the royalty. Upon completion of the sale of the production royalty, the Company withdrew the arbitration filed in 2015.

During the three and six months ended June 30, 2017, the Company earned $421,898 and $2,137,171 (US$313,702 and $1,295,889) as royalty income (Three and six months ended June 30, 2016 - $1,458,709 and $2,838,563 (US$1,132,362 and US$2,136,549)).

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

7. PROPERTY, PLANT AND EQUIPMENT

	Mineral Interests & Mine Development	Construction In Progress	Buildings	Computer hardware & software	Vehicles, machinery & equipment	Office furniture, equipment & other	Total
Cost							
As at December 31, 2016	$ 48,578,588	$ 14,809,757	$ 173,242	$ 258,543	$ 10,696,573	$ 119,636	**$ 74,636,339**
Reclassification	(992,570)	(8,212,057)	-	78,556	9,126,071	-	**-**
Additions	26,335,991	12,401,263	-	-	-	6,104	**38,743,358**
Disposals	-	-	-	-	(21,764)	-	**(21,764)**
Currency translation adjustment	(2,370,361)	(500,699)	(5,806)	(10,420)	(671,385)	**(2,002)**	**(3,560,673)**
Balance as at June 30, 2017	**$ 71,551,648**	**$ 18,498,264**	**$ 167,436**	**$ 326,679**	**$ 19,129,495**	**$ 123,738**	**$ 109,797,260**
Depreciation							
As at December 31, 2016	$ -	$ -	$ (12,604)	$ (105,850)	$ (697,134)	$ (110,995)	**$ (926,583)**
Charged for the period	-	-	(15,030)	(51,290)	(1,017,001)	(5,169)	**(1,088,490)**
Currency translation adjustment	-	-	834	4,066	52,486	1,733	**59,119**
Balance as at June 30, 2017	**$ -**	**$ -**	**$ (26,800)**	**$ (153,074)**	**$ (1,661,649)**	**$ (114,431)**	**$ (1,955,954)**
Net book value							
As at June 30, 2017	**$ 71,551,648**	**$ 18,498,264**	**$ 140,636**	**$ 173,605**	**$ 17,467,846**	**$ 9,307**	**$ 107,841,306**

	Mineral Interests & Mine Development	Construction In Progress	Buildings	Computer hardware & software	Vehicles, machinery & equipment	Office furniture, equipment & other	Total
Cost							
As at December 31, 2015	$ -	$ -	$ -	$ 98,756	$ 32,269	$ 121,276	**$ 252,301**
Acquisiton of Florida Canyon Group	39,243,903	79,440	170,274	-	9,937,219	-	**49,430,836**
Additions	8,589,627	14,576,479	-	161,005	551,265	**-**	**23,878,376**
Currency translation adjustment	745,058	153,838	2,968	(1,218)	175,820	**(1,640)**	**1,074,826**
Balance as at December 31, 2016	**$ 48,578,588**	**$ 14,809,757**	**$ 173,242**	**$ 258,543**	**$ 10,696,573**	**$ 119,636**	**$ 74,636,339**
Depreciation							
As at December 31, 2015	$ -	$ -	$ -	$ (78,079)	$ (6,654)	$ (102,594)	**$ (187,327)**
Charged for the period	-	-	(12,410)	(29,155)	(680,245)	(9,599)	**(731,409)**
Currency translation adjustment	-	-	(194)	1,384	(10,235)	1,198	**(7,847)**
Balance as at December 31, 2016	**$ -**	**$ -**	**$ (12,604)**	**$ (105,850)**	**$ (697,134)**	**$ (110,995)**	**$ (926,583)**
Net book value							
As at December 31, 2016	**$ 48,578,588**	**$ 14,809,757**	**$ 160,638**	**$ 152,693**	**$ 9,999,439**	**$ 8,641**	**$ 73,709,756**

During the three and six months ended June 30, 2017, the Company capitalized $560,390 and $941,283 (Three and six months ended June 30, 2017 - $Nil and $Nil) in depreciation related to assets used in the development of the mine to mineral Interests and mine development.

8. PROVISIONS FOR RECLAMATION

		June 30, 2017		December 31, 2016
Balance, beginning of period	$	39,868,568	$	107,952
Provisions assumed through Florida Canyon Group acquisition		-		37,060,795
Change in estimation		7,446,749		1,771,246
Accretion expense		513,141		284,716
Foreign exchange		(1,607,420)		643,859
Balance, end of period	**$**	**46,221,038**	**$**	**39,868,568**
Current portion of provision for reclamation	**$**	**111,994**	**$**	**115,878**
Non-current portion of provision for reclamation	**$**	**46,109,044**	**$**	**39,752,690**

During the three and six months ended June 30, 2017, the Company capitalized $70,102 and $70,102 of accretion expense.

9. SHARE CAPITAL AND RESERVES

Authorized share capital

Unlimited number of common shares without par value.

Unlimited number of preferred shares without par value.

Issued and outstanding share capital

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

During the six months ended June 30, 2017:

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

During the three months ended June 30, 2017, the Company issued 1,395,295 common shares for proceeds of $306,965 upon exercise of share purchase warrants. A total of $352,870 was transferred from reserves to share capital representing the grant date fair value of the share purchase warrants.

During the year ended December 31, 2016:

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

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

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

9. SHARE CAPITAL AND RESERVES (continued)

Share purchase options

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

During the year ended December 31, 2016:

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

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

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

	Period ended June 30, 2017			Period ended December 31, 2016	
	Number outstanding	Weighted average exercise price		Number outstanding	Weighted average exercise price
Outstanding, beginning of period	12,825,000	$ 0.32	Outstanding, beginning of period	5,500,000	$ 0.32
Granted	-	-	Granted	10,300,000	0.49
Expired	-	-	Expired	(440,000)	0.35
Exercised	-	-	Exercised	(210,000)	0.22
Cancelled	-	-	Cancelled	(125,000)	0.60
Forfeited	(650,000)	0.50	Forfeited	(2,200,000)	0.49
Outstanding, end of period	**12,175,000**	**$ 0.31**	**Outstanding, end of period**	**12,825,000**	**$ 0.32**

During the three and six months ended June 30, 2017 the Company recorded share-based payments expense of $356,977 and $575,003 (Three and six months ended June 30, 2016 - $22,619 and $59,229). The Company capitalized $116,830 and $116,830 of share based payments expense during the three and six months ended June 30, 2017 (Three and six months ended June 30, 2016 - $Nil and $Nil).

9. SHARE CAPITAL AND RESERVES (continued)

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

Expiry date	Options outstanding	Options exercisable	Exercise price	Estimated grant date fair value	Weighted average remaining contractual life (in years)
August 21, 2019	460,000	460,000	0.20	92,552	2.14
January 18, 2022	1,280,000	1,280,000	0.60	870,854	4.56
July 12, 2023	1,150,000	1,150,000	0.20	195,881	6.04
July 22, 2024	485,000	485,000	0.27	93,646	7.07
September 16, 2024	150,000	150,000	0.27	22,158	7.22
March 1, 2025	200,000	200,000	0.15	28,520	7.67
August 28, 2025	900,000	675,000	0.16	141,700	8.17
August 12, 2026	7,250,000	1,812,500	0.50	3,248,000	9.12
December 14, 2026	300,000	75,000	0.30	70,020	9.46
	12,175,000	**6,212,500**	**0.42**	**$ 4,763,331**	**7.90**

Share purchase Warrants

During the year ended December 31, 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 signeda US$27,000,000 credit facility. Upon signing of the credit facility, the Company issued 16,224,545 share purchase warrants with an exercise price of $0.22 and a life of five years to the lender. The fair value of the share purchase warrants were recorded as costs related to the credit facility.

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

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

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

Expiry date	Warrants outstanding	Exercise price	Estimated grant date fair value	Weighted average remaining contractual life (in years)
July 28, 2018	9,767,067	0.22	2,822,961	1.08
July 28, 2021	16,224,545	0.22	5,040,966	4.08
	25,991,612	**0.22**	**$ 7,863,927**	**2.95**

9. SHARE CAPITAL AND RESERVES (continued)

Agent options

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

	June 30, 2017				December 31, 2016		
	Number outstanding		Weighted average exercise price		Number outstanding		Weighted average exercise price
Outstanding, beginning of period	-	$	-	Outstanding, beginning of period	-	$	-
Issued	769,400		0.26	Issued	-		-
Outstanding, end of period	**769,400**	**$**	**0.26**	**Outstanding, end of period**	**-**	**$**	**-**

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

Expiry date	Warrants outstanding	Exercise price	Estimated grant date fair value	Weighted average remaining contractual life (in years)
December 29, 2018	**769,400**	**0.26**	**66,168**	**1.50**

Restricted Share Unit Plan ("RSU Plan")

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

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

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		June 30, 2017		December 31, 2016
Accounts payable	$	5,790,026	$	6,700,407
Accrued liabilities		1,716,564		1,352,761
Interest payable		469,001		276,862
Royalty payable		509,523		85,840
	$	**8,485,114**	**$**	**8,415,870**

11. LOANS PAYABLE

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

CAT Loan

	June 30, 2017	December 31, 2016
Balance, beginning of period	$ 226,079	$ -
Florida Canyon Group acquisition	-	513,493
Interest expense	1,836	9,126
Payments - principal and interest	(225,983)	(302,010)
Foreign exchange	(1,932)	5,470
Balance, end of period	**$ -**	**$ 226,079**

Admiral Loan

	June 30, 2017	December 31, 2016
Balance, beginning of period	$ 953,283	$ -
Florida Canyon Group acquisition	-	1,439,392
Interest expense	20,834	31,374
Payments - principal and interest	(647,609)	(534,844)
Foreign exchange	(14,736)	17,361
Balance, end of period	**$ 311,772**	**$ 953,283**

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. The loan is secured by equipment owned by the Florida Canyon Group.

Premium Funding Loan

	June 30, 2017	December 31, 2016
Balance, beginning of period	$ -	$ -
Proceeds from the loan	1,200,816	
Interest expense	12,208	-
Payments - principal and interest	(818,349)	-
Foreign exchange	(2,650)	-
Balance, end of period	**$ 392,025**	**$ -**

During the six months ended June 30, 2017, the Company entered into a loan agreement with Premium Funding Associates, Inc., for $1,200,816 (US$906,276) in order to finance Florida Canyon's 2017 insurance policies. The loan is a short-term loan with an annualized interest rate of 3.62% and will be fully repaid in September 2017.

12. CREDIT FACILITY

As at June 30, 2017, US$25,000,000 (December 31, 2016 - US$14,178,631) had been drawn down on the credit facility with an additional US$830,872 (December 31, 2016 - $Nil) of interest capitalized to the principal balance of the credit facility for a total outstanding balance of $25,830,872 as at June 30, 2017. The Company may capitalize accrued interest up to US$2,000,000 to the principal balance. The effective interest rates per annum on the funds drawn range from 16% to 36%. The effective interest rate reflects the stated interest rate on credit facility, libor plus 8%, and the amortization of the deferred debt issuance costs. For the three and six months ended June 30, 2017, stated interest expense on the credit facility was $771,676 and $1,390,013 and the amortization of the deferred debt issuance costs was $1,117,916 and $2,065,457. There were no such costs for the three and six months ended June 30, 2016.

	June 30, 2017	December 31, 2016
Balance, beginning of period	$ 15,491,644	$ -
Draw downs, net of transaction costs	11,180,858	14,920,826
Interest capitalized to principal balance	1,110,618	-
Amortization of transaction costs	2,065,457	476,852
Foreign exchange	(945,073)	93,966
Balance, end of period	**$ 28,903,504**	**$ 15,491,644**
Non-current portion of credit facility	**$ (9,697,544)**	**$ (8,711,009)**
Current portion of credit facility	**$ 19,205,960**	**$ 6,780,635**

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

13. COSTS BY NATURE

a) Cost of Sales

	For the three months ended		For the six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Direct operating costs	**$ 2,706,760**	$ -	**$ 11,679,060**	$ -
Depreciation	**65,566**	-	**132,997**	-
Royalty expense	**84,792**	-	**234,019**	-
	$ 2,857,118	$ -	**$ 12,046,076**	$ -

b) General and Administrative Expenses

	For the three months ended		For the six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Accounting, audit, and tax	**$ 151,523**	$ 115,008	**$ 180,923**	$ 134,508
Depreciation	**6,222**	7,117	**14,210**	14,535
Insurance	**22,694**	11,819	**45,821**	28,955
Investor relations	**211,915**	102,403	**358,097**	167,991
Legal fees	**133,627**	22,379	**159,294**	56,507
Management fees	**60,515**	57,569	**119,771**	118,828
Office and administration	**90,399**	62,693	**145,974**	104,001
Rent	**22,736**	41,412	**44,666**	86,196
Share-based payments	**240,147**	22,619	**458,173**	58,599
Travel	**6,696**	13,512	**15,050**	18,044
Transfer agent and filing fees	**110,091**	19,466	**122,422**	31,460
Wages	**115,399**	102,833	**216,579**	209,465
	$ 1,171,964	$ 578,830	**$ 1,880,980**	$ 1,029,089

14. RELATED PARTY TRANSACTIONS

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

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

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

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

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

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

The Company's related party expenses are as follows:

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

(1) The Company paid legal and corporate secretary service fees to Koffman Kalef LLP Business Lawyers in which the Company's Corporate Secretary is a partner. As at June 30, 2017, $172,480 (December 31, 2016 - $14,649) was owed to this firm.

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

In addition, the Company paid for office and administrative services to the same company. As at June 30, 2017, $4,632 (December 31, 2016 - $445,908) was owed to this company.

14. RELATED PARTY TRANSACTIONS (continued)

Key management personnel compensation

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

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

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

15. OPERATING SEGMENT INFORMATION

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

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

	Canada	United States	Total
As at June 30, 2017			
Cash	$ 9,627,422	$ 12,450,996	**$ 22,078,418**
Inventory	-	4,656,156	**4,656,156**
Exploration and evaluation assets	-	7,213,793	**7,213,793**
Property, plant and equipment	3,593	107,837,713	**107,841,306**
Reclamation bonds	-	26,818,213	**26,818,213**
Other assets	159,877	2,283,614	**2,443,491**
Credit Facility	-	(28,903,504)	**(28,903,504)**
Contingent consideration payable	-	(7,126,070)	**(7,126,070)**
Provision for reclamation	-	(46,221,038)	**(46,221,038)**
Other liabilities	(437,063)	(8,928,960)	**(9,366,023)**
	$ 9,353,829	**$ 70,080,913**	**$ 79,434,742**
As at December 31, 2016			
Cash	$ 747,040	$ 10,374,246	**$ 11,121,286**
Inventory	-	11,883,430	**11,883,430**
Exploration and evaluation assets	-	7,267,391	**7,267,391**
Property, plant and equipment	9,997	73,699,759	**73,709,756**
Reclamation bonds	-	27,748,180	**27,748,180**
Other assets	123,356	10,043,375	**10,166,731**
Credit Facility	-	(15,491,644)	**(15,491,644)**
Contingent consideration payable	-	(7,963,853)	**(7,963,853)**
Provision for reclamation	-	(39,868,568)	**(39,868,568)**
Other liabilities	(709,140)	(9,346,649)	**(10,055,789)**
	$ 171,253	**$ 68,345,667**	**$ 68,516,920**
Net income (loss):			
For the six months ended June 30, 2017	$ (1,617,682)	$ 5,037,509	**$ 3,419,827**
For the six months ended June 30, 2016	$ (791,034)	$ 1,171,259	**$ 380,225**

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value Measurement

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

	Fair value at June 30, 2017			Fair value at December 31, 2016		
Fair value disclosed	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Contingent share purchase warrants	$ -	$ -	$ 6,442,070	$ -	$ -	$ 6,384,353
Contingent cash consideration	-	-	684,000	-	-	1,579,500
	$ -	**$ -**	**$ 7,126,070**	**$ -**	**$ -**	**$ 7,963,853**

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

17. SUPPLEMENTAL CASH FLOW INFORMATION

	Six months ended	
	June 30, 2017	**June 30, 2016**
Cash paid during the year for interest	$ 34,878	$ -
Cash paid during the year for income taxes	$ -	$ -
Interest received	$ 149,994	$ 1,747
Accounts payable capitalized to property, plant and equipment	$ 513,065	$ -
Accounts payables in inventory	$ 224,090	-
Prepaid balances transferred to property, plant and equipment	$ 2,475,199	-
Accretion expense related to the asset retirement obligation	$ 513,141	$ -
Accretion expense capitalized mine development costs	$ 70,102	-
Amortization related to deferred transactions costs	$ 2,065,457	$ -

18. EVENTS AFTER THE REPORTING PERIOD

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