Rye Patch Announces Lincoln Hill Preliminary Economic Assessment

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Base Case Pre-Tax NPV (5%) of US$64.2 Million and IRR of 76.5%

VANCOUVER, BRITISH COLUMBIA--(Marketwired - May 21, 2014) - **Rye Patch Gold Corp. (TSX VENTURE:RPM)(OTCQX:RPMGF)(FRANKFURT:5TN)** (the "Company" or "Rye Patch") is pleased to announce the results of a Preliminary Economic Assessment ("PEA") for its 100%-owned Lincoln Hill Gold and Silver project located in Pershing County, Nevada. A technical report compliant with NI 43-101 is being completed by Metal Mining Consultants Inc. ("MMC") and will be filed at www.sedar.com within 45 days. The PEA confirms that the Lincoln Hill represents a robust economic opportunity in the current gold price environment.

PEA Highlights:

- Base Case Pre-tax IRR of 76.5% and NPV (5% discount rate) of USD$64.2M;
- Average annual production of 33,000 Au ounces and 753,000 Ag ounces per year with a peak annual production of 63,700 Au ounces and 1,011,000 Ag ounces;
- Life of Mine ("LOM") cash cost of USD$575 per Au equivalent ("AuEq")[1] ounce, and total costs of USD$759 per AuEq[1]; and
- Drilling on the Independence Hill and Roosevelt targets has potential to expand the resource and enhance the project economic model.

The Company cautions that the PEA is preliminary in nature in that it is based on Inferred Mineral Resources which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be characterized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Commenting on the results of the PEA, Rye Patch Gold Corp. President and CEO William Howald stated, "We are extremely pleased with the results of the Lincoln Hill PEA. MMC brought their depth of experience from economic assessments on similar deposits in Nevada to produce a top-notch PEA of the Lincoln Hill deposit. This PEA is an important milestone in showing the positive economic viability of projects along the Oreana trend. As mandated in the market place, stakeholders are looking for projects with low estimated start-up capital and unit operating costs, and robust economic returns. This makes Lincoln Hill an attractive investment opportunity in the current gold and silver price environment."

"In addition, the exploration potential at Lincoln Hill remains very attractive," Mr. Howald continued. "This PEA is based on drilling within an 800-metre zone. Adjacent to Lincoln Hill, the Independence and Roosevelt targets contain 1,300 metres of similar alteration and surface gold and silver geochemistry to Lincoln Hill (See news release dated May 9, 2013). The Independence Hill and Roosevelt zones are highly favourable for expanding the resources and enhancing the project economics. Our drilling program has started and will address the upside potential at Independence Hill and Roosevelt. The Company has an excellent future with cash in the bank, a royalty revenue stream, and a robust economic project."

MMC has concluded that the most attractive development scenario for Lincoln Hill consists of an open-pit mining operation with a heap leach processing plant handling both oxide and sulphide material, and producing a gold-silver dore. A "heap leach only" base case scenario was developed for the project with production of 1,584,000 tonnes per year, resulting in a projected 5 year operation with average annual production of 33,000 ounces of gold and 753,000 ounces of silver. Projected life-of-mine average cash operating costs are US$575 per ounce of AuEq[1] recovered. Start-up capital costs for this project scenario are estimated at US$26.2 million. The total cost of AuEq[1] production (including cash operating costs and total capital and contingency costs over the life of the mine) is estimated at US$759 per AuEq[1] ounce.

At a gold price of US$1350 per ounce and a silver price of $22 per ounce, the base case has a US$78.4 million pre-tax net cash flow, a US$64.2 million net present value at a 5% discount rate, and an internal rate of return of 76.5%. At US$1450 gold and US$25 silver, the total pre-tax net cash flow increases by 22% over the base case to US$95.1 million, the net present value increases to US$78.6 million and the internal rate of return improves to a robust 90.7%.

Base Case Assumptions

Summary of Base Case Assumptions	
Gold Price (USD$)	$1,350
Silver Price (USD$)	$22
Average Annual Gold Production (ounces)	33,000
Average Annual Silver Production (ounces)	753,000
Peak Annual Gold Production (ounces)	63,700
Peak Annual Silver Production (ounces)	1,011,000
Pre-Production Capital Costs (USD$)	$26.2 M
LOM Sustaining Capital (USD$)	$4.0 M
Pre-Production Period (years)	1
Mine Life (years)	5
Cash Cost per AuEq.[1] Ounce (USD$)	$575
Cash Costs and Sustaining Cost per AuEq.[1] Ounce (USD$)	$759
PRE-TAX	
Life of Mine NPV at 5% Discount Rate (USD$)	$64.2 M
Internal Rate of Return	76.5%
Payback Period (years)	1.3
AFTER-TAX	
Life of Mine NPV at 5% Discount Rate (USD$)	$40.9 M
Internal Rate of Return	53.0%
Payback Period (years)	1.6

[1] AuEq. means gold and silver equivalence at a gold-silver ratio of 1:67 based on price and recovery.

At a gold price of US$1250 per ounce and a silver price of $20 per ounce, the project remains robust with a US$63.8 million pre-tax net cash flow, a US$51.5 million net present value at a 5% discount rate, and an internal rate of return of 63.7%.

PEA Overview

The PEA was prepared as an open-pit mining project based solely on the resources reported by the company on September 17, 2012. Wheel loaders and trucks will be used to access mineralization. Material would then be transported to a heap leach facility and processed as run-of-mine ore. Metal would be recovered onsite and sold as gold-silver dore.

The average annual production is 1,582,000 tonnes at a contained AuEq[1] grade of 0.89 grams per tonne. On an annual basis, 33,200 ounces of gold and 753,000 ounces of silver will be placed on the leach pad. Based on gold and silver recoveries, the metal produced and sold will be 106,000 ounces of gold and 2,222,000 ounces of silver.

Mineral Resources

In September 2012, Scott E. Wilson Consulting, Inc. ("SEWC" and now Metal Mining Consultants Inc.) completed a National Instrument 43-101-compliant global resource estimate for the Lincoln Hill project titled "Technical Report - Rye Patch Gold Corp., Lincoln Hill Property, Pershing County, Nevada" dated September 17, 2012 (see news release dated September 17, 2012 for details). In their analysis, SEWC estimated mineral resources for oxide and sulphide material separately, and reported these resources at various cut-off grades. The resource estimate prepared by SEWC, in the form of the resource block model, was used as the basis for determining potentially mineable mineralization in the PEA.

National Instrument 43-101 compliant global mineral resources estimated by SEWC at a cut-off grade of 0.1 grams of gold per tonne for oxide material and 0.2 grams of gold per tonne for sulphide material were as follows:

To view the tables please click the following link: http://media3.marketwire.com/docs/RYETables521.pdf

Mine Planning

A Preliminary Economic Assessment provides a basis to estimate project operating and capital costs and establish a projection of the potential mineable resource including measured, indicated and inferred categories as permitted under National Instrument 43-101. A Whittle pit optimization was performed using estimates of operating costs typical of operating surface mines using heap leach processing in northern Nevada, and using estimates of metallurgical recovery based on test work performed on samples from Lincoln Hill drill samples. The ultimate pit shell was determined using a gold price of $1,350 per ounce. In-pit resources used for production scheduling are as follows:

Classification	Mineralized Material (Tonnes X1,000)	Gold Grade g/t	Gold Ounces (X1,000)	Silver Grade g/t	Silver Ounces (X1,000)
Measured	1,567	0.62	31	12.9	648
Indicated	5,250	0.69	116	13.7	2,311
Measured & Indicated	6817	0.67	148	13.5	2,958
Inferred	1,092	0.53	19	23.3	819

The estimated strip ratio for the economic pit is 0.54 tonne of waste for every tonne of ore.

Metallurgy

Based on bottle roll testing and capital economic considerations, a run of mine (ROM) heap leach process has been selected as the best processing method. A heap leach pad, capable of holding 8 million tonnes of leach material at a loading rate of 4.4 thousand tonnes per day, will be the basis for recovering metals from the Property. Run of Mine gold recovery is expected at 64% of total placed and silver at 59% of total placed. Recovery is expected over two years from date placed on a declining curve. The pad will remain open for two years from final leach material placed before final reclamation begins.

Capital Costs

Capital costs were developed based on scaling costs from similar facilities for production rates and from design basis assumptions including a contractor operated mining fleet. The estimated life of mine capital costs for the base case are summarized as follows:

Life of Mine Estimated Capital Costs

Description	US$(millions)
Initial Capital	14.2
Working Capital	4.0
Indirect, Sustaining, Owner and Royalties	12.0
Total	30.2

Operating Costs

Operating cost assumptions were based on similar scale surface mining operations using heap leach processing in northern Nevada, and process cost estimates for key consumables based on the available metallurgical test data, power consumption data and prevailing costs for key materials in similar Nevada mining operations. Operating cost assumptions per tonne of material processed are summarized as follows:

Unit Operating Costs

Cost Category	US$s (Per Tonne Processed)
Waste Mining Cost	$2.50
Ore Mining Cost	$3.10
Heap Leach Processing	$3.60
General and Administrative	$1.50
Reclamation	$0.76
Total	$11.46

Economic Analysis

MMC chose US$1350 for gold and US$22 for silver as the base case economic scenario. The base case pre-tax economic results for the metal price assumptions are as follows:

Pre Tax Projected Economic Results (US$)

	Base Case
Gold Price per Ounce	$1350
Silver Price per Ounce	$22
Net Cash Flow	$78.4 million
NPV @ 5% Discount Rate	$64.2 million
Internal Rate of Return	76.5%
Operating Costs per Ounce of Gold Equivalent Produced (Life-of-Mine)	$575
Total Costs per Ounce of Gold Equivalent Produced (Includes all Capital)	$759

Infrastructure

There are currently no infrastructure facilities located at Lincoln Hill. Lincoln Hill is accessible from Lovelock, Nevada and near Highway Interstate 80. The Project is accessed via the Lovelock-Unionville Road, the same road used to access Coeur Mining's Rochester Mine. There is ample electric power available. Water is available. Two nearby operations, Pershing Gold's Relief Canyon and the Coeur Rochester Mine are currently in operation. With proper permitting, Lincoln Hill could become an operating Nevada mine. Lovelock, Winnemucca, Fallon and Fernley are close enough to support an experienced mining staff.

About the Lincoln Hill Gold Silver Project

The Lincoln Hill resource estimates are based on 100 exploration drillholes. There were a total of 5,495 three-metre-length composites used in the estimation of gold and 5,495 three-metre-length composites used in the estimation of silver. The results were calculated using Vulcan software and stored in a Vulcan block model. SEWC used Inverse Distance Cubed as the preferred estimation technique for the Lincoln Hill resource.

Mineral resources are not mineral reserves and do not have demonstrated economic viability.

National Instrument 43-101 Disclosure

The PEA for the Lincoln Hill project was prepared by Metal Mining Consultants Inc. ("MMC") under the direction of Scott E. Wilson, CPG and incorporates the work of a number of industry-leading consultants, all of which are Qualified Persons (as defined under National Instrument 43-101) and are independent of Rye Patch. Scott Wilson has reviewed and approved this press release.

About Rye Patch Gold Corp.

Rye Patch Gold Corp. is a Tier 1, well-funded junior mining company with a royalty revenue stream from the operating Rochester silver mine and significant gold and silver resources, all located in the mining friendly state of Nevada, USA. The Company's seasoned management team is engaged in the acquisition, exploration, and development of quality resource-based gold and silver projects. Rye Patch Gold US Inc. controls over 75 square kilometres (30 sq. miles) of land, and has a 3.4 % Net Smelter Return (NSR) royalty from the Rochester silver mine along the Oreana trend located in west-central Nevada. The Company is aggressively developing gold and silver resources along this emerging trend, utilizing existing funds and cash flow from the NSR royalty which is fully leveraged to the price of gold and silver. In east central Nevada, Rye Patch Gold US Inc. is exploring 66 square kilometres of exploration land along the prolific Cortez trend contiguous to Barrick's new Goldrush deposit. The Company has established gold and silver resource milestones and time frames in order to build a premier resource development company. For more information about the Company, please visit our website at www.ryepatchgold.com.

On behalf of the Board of Directors

William C. (Bill) Howald, CEO & President

This news release contains forward-looking statements, which address future events and conditions, which are subject to various risks and uncertainties. The Company's actual results, programs and financial position could differ materially from those anticipated in such forward-looking statements as a result of numerous factors, some of which may be beyond the Company's control. These factors include: the availability of funds; the financial position of Rye Patch; the timing and content of work programs; the results of exploration activities and development of mineral properties; the interpretation of drilling results and other geological data; the reliability of calculation of mineral resources (and, in respect of the Coeur Rochester mine 3.4% NSR, the reliability of calculation of Coeur's mineral resources and reserves); the reliability of calculation of precious metal recoveries; the receipt and security of mineral property titles; project cost overruns or unanticipated costs and expenses; fluctuations in metal prices; currency fluctuations; and general market and industry conditions.

Forward-looking statements are based on the expectations and opinions of the Company's management on the date the statements are made. The assumptions used in the preparation of such statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

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