



## Rye Patch Gold Drilling for Feeder System

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Rye Patch Gold (TSX.V:RPM) has a single corporate objective. Prove up somewhere in the neighbourhood of 10 million ounces of gold and equivalents, and sell the company lock stock and barrel to one of the majors operating in Nevada who need replacement ounces. CEO Bill Howald doesn't care whether its Newmont (NYSE:NEM), Barrick (NYSE:ABX, TSX:ABX) or Kinross (NYSE: KGC, TSX: K).

"In 1998 Nevada produced almost 9 million ounces," he said, "and in 2008, it was 5.7 million ounces, so there's been a major decline in Nevada's supremacy, in spite of the fact that all that infrastructure is there. So there's a real premium in the minds of major mining companies for deposits that are in Nevada."

Rye Patch Gold has been steadily and consistently executing on that vision, and so far in 2009 has seen its inventory of gold and silver ounces increase dramatically.

"The company has roughly 2.7 million ounces of gold, 31 million ounces of silver across all categories. The idea that we want to be the supermarket for miners in Nevada is starting to take shape. Newmont announced that they are planning to focus exploration in Nevada and try to bolster their reserves. So that all plays into our business strategy that Nevada has all the major and mid-tier miners looking to replace their resources and reserves because there is a tremendous amount of infrastructure with excess capacity. That's the way the big picture is unfolding for RPM."

Table 3: Rye Patch Gold's NI43-101 Resource Inventory

Property	Resource Category <sup>1</sup>	Tons (X 1,000)	Gold Grade opt	Silver Grade opt	Contained Gold Ounces	Contained Silver Ounces	Contained Gold & Gold Equiv. Ounces <sup>3</sup>
Wilco <sup>2</sup>	Measured	8,296	0.020	0.134	164,000	1,111,000	188,000
	Indicated	34,660	0.015	0.105	522,000	3,638,000	600,000
	Inferred	134,303	0.012	0.148	1,660,000	19,871,000	2,084,315
Jessup <sup>2</sup>	Measured	8,571	0.015	0.255	128,000	2,184,000	161,000
	Indicated	13,936	0.012	0.209	172,000	2,906,000	215,000
	Inferred	4,954	0.016	0.231	77,000	1,146,000	93,000
<b>Total Measured and Indicated Resources</b>					<b>986,000</b>	<b>9,839,000</b>	<b>1,164,000</b>
<b>Total Inferred Resources</b>					<b>1,737,000</b>	<b>21,017,000</b>	<b>2,177,315</b>

<sup>1</sup> Conforms to 43-101 definitions for resources. All numbers are rounded.

<sup>2</sup> Cutoff grade for Wilco Measured and Indicated resource is reported at 0.0056 opt Au for oxide mineralisation and 0.042 opt Au for sulphide mineralisation. The Inferred resource is reported at 0.0056 opt Au for oxide, sulphide and carbonaceous ore types; however, a higher opt Au cut-off grade may be required to upgrade the inferred resource to the measured and indicated resource category. Cut-off grade for Jessup is reported at 0.005 opt Au for oxide mineralisation and 0.010 opt Au for transition and sulphide mineralisation;

<sup>3</sup> Wilco and Jessup Resource includes Au equivalent ounces (Aueq.); where Aueq. = (Ag opt X \$Ag/oz) + (Au opt X \$Au/oz)\$Au/oz, for Au/oz = \$750, and Ag/oz = \$16. Metallurgical recoveries and net smelter returns are assumed to be 100%.



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Rye Patch's Nevada strategy has been centered in an area in the north central region of Nevada that has seen some major exploration success in the last year. Dubbed the 'Oreana' trend by Bill Howald, the area is the subject of intense exploration activity by Midway Gold Corp. (TSX.V:MDW), another junior operating in the area in a joint venture with Barrick, the world's largest gold mining company.

"Since April of this year, Midway Gold and Barrick announced a resource at Spring Valley, Rye Patch announced a resource at Wilco," said Howald, "so since April there's been almost 5 million ounces of gold announced on the Oreana trend, and we think this is an emerging gold trend. We're starting to see indications of porphyry-type systems at depth in the North Basin at Wilco, off to one side at Lincoln Hill, and of course at Spring Valley they have a mineralized porphyry system. Rye Patch believes there is upside potential for 15 to 20 million ounces of gold along the Oreana trend."

"Our idea, in terms of the Oreana trend, with Wilco on the southwest end, Lincoln Hills in the middle, and Barrick working off to the northeast is the trend could contain sizeable gold deposits so we acquired an additional 25 square kilometers of land through claim staking within the main mineralized corridor to capitalize on the upside potential. Rye Patch now controls 65 square kilometers along this emerging Nevada gold belt.

Last year, the last hole at Wilco, WR-087, cut 38 metres of 2.6 grams per tonne of gold, which was one of the thickest and highest grade intervals on the property. It established a new area on the property we refer to as the North Basin, and looking at the distribution of gold on the Wilco property, you can see it flanks the North Basin area to the south and to the west. We believe the North Basin target could potentially be the feeder system for the whole area. That's the focus of our 2009 drilling program - going after the higher grade gold that we believe we will find in feeder systems within this 1 km in diameter circular North Basin area.

"At Lincoln Hill, the theme is high grade. Last year we had a spectacular high grade hit in LR-013 which returned 21 metres of 27 grams per tonne gold within a lower grade defined by mapping and surface lithochemical sampling which is roughly 2 km by 300 m by an average of about 50 m thick, so we're drilling in that area to chase the high grade gold and silver zones. Although we are chasing high grade, the drilling will also be testing this lower grade blanket."

## **Drilling Commenced**

Drilling programs at the Lincoln Hill and Wilco projects are underway. Presently, there are two reverse circulation (RC) drill rigs operating -- one at each property. A third drill (core) is scheduled to start at Lincoln Hill in mid-October.

At Lincoln Hill, the reverse circulation drill is testing the newly identified high-grade gold/silver targets located within a blanket-like surface halo gold zone. The surface halo mineralisation has a flat geometry comprised of multiple stockwork quartz-vein arrays which cover a large portion of the Lincoln Hill property. The blanket zone has gold and silver starting at the surface and geologic drill sections show the zone is between 20 and 75 metres thick. The drill program will consist of 2,500 metres (8,000 ft) of RC and 1,000 metres (3,000 ft) of core drilling, and is budgeted at US\$680,000.



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At Wilco, the drill program is focusing on a potential high-grade gold feeder system within the North Basin target. The last drillhole from the 2008 campaign, WR-087, returned the thickest and highest grade gold zone on the property - 38.1m @ 2.61 g/t Au. The North Basin has gold shows around the margin of its 1 kilometre diameter dimension, and geophysics shows a magnetic low (magnetite alteration) located under the centre of the basin. The drill program is budgeted at US\$320,000.

The cost of these drill programs will total US\$1 million with the majority of the funds being directed toward high-grade gold and silver targets. The Company has additional funding available for a follow-up program.

"We'll likely start to see drill results coming out by mid to the end of October, we'll start publishing results for both Wilco and Lincoln Hill then", said Howald.

Is Rye Patch in danger of becoming a mining company as opposed to an explorer?

"No that's not an issue," said Bill Howald. Rye Patch does not want to be a miner, our specialty is finding ounces. In fact, Rye Patch is finding gold and equivalents at \$1 dollar per ounce which is considerably lower than industry standard finding costs which are \$20 to \$50 per ounce. In fact, we're looking for a full company takeover as the best case scenario and the exit strategy for our shareholders. We believe there is a critical mass of gold ounces, we're not sure what the number is, but we think at some point we'll see interest for the company when we reach that number. At this point, our target is 10 million ounces, and I'm quite confident that we'll achieve this corporate goal. As Rye Patch finds and acquires more gold, the Nevada miners should start to take notice.

Rye Patch Gold is online at <http://www.RyePatchGold.com>.