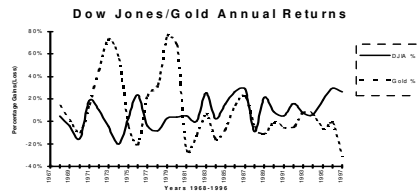




# Gold



## Energy & Tech Stocks

Weekly Hotline Message

(Now in our 30<sup>th</sup> Year)

December 9, 2011

### A Rye Patch Gold Bonanza!

**Traded TSX-RPM/US OTC-RPMGF; 125,566,945 Shares Outstanding @ \$0.67 = \$84 Million Market Cap –**  
 This company has been a favorite exploration recommendation because its price has been ridiculously low, relative



to what it already has and more to come. The latest NI 43-101 resource numbers are 3.1million ounces of gold and 3.9 million gold-equivalent ounces when factoring in its silver resource. But with loads of exploration potential on its Nevada properties, management has set a 10 million gold oz. target for the company.

Recently the stock was selling at about \$0.38, and with 125.6 million shares outstanding, that gives it a market cap of only about 48 million. With 3.9 million gold-equivalent ounces in the ground, that made this stock very undervalued. Well,

Rye Patch became a bit less undervalued this past week when the market learned that Coeur Rochester, Inc., a wholly-owned subsidiary of Coeur d’Alene Mines, made a major mistake. It resulted in a windfall property acquisition for Rye Patch that drove the stock up some 40%. It is my understanding that the property picked up by Rye Patch not only contains between 50 million and 100 million ounces of silver, but also that that property is essential for the mining operations of Coeur Rochester.

Here’s what happened. Rye Patch Gold Corp., through its wholly owned subsidiary Rye Patch Gold US Inc., has acquired land and mineral rights by staking open, locatable public lands that contain gold and silver resources in the Rochester mining district, Pershing County, Nevada. Through a review of the United States Bureau of Land Management (“BLM”) mining claim maintenance fee records, Rye Patch Gold identified open, locatable public lands, and staked claims covering portions of the Rochester and Nevada Packard gold and silver mines and its resource inventory—approximately 400 unpatented mining claims covering 30.3 square kilometers. An unknown portion of the Rochester and Nevada Packard resources along with numerous gold-silver targets are within the newly-staked ground.

The claim maintenance fee is a mandatory fee paid yearly on or before Aug. 31 of each year. Coeur Rochester, Inc. failed to pay the mandatory claim-maintenance fee to the BLM, thereby rendering its 541 unpatented mining claims conclusively forfeited and void on Sept. 1, 2011. The lands with the forfeited mining claims became open to entry and the location of new mining claims by any third party. Rye Patch identified the open ground and located unpatented mining claims during October and November 2011. Rye Patch completed the monumentation of its

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mining claims in November 2011. Rye Patch informed the senior management of Coeur d'Alene Mines of the location of the mining claims on Nov. 28, 2011.

According to William C. (Bill) Howald, the company's president and chief executive officer, "The process of maintaining unpatented mining claims in the United States of America is clear and unambiguous. If a claim owner does not pay the fee on time, the claim is forfeited and void. The effect of the law's forfeiture provisions is well-established. Coeur d'Alene Mines failed to pay the annual mining claim maintenance fee on time and the ground became open for mineral location. Rye Patch investors now have under their control mining claims located on additional gold and silver resources and a portion of the lands formerly part of an active mine. Our geologic team is on the ground diligently sampling, mapping and permitting drill targets for immediate follow up.

*"Rye Patch's geologic team is on the ground sampling, mapping and permitting drill targets on the new LH claims. There are several targets within the claim block that require immediate follow up. First, the Rochester orebody is open to the north and northwest and the pit boundary is expanding on to Rye Patch Gold's LH claims. Published drill results show the Nevada Packard resource continued from the patented claims on to the LH claims. Roughly one-third of the resource and its expansion potential are within the LH claims (a qualified person has not done sufficient work to classify the historical estimate as current mineral resources, the issuer is not treating the historical estimate as current mineral resources, and the historical estimate should not be relied upon). The geologic team is working to assess the amount of gold and silver resource present on the LH claims. Several additional targets are within the claim block including the Mystic, Looney and Limerick Basin will be permitted. Finally, the Black fault zone is on the LH Claims. This ore control has significant potential and controls gold and silver mineralization at the Relief Canyon, Packard, Rochester, and Spring Valley deposits. All these targets are presently being developed, evaluated and prioritized."*

WINDFALL! That's what this mistake by Coeur Rochester appears to be. Coeur has said they will challenge this in court. But with the law so clear, it seems difficult to see how they would prevail, assuming that in America the rule of law still applies. It may not seem just and it certainly isn't fair to Coeur d'Alene shareholders. But on the other hand, why should Coeur catch a break simply because someone wasn't doing their job? I can tell you one thing. This will be a wakeup call to anyone with unpatented claims in Nevada.

This could be huge for Rye Patch shareholders. Figuring 50 million ounces of silver means it has acquired some \$1.75 billion of value in the ground. If it's 100 million ounces, you can double that value. But it's not only because of the silver resource but also because of the importance to Coeur in terms of operating its mine. Seems they will have to make some kind of a deal with Rye Patch to get this property back or perhaps just buy out Rye Patch. I only hope if they do buy Rye Patch it is at a much higher price, because this stock remains very undervalued. The current drill program should take the total number of gold ounces on the Rye Patch properties to north of 4 million ounces.

Rye Patch had \$6.2 million in the bank on Sept. 30, 2011. No doubt it's a little less than that now. But with the rise in the price of these shares, the company can raise capital much more efficiently now than before the windfall silver acquisition. This is a company I think you should keep your eyes on carefully. I think it could be a big mover next year as the gold and now silver ounces begin to pile up considerably.

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