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NEWS RELEASE
For Immediate Release

TSXV: RYE

RHYOLITE CLOSES PRIVATE PLACEMENT – UPDATES ACTIVITIES

Rhyolite Resources Ltd. (the “Company” or “Rhyolite”) (RYE-TSXV) announces the completion of its previously announced brokered private placement of 16,000,000 units (“Unit”) at a price of \$0.10 per Unit for gross proceeds of \$1,600,000 (the “Private Placement”). Each Unit consists of one common share and one-half share purchase warrant of Rhyolite (“Warrant”). Each Warrant shall entitle the holder thereof to acquire one additional common share of Rhyolite at an exercise price of \$0.15 per share at any time on or before the date which is 24 months after the closing date of the Private Placement expiring on March 27, 2019.

16,000,000 Units were issued on a brokered basis for gross proceeds of \$1,600,000 (“Brokered Private Placement”). Leede Jones Gable Inc. (the “Agent”) acted as agent for the Brokered Private Placement. On closing, the Company paid the Agent a commission equal to 8.5 per cent of the gross proceeds of the Units sold in the Brokered Private Placement and issued 1,360,000 Agent’s warrants. Each Agent’s warrant entitles the Agent to purchase one common share at a price of \$0.15 per common share for a period of 24 months from the closing expiring on March 27, 2019.

The Common Shares, Warrants and Agent’s Warrants issued pursuant to the Private Placement and securities underlying the Warrants and Agent’s Warrants are subject to a 4-month hold period expiring on July 28, 2017.

The funds raised from the issuance of the Units shall be used to finance potential acquisitions of new properties and for general working capital purposes.

Paxson Gold Property - Update

Rhyolite is evaluating new geological/geophysical data from its wholly owned Paxson gold project in Alaska. The Paxson gold project is located 50 km southwest of Tok in eastern Interior Alaska within the Yukon-Tanana terrane. The Alaska Division of Geological and Geophysical Surveys released the airborne geophysical data for the region in 2015 and recently released new results from a geological survey completed over the region in 2016, including additional samples taken from 2011 drill core collared on the Paxson property.

Significant diamond drilling has also been completed and is still on going approximately 40 km to the east of the Paxson property by Peak Gold, LLC, a joint venture between Contango ORE, Inc. (“Contango”) and Royal Alaska, LLC (“Royal”), a wholly owned subsidiary of Royal Gold, Inc. on the Tetlin project. Since late 2016, this joint venture has staked additional claims of approximately 68,000 acres of State of Alaska lands adjacent to the Tetlin project. The road-accessible Peak Zone on the Tetlin property, discovered in 2012, covers approximately 40 acres and, at 0.5 grams of gold per tonne

(gpt), carries indicated resources of 5,970,000 tonnes grading 3.46 gpt gold, 11.8 gpt silver and 0.25% copper and inferred resources of 3,850,000 tonnes grading 2.07 gpt gold, 14.28 gpt silver and 0.23% copper (December 2013, Contango website). An updated resource for the Peak zone is expected in the second quarter of 2017 (Contango website). There are no known resources or reserves on the Rhyolite's Paxson property and the presence of mineral deposits on properties adjacent to or in close proximity to the Rhyolite's Paxson property is not necessarily indicative of mineralization on the Paxson property.

Rhyolite's 2011 diamond drill program on the Paxson property returned the following significant drill intercepts:

Shalosky Zone:

Drill Hole	From (m)	To (m)	Interval (m)*	Weighted Grade (g/t Gold)
WG11-01**	56.1	77.1	21.0	1.9
Includes	56.1	59.1	3.0	7.2
Includes	70.1	71.8	1.7	6.3
And	97.5	99	1.5	2.7
WG11-02**	88.3	111.4	23.1	3.5
Includes	90.4	103.6	13.2	5.4
WG11-03	112	113.7	1.7	0.9
And	118.2	120.2	2.0	1.6
And	131.4	231.5	100.1	1.0
Includes	193	210.8	17.8	1.9
Includes	221	231.5	10.5	2.5
WG11-04	85.8	99.1	13.2	2.2
Includes	85.8	91	5.2	4.5
Includes	85.8	86.9	1.1	13.7
WG11-11	65.5	79.4	13.9	1.0
Includes	76.9	78.8	1.9	4.8
WG11-12	107.6	176.6	69.0	1.7
Includes	139.6	153.3	13.7	3.0
WG11-13	178.9	189	10.1	2.1
Includes	182.4	185.7	3.3	3.2
WG11-14	No Significant Values -- failed to reach target depth for hole WG11-13 Intercept.			

The Hi-Low Zone:

Drill Hole	From (m)	To (m)	Interval (m)*	Weighted Grade (g/t Gold)
WG11-05**	19.5	21.9	2.4	3.2
And	26.9	54.3	27.4	1.9

Includes	38.7	52.3	13.6	3.4
Includes	40.2	43.0	2.8	14.2
WG11-06	31.7	37.2	5.5	4.2
Includes	35.0	37.2	2.2	8.6

*Intervals shown are mineralized lengths of core and were reported on August 18, September 7 and November 8, 2011; geometry is not well enough understood to reliably calculate true widths. Diamond drill hole plan maps and cross sections from the 2011 Paxson diamond drill program are available for viewing at www.rhyoliteresources.com.

Quality control/Quality assurance for 2011 Diamond Drill Program

Mineralized intervals in the B-size drill core were sawn longitudinally and half the drill core was sampled in standard intervals not exceeding 1.5 metres in length. Core samples were transported in security-sealed bags to the lab for analyses. All samples collected in 2011 were sent for gold fire assay and 48-element ICP analysis to ALS Chemex Labs. Samples were prepared in ALS Chemex's Fairbanks prep facility and then sent to Reno Nevada for analysis. Gold fire assays were on 50 gram pulp splits with an AA finish. One in every ten samples contains a control (blank or gold standard).

Qualified Persons

The foregoing disclosure has been reviewed, compiled and is the responsibility of Richard A. Graham, P. Geol., President of Rhyolite and a "qualified person" for the purpose of NI 43-101.

ON BEHALF OF THE BOARD OF DIRECTORS OF RHYOLITE RESOURCES LTD.

"Richard Graham"
Director

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