

## Corporate governance statement

This document discloses the extent to which Rimfire Pacific Mining NL ACN 006 911 744 (**Company**) has followed the recommendations set by the ASX Corporate Governance Council in the third edition of its Corporate Governance Principles and Recommendations (**ASX Recommendations**) during the relevant part of the reporting period.

This document is current as at 28 September 2017 and has been approved by the board of the Company.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>Principle 1: Lay solid foundations for management and oversight</b>		
<b>Recommendation 1.1</b> A listed entity should disclose: <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>Yes</p> <p>Yes</p>	<p>The Board, in conjunction with the Managing Director and Chief Executive Officer, defines and sets the Company's business objectives and strategy. The role of the Board is to lead and oversee the management and direction of the Company, approve and monitor plans, budgets and organisation, and oversee risk and compliance. The Board reports to Shareholders and regulators as required.</p> <p>The Managing Director and Chief Executive Officer leads the Company in executing the Company strategy, and in managing all Company operations including finances, human resources, reporting and compliance. The Managing Director and Chief Executive Officer reports directly to the Board and regularly consults with the Chairman and individual Directors on matters of relevance and on individual expertise. The Managing Director and Chief Executive Officer is responsible for reporting on matters of compliance, takes responsibility for risk management processes and a review of executive management, remuneration practices and insurance needs of the Company.</p> <p>The Board has delegated all day to day management of the Company to the executive management, subject to any specific expertise requested by management of the Board, on a case by case basis. Major contracts for procurement and matters involving significant commitment of Company resources are required to be consulted with the Chairman, and submitted to the Board for approval where appropriate.</p>
<b>Recommendation 1.2</b> A listed entity should: <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>Yes</p> <p>Yes</p>	<p>The Company undertakes various checks before appointing or putting forward to the Shareholders a new director and annually seeks confirmation of the Directors' good standing. Directors are required to disclose and appropriately report matters that affect their independence and conform to the Company's trading policy governing dealings in the Company's securities, including any related financial instruments.</p>

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evaluation was undertaken in the reporting period in accordance with that process.	Yes	ending 30 June 2017. Reviews will be completed annually going forward.
<b>Recommendation 1.7</b> A listed entity should:		
(a) have and disclose a process for periodically evaluating the performance of its senior executives; and	Yes	The Nomination and Remuneration Committee is responsible for periodically evaluating the performance of the Company's senior executives.
(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	Performance evaluations were not conducted during the reporting period ending 30 June 2017. This review will be completed annually going forward.
<b>PRINCIPLES AND RECOMMENDATIONS</b>	<b>COMPLY (YES/NO)</b>	<b>EXPLANATION</b>
<b>Principle 2: Structure the board to add value</b>		
<b>Recommendation 2.1</b> The board of a listed entity should:		
(a) have a nomination committee which:		
(i) has at least three members, a majority of whom are independent directors; and	Yes	The Company has established a Nomination and Remuneration Committee, which has responsibility for nomination matters. The Committee comprises of three non-executive directors. The Committee Chair is not the Chairman of the Company as recommended in the Corporate Governance guidelines.  A copy of the Committee's Charter is available on the Company's website at the following link: <a href="http://www.rimfire.com.au/irm/content/corporate-governance.aspx?RID=319">http://www.rimfire.com.au/irm/content/corporate-governance.aspx?RID=319</a>  The Members of the Committee are: <ul style="list-style-type: none"> <li>Graham Billingham (Chair) – Independent Director</li> <li>Ramona Enconiere (Member) – Independent Director</li> <li>Ian McCubbing (Member) – Independent Director</li> </ul>
(ii) is chaired by an independent director, and disclose:	Yes	
(iii) the charter of the committee;	Yes	
(iv) the members of the committee; and	Yes	
(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	Yes	
(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.	N/A	The number of times the Committee met throughout the period and the individual attendances of the Members at those meetings is disclosed in the Director's Report contained in the Company's 2017 Directors and Financial Report.
<b>Recommendation 2.2</b> A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	No	Given the size of the Board, a formal board skills matrix has not been adopted. However, as a junior exploration Company, the key skills for Directors and executives are their ability to bring ideas, judgement, business experience, risk assessment skills, and background in the exploration and mining industry. The

		<p>Directors have appropriate networks, knowledge of capital raising approaches, and experience in exploration for minerals and in project development. Directors and senior managers individually have professional skills in mining, geology, science, finance, banking, international trade and project development. They have experience in procuring services and contracts with suppliers, and in managing within modest resources. Efficiency and effectiveness are key performance measures. The Board has the ability to access specific skill gaps with outside advice as the needs may arise.</p> <p>Details of the skills, expertise and experience of each director are provided in the Director's Report contained in the Company's 2017 Directors and Financial Report.</p>
<p><b>Recommendation 2.3</b></p> <p><b>A listed entity should disclose:</b></p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>Yes</p> <p>N/A</p> <p>Yes</p>	<p>The Board has four independent Directors. Ian McCubbing Non-Executive Chairman, Graham Billingham Non-Executive Director, Ramona Enconiere Non-Executive Director and Andrew Greville Non-Executive Director.</p> <p>The Board has considered the holdings of shares in the Company by the Directors and is of the opinion that their respective interests in shares would not materially interfere with, or could be reasonably perceived to interfere with, the independent exercise of their judgement in their position as a Director. The Board also considers that they are otherwise free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of their judgement, and that each of these Directors is able to fulfil the role of independent Director for the purposes of the ASX Recommendations.</p> <p>John Kaminsky Managing Director and Chief Executive Officer is considered by the Board to not be independent on the basis that he is engaged in an executive management role.</p> <p>The lengths of service are as follows:</p> <ul style="list-style-type: none"> <li>• Ian McCubbing (since July 2016)</li> <li>• Graham Billingham (since May 1999)</li> <li>• John Kaminsky (since April 2004)</li> <li>• Ramona Enconiere (since April 2005)</li> <li>• Andrew Greville (since August 2017)</li> </ul>
<p><b>Recommendation 2.4</b></p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>Yes</p>	<p>As noted above in Recommendation 2.3, the Board does have a majority of independent directors. Whilst the Board recognises that it is desirable for the majority of the Board to be independent directors, the Board also considers that the current Board composition reflects an appropriate balance of skills,</p>

		expertise and experience to achieve its objective of creating and delivering long-term shareholder value.
<b>Recommendation 2.5</b> The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Yes	<p>The Chairman, Ian McCubbing is considered an independent Non-Executive Director.</p> <p>The roles of Chairman and Chief Executive Officer are exercised by different individuals, being Ian McCubbing and John Kaminsky respectively.</p>
<b>Recommendation 2.6</b> A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.	Yes	<p>The Company reviews its induction program for new Directors annually and ensures that ongoing training is available to Directors.</p> <p>Each Director has the right to access independent professional advice in order to properly perform their duties.</p>
PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>Principle 3: Act ethically and responsibly</b>		
<b>Recommendation 3.1</b> A listed entity should: <ul style="list-style-type: none"> <li>(a) have a code of conduct for its directors, senior executives and employees; and</li> <li>(b) disclose that code or a summary of it.</li> </ul>	<div>Yes</div> <div>Yes</div>	<p>Directors, officers, employees and consultants to the Company are required to observe high standards of behaviour and business ethics in conducting business on behalf of the Company.</p> <p>Directors are required to disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director or the interests of any other party in so far as it affects the activities of the Company. A Director may not participate in any decision where he or she has a conflict of interest. The Board would act in accordance with the <i>Corporations Act</i> if conflict cannot be removed or if it persists.</p> <p>Directors, staff and insiders are required to make disclosure of any share trading. A copy of the Securities Trading Policy is available on the Company's website at the following link:  <a href="http://www.rimfire.com.au/irm/content/corporate-policy.aspx?RID=320">http://www.rimfire.com.au/irm/content/corporate-policy.aspx?RID=320</a></p> <p>The cornerstone of the Company policy in relation to share trading is that officers, employees and contractors are prohibited from trading whilst in possession of unpublished price sensitive information concerning the Company. That is information which a reasonable person would expect to have a material effect on the price or value of the Company securities. An officer must discuss the proposal to acquire or sell shares with the Chairman prior to doing so to ensure that there is no price sensitive information of which that</p>

		officer might not be aware. The undertaking of any trading in securities by Directors must be notified to the Company and Chairman who makes disclosure to ASX within the required reporting time-table guidelines. The Chairman is required to advise 2 Non-executive Directors of a potential trade by himself.
PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>Principle 4: Safeguard integrity in financial reporting</b>		
<b>Recommendation 4.1</b> The board of a listed entity should: <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>N/A</p>	<p>The Company has established an Audit Committee, which has responsibility for audit matters. The Committee comprises of two non-executive directors. The Committee Chair is not the Chairman of the Company as recommended in the Corporate Governance guidelines.</p> <p>A copy of the Committee's Charter is available on the Company's website at the following link:</p> <p><a href="http://www.rimfire.com.au/irm/content/corporate-governance.aspx?RID=319">http://www.rimfire.com.au/irm/content/corporate-governance.aspx?RID=319</a></p> <p>The Members of the Committee are:</p> <ul style="list-style-type: none"> <li>Ramona Enconniere (Chair) – Independent Director</li> <li>Ian McCubbing (Member) – Independent Director</li> </ul> <p>Details of the skills, expertise and experience of each member are provided in the Director's Report contained in the Company's 2017 Directors and Financial Report.</p> <p>The number of times the Committee met throughout the period and the individual attendances of the Members at those meetings is disclosed in the Director's Report contained in the Company's 2017 Directors and Financial Report.</p>
<b>Recommendation 4.2</b> The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	<p>Yes</p>	<p>The Managing Director and Chief Financial Officer have declared in writing to the Board that the financial records of the Company for the financial year have been properly maintained, the Company's financial reports for the Financial Year ended 30 June 2017 comply with accounting standards and present a true and fair view of the Company's financial condition and operational results.</p>

<b>Recommendation 4.3</b> A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	The Company's external auditor attends the Company's Annual General Meeting and is available to answer questions from shareholders that are relevant to the audit and the preparation and content of the audit report.
<b>PRINCIPLES AND RECOMMENDATIONS</b>	<b>COMPLY (YES/NO)</b>	<b>EXPLANATION</b>
<i>Principle 5: Make timely and balanced disclosure</i>		
<b>Recommendation 5.1</b> A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Yes    Yes	The Managing Director and Chief Executive Officer and Company Secretary have been nominated as the persons responsible for communications with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirement in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, Shareholders, the media and the public.   All material information concerning the Company, including its financial situation, performance and ownership are posted on the Company website to ensure all investors have equal and timely access.
<b>PRINCIPLES AND RECOMMENDATIONS</b>	<b>COMPLY (YES/NO)</b>	<b>EXPLANATION</b>
<i>Principle 6: Respect the rights of security holders</i>		
<b>Recommendation 6.1</b> A listed entity should provide information about itself and its governance to investors via its website.	Yes	The Company maintains a website ( <a href="http://www.rimfire.com.au">http://www.rimfire.com.au</a> ) providing information about the Company and its operations to shareholders and the public. This website is regularly updated with updates via ASX Announcements, including presentations, operations updates, notices of meeting, quarterly activities and cashflow, annual and half yearly reports issued by the Company, which are located on separate webpages for ease of access.  The website also includes a page with the Corporate Governance Policy and other pages devoted to policies, board and management, corporate directory and the company's operations and projects. The Company posts on its website concurrently any presentations made in public forums about Company activities.
<b>Recommendation 6.2</b> A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company provides shareholders with information through the Company's share registry, ASX platform, shareholder meetings, the Company's website and issuing media releases. Shareholders

		The Company provides a facility for written communications by shareholders through the Company's website and through personnel based at the Company's office.
<b>Recommendation 6.3</b> A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	This is disclosed in the Company's Notice of Meetings when dispatched to Shareholders.  Shareholders are entitled to vote on significant matters impacting the business, which include the election and remuneration of directors and changes to the constitution. The Board actively encourages shareholders to attend and participate at General Meetings of the Company, to lodge questions to be responded to by the Board and/or the Managing Director and Chief Executive Officer and to appoint proxies.
<b>Recommendation 6.4</b> A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	This is implemented by the Company's Share Registry.
<b>PRINCIPLES AND RECOMMENDATIONS</b>	<b>COMPLY (YES/NO)</b>	<b>EXPLANATION</b>
<b>Principle 7: Recognise and manage risk</b>		
<b>Recommendation 7.1</b> The board of a listed entity should: <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	No Yes Yes Yes Yes N/A	The Company has established an Audit Committee, which has responsibility for dealing with risk matters. The Committee comprises of two non-executive directors. The Committee Chair is not the Chairman of the Company as recommended in the Corporate Governance guidelines.  A copy of the Committee's Charter is available on the Company's website at the following link: <a href="http://www.rimfire.com.au/irm/content/corporate-governance.aspx?RID=319">http://www.rimfire.com.au/irm/content/corporate-governance.aspx?RID=319</a>  The Members of the Committee are: <ul style="list-style-type: none"> <li>Ramona Enconniere (Chair) – Independent Director</li> <li>Ian McCubbing (Member) – Independent Director</li> </ul> The number of times the Committee met throughout the period and the individual attendances of the Members at those meetings is disclosed in the Director's Report contained in the Company's 2017 Directors and Financial Report.

<p><b>Recommendation 7.2</b></p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	<p>Yes</p> <p>Yes</p>	<p>The Company regularly undertake reviews of its risk management framework to establish an effective and efficient system for:</p> <p>(i) identifying, assessing, monitoring and managing risk; and</p> <p>(ii) disclosing any material change to the Company's risk profile.</p> <p>An assessment of the Company's risk management framework is undertaken and reviewed by the Committee, covering all aspects of the business from operational level through to strategic level risks. The Managing Director and Chief Executive Officer has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The Company at least annually undertakes a systematic review of its risks, controls and procedures to ensure they are effective and maintain contemporary practice. The Company has undertaken a review during the past year.</p> <p>The Company has always had a strong focus on risk in field activities, including workplace health and safety, business risk arising through equipment, community and environmental factors. The Company maintains a risk register and has built a safety and environmental culture into its operations, and monitors compliance with policy and legal requirements.</p>
<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>Yes</p> <p>Yes</p>	<p>Due to the current size of the Company, and taking into account cost/benefit considerations, the Board does not currently consider it necessary to have an internal audit function.</p> <p>The Audit Committee Charter requires the Committee to oversee the evaluation and continual improvement of the effectiveness of the Company's risk management and internal control processes. The Committee will achieve this objective by closely monitoring these areas and will require management to review and report on risk and internal control areas. The Committee will consider the use of external resources to assist as required.</p>
<p><b>Recommendation 7.4</b></p> <p>A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Yes</p>	<p>The Company has always had a strong focus on risk in field activities, including workplace health and safety, business risk arising through equipment, community and environmental factors. The Company maintains a risk register and has built a safety and environmental culture into its operations, and monitors compliance with policy and legal requirements.</p> <p>The Company meet environmental responsibilities as required by the holding of its exploration licences. The Company has a strong emphasis in supporting the local communities it operates in and active management and liaison with</p>

		<p>local landowners that the Company's tenements and exploration activity may affect.</p> <p>The Company details the associated risks in its Director's Report in the Company's 2017 Directors and Financial Report.</p>
PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>Principle 8: Remunerate fairly and responsibly</b>		
<p><b>Recommendation 8.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>N/A</p>	<p>The Company has established a Nomination and Remuneration Committee, which has responsibility in relation to the remuneration of directors and senior executives and review of policies applicable to the Company. The Committee comprises of three non-executive directors. The Committee Chair is not the Chairman of the Company as recommended in the Corporate Governance guidelines.</p> <p>A copy of the Committee's Charter is available on the Company's website at the following link:</p> <p><a href="http://www.rimfire.com.au/irm/content/corporate-governance.aspx?RID=319">http://www.rimfire.com.au/irm/content/corporate-governance.aspx?RID=319</a></p> <p>The Members of the Committee are:</p> <ul style="list-style-type: none"> <li>Graham Billingham (Chair) – Independent Director</li> <li>Ramona Enconiere (Member) – Independent Director</li> <li>Ian McCubbing (Member) – Independent Director</li> </ul> <p>The number of times the Committee met throughout the period and the individual attendances of the Members at those meetings is disclosed in the Director's Report contained in the Company's 2017 Directors and Financial Report.</p>
<p><b>Recommendation 8.2</b></p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	Yes	<p>Separate disclosure regarding the remuneration of the Company's directors (executive and non-executive) and senior executives is disclosed in the Company's Directors and Financial Report, as lodged with the ASX and issued to shareholders.</p>
<p><b>Recommendation 8.3</b></p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	N/A	<p>The Company does not have an equity based remuneration scheme in place.</p>