

22 May 2023

Cover Letter and statement under s249P of the Corporations Act

Rimfire Pacific Mining (**ASX: RIM**, “Rimfire” or “the Company”) attaches the following communications which have been dispatched to shareholders today:

- Cover Letter
- Statement under Section 249P of the Corporations Act

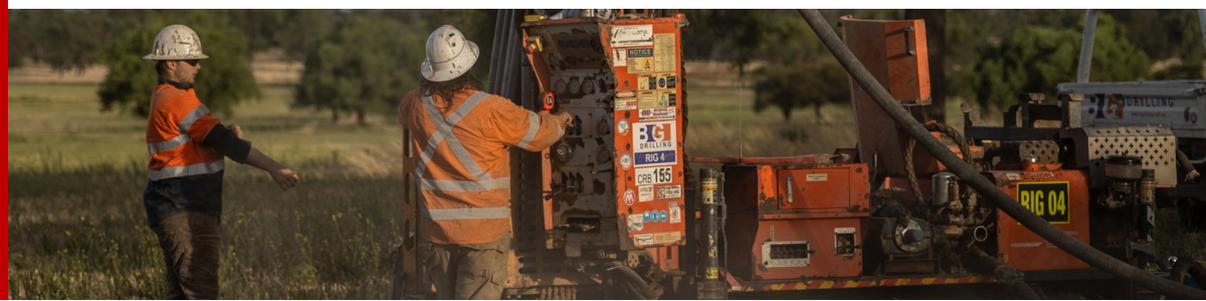
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This announcement is authorised for release to the market by the Chairman and Managing Director of Rimfire Pacific Mining Limited.

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RIMFIRE PACIFIC MINING LTD

ASX: RIM

“Critical Minerals Explorer”

MANAGEMENT

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MANAGING DIRECTOR / CEO

Dr Peter Crowhurst
EXPLORATION MANAGER

Michael Love
GEOLOGICAL CONSULTANT

Paul Wright
GEOLOGICAL CONSULTANT

Greg Keane
CHIEF FINANCIAL OFFICER
and ALTERNATE DIRECTOR
for Ian McCubbing

BOARD

Ian McCubbing
CHAIRMAN

Andrew Knox
NON-EXECUTIVE DIRECTOR

Misha Collins
NON-EXECUTIVE DIRECTOR

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18 May 2023

RIMFIRE'S CLARIFICATION ON ATTACHED STATEMENT BY MR ANTON BILLIS

Dear Rimfire Shareholder

The accompanying Statement by Mr Anton Bills has been made by him in support of the request by Mr Bills for a General Meeting of Shareholders on 15 June 2023.

By law Rimfire is required to mail Mr Bills' Statement to shareholders, the cost of which has been borne by Mr Bills.

Rimfire is under an obligation to ensure that shareholders receive complete and accurate information when considering resolutions at shareholder meetings. For this reason, Rimfire wishes to draw your attention to and clarify two key items (amongst a number of others) within the Statement that Rimfire are wrong and / or misleading.

1. Exploration Activities

The Bills Statement claims: *"It is incredibly disappointing that, over a 3.5 year period until 30 December 2022, Rimfire did not spend its own money on exploration. Instead whilst the Company spent what little funds it had on director's fees, all exploration efforts over this period were funded through two earn-in agreements with Golden Plains Resources Pty Ltd (GPR)."*

This is wrong.

During the 3.5-year period until 30 December 2022 (i.e., 1 July 2019 to 30 December 2022), Rimfire raised \$4M on its own accord, a substantial portion of which was spent on funding exploration programs across its 100% owned Valley, Green View (Broken Hill) and Cowal projects.

Additionally, Rimfire sole – funded exploration activities on both the Fifield and Avondale projects prior to the commencement of the GPR Earn-In agreements.

At the 100% owned **Valley Copper Project**, Rimfire carried out 3D magnetic modelling, Reverse Circulation (RC) drilling (2 holes / 296 metres), diamond drilling (2 holes / 613.3 metres), preparation and submission of a successful application for drill funding through the NSW Government Cooperative Drill Funding Initiative, and aircore drilling (41 holes / 1,130 metres).

Rimfire recently completed a RC and diamond drilling program (4 holes / 1,350 metres) which intersected visible copper sulphides in several holes; for which assay results are awaited.

(Refer to Rimfire ASX Announcements dated: 13 November 2020, 16 December 2020, 30 April 2021, 27 July 2021, 29 October 2021, 16 November 2021, 12 January 2022, 31 January 2022, 27 April 2022, 27 January 2023, 22 March 2023, and 17 April 2023).



At the 100% owned **Green View (Broken Hill) Cobalt Project**, Rimfire regained full control of the project from its former JV partner - Perilya Limited, in July 2022.

Since then, Rimfire has undertaken desktop studies and field reconnaissance resulting in the identification of three high-grade cobalt sulphide drill targets in October 2022.

Rimfire has recently executed a Land Access Agreement to facilitate exploration at the Bald Hill cobalt sulphide target with diamond drilling (up to 3 holes / 600 metres) planned for the current June 2023 Quarter.

(Refer to Rimfire ASX Announcements dated 9 September 2021, 27 April 2022, 13 July 2022, 3 November 2022, and 4 April 2023).

At the 100% owned **Cowal Copper Gold Project** Rimfire has undertaken Land Access negotiations and obtained regulatory approval from NSW Government to facilitate aircore drill testing of the Porters Mount South target, expanded the size of the project area and undertook geological mapping and desktop studies leading to the definition of a new priority copper target (LFB022) within the southern project area.

(Refer to Rimfire ASX Announcements dated 30 July 2021, 29 October 2021, 7 March 2022, 27 April 2022, and 7 December 2022).

At the **Fifield and Avondale Projects** in the period from 1 July 2019 until commencement of the GPR Earn-in agreements (May 2020 and June 2021 respectively), Rimfire carried out RC (2 holes / 165.5 metres) and aircore (47 holes / 1,825 metres) drilling and upgraded the of the Sorpresa Mineral Resource Estimate

(Refer to Rimfire ASX Announcements dated 10 October 2019, 6 November 2019, and 10 December 2019).

Following the establishment of the GPR Earn-In agreements, all exploration activities at Fifield and Avondale has been funded by GPR.

2. Anton Billis shareholding

The Billis Statement claims: *"We, the undersigned, together with our associates, hold approximately 11.53% of the Company's capital."*

This is misleading by omission.

The 11.53% shareholding assumes that one of Mr Billis' companies – Resource Capital Limited is the owner of GPR, which holds 90,000,000 (90M) Rimfire shares (or 4.55% of Rimfire's shares on issue).

Mr Billis' own Substantial Shareholding Notice of 1 March 2023 acknowledges that the ownership of this 4.55% holding is subject to a legal dispute.

The Directors of Rimfire other than Mr Misha Collins have approved this cover letter.

Mr Ian McCubbing

Chairman - Rimfire Pacific Mining Ltd

STATEMENT UNDER SECTION 249P OF CORPORATIONS ACT

Dear Rimfire shareholder

We, the undersigned, together with our associates, hold approximately 11.53% of the Company's capital.

We are concerned about the future of Rimfire under the stewardship of the current board.

If you assist us in changing the board, we will put an end to the current malaise and (subject to any required shareholder approvals) make substantial further investment in the Company. These funds will allow Rimfire to significantly ramp-up its exploration effort at the Company's highly prospective Lachlan Fold Belt exploration acreage.

A change to the board can be achieved through voting at the general meeting of shareholders to be held on 2 June 2023:

- **AGAINST** the removal of current director, **Misha Collins**

...and, at the subsequent general meeting of shareholders, to be held later in June 2023, voting:

- **FOR** the election of Messrs **Anton Billis, Oliver Douglas** and **Roland Berzins**
- **FOR** the removal of current directors, **Ian McCubbing, David Hutton** and **Andrew Knox**, and any newly appointed directors

If a majority of shareholders vote this way, the board of Rimfire will then comprise of Messrs Billis, Collins, Douglas and Berzins.

Mr Billis has personally visited Rimfire's exploration ground and believes it is highly prospective. It is incredibly disappointing that, over the 3.5 year period until 30 December 2022, Rimfire did not spend its own money on exploration. Instead, whilst the Company spent what little funds it had on administration, including directors' fees, all exploration efforts over this period were funded through two earn-in agreements with Golden Plains Resources Pty Ltd ("GPR").

GPR is a company which (we claim) is owned by Resource Capital Limited ("RCL"), an entity controlled by Mr Billis, as to 99%.

During fiscal years 2021 and 2022, Mr Billis' entities (including RCL) provided more than \$4 million to GPR, with more than \$3 million subsequently spent on the exploration of Rimfire's tenements pursuant to the two earn-in agreements.

However, in July 2022, RCL was forced to commence proceedings in the Supreme Court of Victoria seeking to confirm its majority ownership of GPR, and the fact that Messrs Douglas and Berzins are the proper directors of GPR.

Those proceedings are being contested by Mr Michael Giovinazzo, who continues to hold himself out as GPR's sole director, and with whom the current board of Rimfire continues to deal. These proceedings will likely be heard in late 2023.

With legal action afoot, we were left with no option but to cease funding GPR. Since that time, GPR (under the purported control of Mr Giovinazzo) has failed to meet several scheduled payments and is now in default in the amount of \$2.4 million, with Rimfire not knowing whether or not payment will ever be received.

Fortunately, in February 2023, Rimfire was able to complete a share placement in the modest amount of approximately \$1.2 million.

However, this occurred after the Company announced its cash position had declined to \$140,000 and that it had put in place cost deferral measures. It appears the capital raising may have occurred just in time.

It is fair to say that raising capital has been a significant issue for Rimfire under the current board. Given the board disputes and the GPR legal action, raising capital will likely become even more problematic moving forward.

In December 2022, Rimfire director Mr Collins reached out to us unprompted, as he too was concerned about the GPR matter and knew that GPR was funded by Mr Billis. We understand from Mr Collins that Mr McCubbing did not want Mr Collins to contact Mr Billis.

A shareholder has since sought Mr Collins' removal from the board at a meeting to be held on 2 June 2023.

On 20 April 2023, we lodged with Rimfire a notice requiring the Company to call a meeting of shareholders for the purposes of considering resolutions that current directors Messrs McCubbing, Hutton and Knox be removed from the board and that Messrs Billis, Douglas and Berzins be elected to the board.

The choice for shareholders is straightforward. Who is better placed to take Rimfire forward: Mr Billis and his colleagues, or the incumbent directors who we believe have failed to deliver?

It is not our intention to seek to denigrate Messrs McCubbing, Hutton and Knox. We are sure they are fine folk.

However, they do not seem to have had much success in raising capital for Rimfire in any reasonable quantum, which may have slowed the Company's progress. Further, we think that ignoring our approaches in relation to the GPR situation and failing to work with us on potential solutions represents very poor business judgment on their part.

On the other hand, our nominees, Messrs Billis, Douglas and Berzins, are excellent candidates. Their details are set out in the Notice of Meeting. Our proposed board has all the experience and expertise to transform Rimfire into a vibrant company in control of its own destiny, and able to reach its highest potential to the benefit of all shareholders.

As stated, if our proposed board is elected, subject to any required shareholder approvals we intend to make further substantial financial investment in Rimfire in a quantum and on terms we believe would be substantially more attractive than anything the Company could otherwise achieve.

Such funds would enable Rimfire to commit to aggressive exploration programs in its own right.

With your support, we have no doubt the future for Rimfire is exciting.

To reiterate, the changes that we are proposing can only occur if, at the upcoming general meetings, the majority of shareholders vote as we have set out above.

We very much hope we can count on your support.

Yours sincerely



**ANTHONY BILLIS, DIRECTOR
FOR AND ON BEHALF OF EACH OF ADRIATIC PROSPECT P/L, LAKE GRACE EXPLORATION P/L,
NORTHWEST CAPITAL P/L AND RESOURCE CAPITAL LTD**

(CONCERNED SOLUTION-DRIVEN RIMFIRE SHAREHOLDERS)

Please refer to www.makerimfiregreat.com for updates.