

rimfire



rimfire pacific mining nl
a.c.n. 006 911 744

Exchange Tower
Suite 411
530 Little Collins Street
Melbourne Victoria
Australia. 3000

Telephone 61 3 9620 5866
Facsimile 61 3 9620 5822
e-mail: rimfire@rimfire.com.au
website: www.rimfire.com.au

20th May 2010

Dear Shareholder

Re: Fully Underwritten 2 for 5 Renounceable Rights Issue

On the 19th May 2010 Rimfire Pacific Mining NL (“Rimfire”) was pleased to announce a fully underwritten renounceable rights issue (Rights Issue) to raise approximately **\$1.622 million before costs** from the issue of 124,790,443 New Ordinary Shares (New Shares).

The Rights Issue is **fully underwritten by Patersons Securities Limited** and offers **two (2) new shares for every five (5) shares held at an application price of 1.3 cents per share, with one free attached option for every new share**. The offer is open only to all eligible shareholders who have a resident Australian or New Zealand address, and who hold Rimfire shares at 1st June 2010 (the “Record Date”).

The funds raised will provide additional working capital and enable Rimfire to continue with its existing exploration projects primarily at Fifield NSW, but also at Bingara NSW, building upon the important milestones already established in these areas. Large scale excavation at Fifield is a key activity to be undertaken in the next phase of Platinum and Gold exploration.

Key Highlights of the Offer include:

- The issue is a **renounceable rights issue** therefore shareholders not wishing to take up their entitlement in whole or in part **will be able to sell their rights on the market**.
- The shares are being **offered at 1.3 cents which represents a 35% discount** to the volume weighted average price for Rimfire shares traded in the 6 months period up to 4th May 2010.
- **For each New Share, there will be attached a free option**, expiry on 31st August 2011, with an exercise price of 4 cents.
- The issue aims to **raise \$1.622 million** before costs.
- The issue is being **fully underwritten by Patersons Securities Limited**.
- **Shareholders may apply for additional new shares, above their entitlement**, according to the conditions of the offer.

Offer Document and Entitlement & Acceptance Form

An offer document setting out details of the offer and key reasons for the capital raising will be despatched to you on the **4th June 2010**. This will be accompanied by a personalised application form and instructions on how to accept your entitlement.

Exploration Focus by the Company

During the next phase of exploration, the major priorities for the Company at Fifield will involve:

- Continued pursuit of a potential commercial outcome for **tier one Platinum targets at the “Platina-Gillenbine” and “Ebenezer” project areas** (6km² area Platinum anomaly), working on the Company freehold and adjacent locations within the Company’s key tenements, EL5534 and EL6241.

- This will involve completion of work in the Pit One bulk sampling area on the company freehold and additional sample sites targeting the Platinum within the bedrock.
- The delineation through **large scale bulk testing of tier two Platinum targets** within the historic Platina Lead and extensive gravel systems on the Company freehold and adjacent areas.
- Advancing the understanding and definition of **gold mineralisation systems** at “Sorpresa”, “Eclipse North”, “Fifield Hard Rock”, “Ladera” and “Golden Green” areas. There is company recognition that the Au potential could be larger than previously thought.

The Company work programs, including trial mining, bulk sampling, drilling and surface geochemistry are either planned or already in progress. These activities are based out of the Company plant facility on its own freehold (210 hectares) at Fifield.

Important Dates for the Rights Issue

You will need to be aware of the following key dates relating to the offer.

Lodgement date of the Prospectus with ASIC and ASX Lodgement of Form 3B with ASX	20 May 2010
Notice of Issue sent to eligible shareholders	21 May 2010
Shares trade "ex-rights" and Rights trading commences on the Australian Securities Exchange	26 May 2010
Record Date to determine Entitlements under the Rights Issue	1 June 2010
Prospectus and Entitlement and Acceptance Form despatched	4 June 2010
Last day of Rights trading	11 June 2010
Closing Date for acceptances	21 June 2010
Allotment and issue of New Shares and New Options	25 June 2010
Despatch of shareholding statements for New Shares and New Options	29 June 2010

[Please note the above dates are indicative only. The Company reserves the right to vary the closing date of the Rights Issue, which may have a consequential effect on the subsequent dates. The directors also reserve the right not to proceed with the offer, in part or in whole, at any time prior to allotment. In that event, all Application Money will be returned without interest.]

The project areas have each advanced substantially with results having been achieved in a very cost effective manner.

The Company is now well positioned to undertake its exploration programs over the next two years with the additional funds to be raised in the New Rights Issue.

Yours faithfully



JOHN KAMINSKY
Executive Chairman
Rimfire Pacific Mining NL