RIMFIRE PACIFIC MINING NL

ANNUAL REPORT 2019

rimfire

Contents

Corporate Governance Statement

The Company's 2019 Corporate Governance Statement has been released to ASX on 30 September 2019 and is available on the Company's website www.rimfire.com.au.

Dear Fellow Shareholders,

The past year has been one of transition for the Company during extremely difficult market conditions for junior explorers which saw a significant decline in our share price. However, the good work of our management team and consultants and the recent gold and copper / gold exploration discoveries by Alkane Resources and Emmerson Resources give me optimism for our current exploration programs and 2020.

Earlier this year John Kaminsky, retired from his role as Managing Director and Chief Executive Officer (CEO) the company. Over the last 13 years, John was the driving force behind many of Rimfire's achievements, including the greenfields discovery of Sorpresa at Fifield in 2010 and the subsequent JORC resource in 2014. Ramona Encconiere also retired from her role as Non-Executive Director on the Board of Rimfire. Ramona made a tremendous contribution in providing astute financial market insights and development of successful relationships with a broad range of investors. Ramona continues to provide wise counsel to the company. On behalf of the Rimfire team I wish John and Ramona every success going forward.

Craig Riley was promoted to Managing Director and CEO following John's departure and his enthusiasm and extensive technical industry expertise has revitalised the Company. Craig is executing the dual strategy of discovery for a major copper / gold or gold mineralised system such as Northparkes (Cu/Au) or Cowal (Au) in the Northern and Southern Areas in conjunction with ongoing work to monetise the Sorpresa discovery. With our CFO, Greg Keane, Craig has delivered a substantial cost reduction program and a successful capital raising.

Currently underway, the discovery work on the regional areas of the Fifield exploration licences (Northern and Southern Areas) is utilising aircore drilling to obtain geological samples of the bedrock. At the Northern Gold prospect which is 2km north of Sorpresa, an RC drilling program is being undertaken to test the bedrock beneath a 400m long x 80m wide zone of historical mine pits. The results of the Northern Gold program could have a significant impact on options for the monetisation of Sorpresa.

Active pursuit of appropriate partners to build further on the success of the Fifield project continues, which if successful will enable acceleration of the opportunities that exist for the company. Whilst this remains a focus, two capital raisings were conducted during the year, with the latest capital raising giving the opportunity for existing and new shareholders to take advantage of attractive pricing and the JMEI tax credits that the Company secured during the year.

Finally, I would like to thank my fellow Board members, management, staff and contractors for their hard work and professionalism over the last year. I would also like to thank my fellow shareholders and new shareholders for their continued support of the Company.

Ian McCubbing
Chairman of the Board
Dated: 30th September 2019

FIFIELD PROJECT AREA OPERATIONS

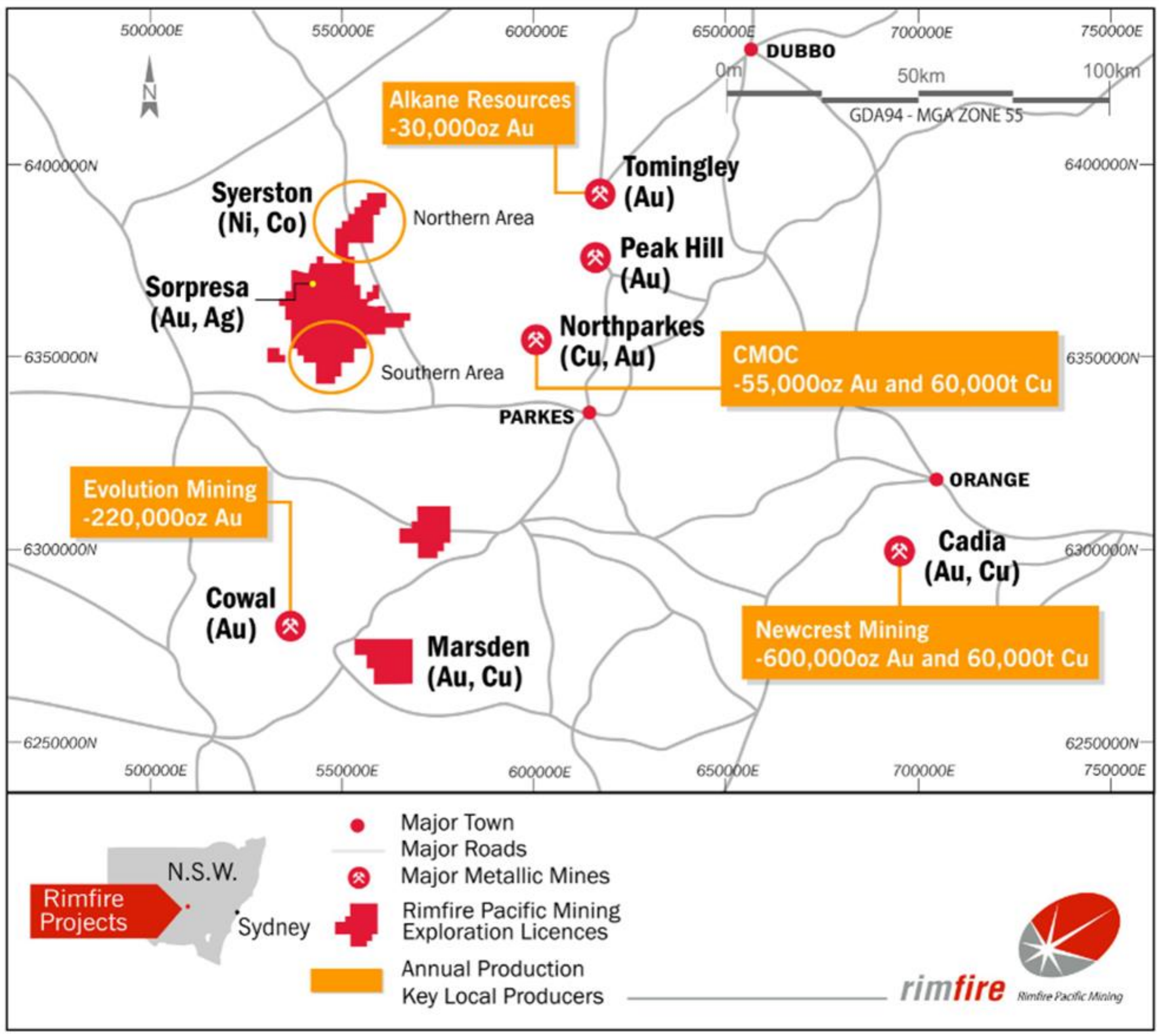
Rimfire Pacific Mining is currently focused on discovery of Gold (Au) and Copper (Cu) within its Fifield Project Area located at Fifield, one hour drive west by bitumen road from Parkes in central NSW. The company holds 915km^2 of exploration licences covering highly prospective ground in the same area as the Northparkes (CMOC), Cowal (Evolution Mining) and Cadia Valley (Newcrest Mining) operations that produce collectively over 1 million oz of gold and 100,000 tonnes annually of copper from porphyry style copper / gold or gold only mineralising systems.

Rimfire is pursuing a dual strategy of a significant discovery within its Fifield area exploration licences and the evaluation of Sorpresa with the goal of delivering a project that can generate a positive cashflow return.

The focus of regional exploration is towards a discovery in interpreted Ordovician Volcanic rocks that are under shallow cover with the potential to host large scale intrusion related mineral deposits such as Cowal (Au) and Northparkes (Cu / Au) deposits that are within 100km of Fifield.

At Sorpresa, the focus is on assessing if, within the existing JORC Resource (2014), there is a viable option for a higher grade, lower tonnage project that would generate a positive cashflow return.

The aspiration for the company within the Fifield area is to achieve an aggregate discovery outcome greater than 4 million ounces of gold equivalent metal that can support an economically viable mine life in excess of 10 years.



Health, Safety, Environment and Community

Health

There were no health related incidents during the past year (1 July 2018 to 30 June 2019). As part of routine health and hygiene management at Fifield project site the non-potable water tanks underwent routine emptying and cleaning. All effluent at site is collected in a tank that is routinely emptied with a vacuum truck for appropriate disposal at local council sewage facilities.

Safety

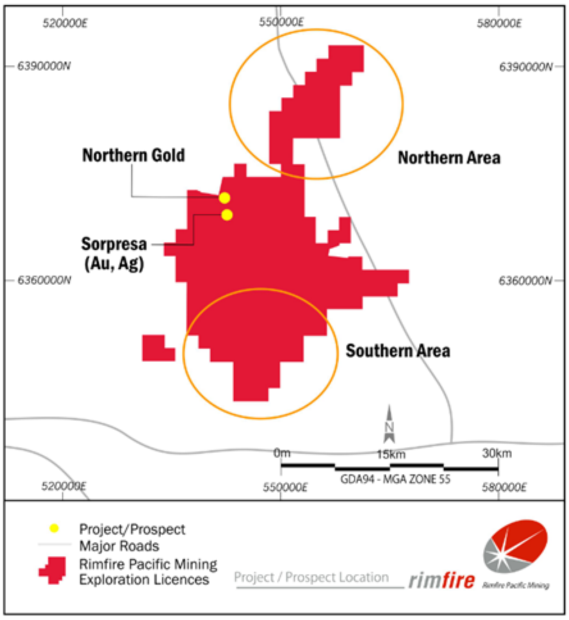
There were no safety related incidents during the past year (1 July 2018 to 30 June 2019). Significant periodic fire prevention work is undertaken at site within constraints of NSW Government Department of Environment requirements to manage potential fire risk during the ongoing drought conditions. There has also been removal of various items of contractor or company mobile and fixed equipment to further mitigate risks of damage or impacting fire control efforts during a bushfire event.

Environment

There were no environmental related incidents during the past year (1 July 2018 to 30 June 2019). There is an internal review of historical drill holes that is undertaken as part of the routine annual Activity Reporting for the Exploration Licences, when necessary completion of minor additional rehabilitation work when we observe any minor subsidence due to settling of soils. A site inspection was undertaken by a representative of the Environmental Resources Regulator for the NSW Department of Planning and Environment on 16 May 2019. There were no adverse observations.

Community

There were no community related incidents during the past year (1 July 2018 to 30 June 2019). Rimfire sponsored the speed shearing event at the local 2019 Tullamore Annual Show was held on the 11 and 12 August 2019. Murray Spratt, Rimfire Site Operations Manager attended the show and assisted with the speed shearing competition.



Review of Discovery Activity

The broader Fifield area is prospective for further discoveries including large scale porphyry style gold or copper/gold systems in the interpreted Ordovician Volcanic geology. This age of rocks (Ordovician) is host to the Cowal gold (Evolution Mining) Northparkes copper / gold (China Molybdenum Co - CMOC) and Cadia Valley Operations (Newcrest Mining) mines that all occur within the Macquarie Arc.

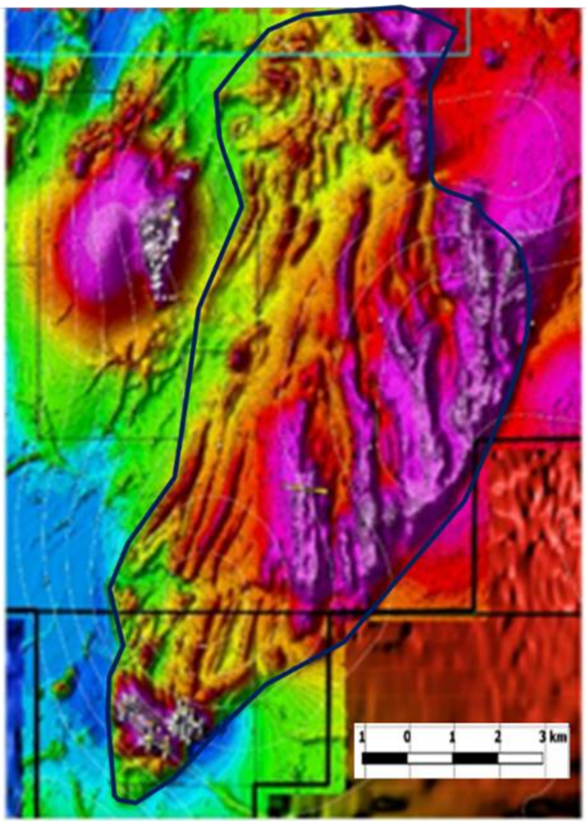
The Rimfire Fifield Project currently consists of 3 primary work areas referred to as Southern Area, Northern Area and Northern Gold which is part of the broader Sorpresa area of gold mineralisation.

The Southern Area and Northern Area are thought to contain Ordovician Volcanics and the Sorpresa Basin Area has gold mineralisation that is considered part of broader Intrusion Related Gold System (IRGS).

Southern Area Ordovician Block
(Blue line = boundary Ordovician Block)

The Southern Area

Reconnaissance geologic mapping of the Southern Area (110km^2), in conjunction with geophysical interpretation and a review of historic data, indicates a 9km wide by 15km long complex of interpreted Ordovician Volcanics. Previously the area was interpreted as Silurian – Devonian in age with limited exploration potential. The reinterpretation is significant, as it indicates the area may be highly prospective for Northparkes, Cadia and or Cowal style deposits (all major +20 year mine life operations). Historically, there has been limited exploration work with a focus on porphyry style mineralisation in this Southern area as the rocks were misinterpreted as the wrong age. The reassessment by Rimfire geologists and interpretation of this area as an Ordovician volcanic package has fundamentally and positively changed the prospectively of this area. This interpretation is now increasingly accepted amongst the broader geological community with technical knowledge in this region of NSW.



Southern Area Ordovician Block
(Blue line = boundary Ordovician Block)

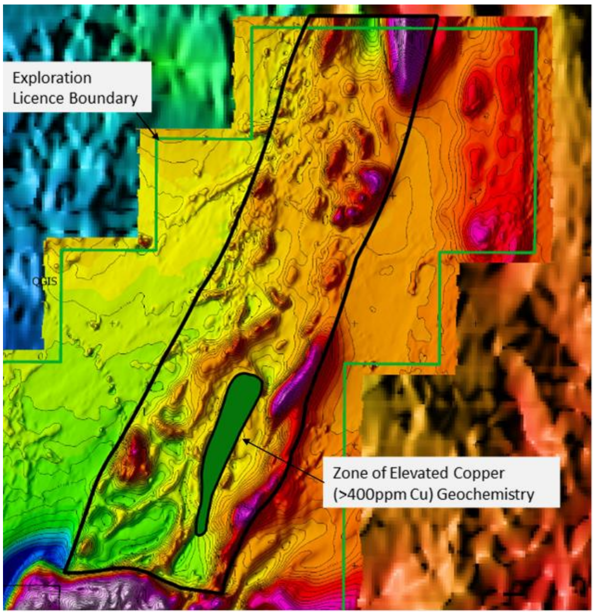
The Volcanic Complex can be subdivided into two zones, an eastern proximal, high K calc-alkaline zone and a transitional volcano-sedimentary zone to the west. The region is blanketed by a veneer (0 to 40m) of gravel and silty sand.

The Eastern proximal, high K calc-alkaline zone is strongly magnetic. Outcrop is extremely poor, confined to spoil from a single dam and a small area of float. Apart from a 1 km long RAB traverse drilled by Lachlan Resources at Byong in the south, only two holes drilled by other explorers were successfully completed, intersecting biotite-cordierite-hornfels and basaltic-andesite lapilli tuff. All other holes were terminated prematurely, either failing to penetrate the veneer of sands and gravels or intersecting badly contaminated saprolite. The hornfelsing indicates the presence of intrusive rocks in the area.

The western transitional volcano-sedimentary zone comprises primarily fine and medium grained andesitic volcaniclastic sediments (linear magnetic lows), with subordinate proximal lapilli tuff (linear magnetic highs). Although outcrop is sparse, there are five areas or variable often abundant float in the south. The volcaniclastic siltstone is commonly hornfelsed. A 1km wide area of intensely argillised rock, sometimes exhibiting a relict fragmental texture, occurs immediately east of an interpreted intrusive and circular dome. The argillisation may be the pallid zone of a deeply weathered regolith, or it may be hydrothermal origin.

The Northern Area

A review of Northern Area is in progress with analysis of historical geological and geophysical datasets also indicating this is a block of older Ordovician rocks that were previously interpreted as younger Silurian – Devonian in age. The area is 4km wide by 10km long approximately 40km^2.



Northern Area Ordovician Block
(Black line = boundary Ordovician Block)

Reconnaissance mapping is 30% complete and ongoing. The work to date has identified brick red quartz monzonite porphyries that are similar to Northparkes (CMOC) and coarser grained varieties that have similarities to Cadia Valley (Newcrest Mining). The relationships are not conclusive and ongoing mapping and synthesis of analytical results from future drilling will provide a better understanding of rock ages and relationships.

Historical aircore drilling data indicates a greater than 400 ppm copper anomaly which extends for over 3km in length and almost 1km in width. Within this zone are four locations with greater than 1000pmm (0.1%) copper.

Sorpresa Monetisation

The company discovered the Sorpresa deposit in 2011 and reported a resource estimate in 2014 in compliance with the 2012 JORC Code & Guidelines of 125koz Au and 7.9Moz Ag. The 2011 Sorpresa gold and silver discovery confirmed that Rimfire had intersected a new zone of mineralisation in the Fifield district.

Rimfire has completed a re-interpretation of the Sorpresa Resource mineralisation to assess if potential exists for a higher grade, lower tonnage mining operation. It was essential to incorporate in the re-evaluation of the Sorpresa mineralisation 11,196m of additional drilling from 232 drill holes at Sorpresa between 2015 and 2017. The reinterpretation of Sorpresa was undertaken, utilising all relevant available drill data and new geological perspectives generated from ongoing work in the Fifield area. The interpretation was submitted to H&S Consultants Pty Ltd (H&SC), who did the original Sorpresa resource estimate in 2014, to generate an independent updated resource estimate for internal planning for the Sorpresa monetization strategy. The preliminary updated resource model was used by Australian Mine Design & Development (AMDAD) for initial pit optimisation analysis.

2014		2015 - 2017		Total	
Holes	Drill metres	Holes	Drill metres	Holes	Drill metres
345	31,474	232	11,196	577	42,670

The company has recently appointed H&S Consultants to complete a JORC (2012) compliant resource report that will allow results of resource modelling to be reported to shareholders and other interested parties in compliance with ASX reporting of ore reserves and mineral resources requirements.

While this work has been in progress there has been ongoing field assessment of prospects in close proximity to Sorpresa to identify further gold mineralisation that would support the monetisation options. Discovery of additional economic gold mineralisation at peripheral prospects such as Northern Gold would generate a more robust economic outcome.

Sorpresa Area Exploration Potential and Intrusion Related Gold System Model

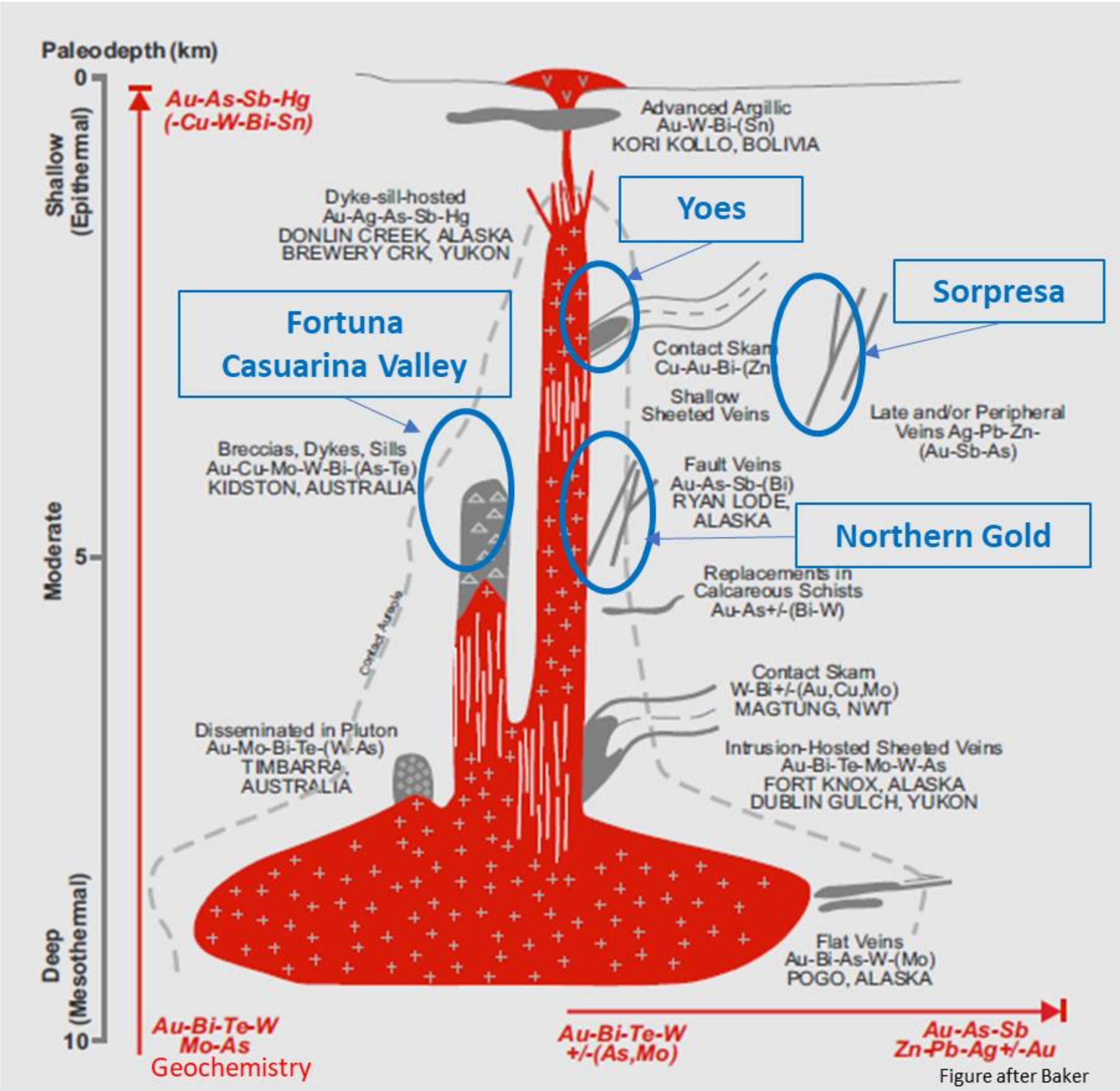
Analysis of the known geology, mineralisation and geological relationships in the Sorpresa Basin and surrounding area supports gold mineralisation as part of an Intrusion Related Gold System (IRGS). Knowing the genetic model ensures future exploration is efficient and effective by focusing on field work with the best opportunity to significantly impact results and deliver success. Recognising mineralisation occurrences in the Sorpresa area are part of an IRGS provides Rimfire the opportunity for re-evaluation of the Company's extensive dataset and stored samples to develop exploration strategies for the significant gold deposits often associated with these systems. This recognition is a significant step forward in unlocking the potential indicated by positive gold assay results from exploration activities in the Sorpresa Basin and surrounding areas that include Northern Gold, Transit (previous drilling already identified 20m @ 1.1g/t Au), Casuarina Valley, Fortuna, Wiggies and Rabbers Lookout as part of a broader system. This could have significant, and rapid, implications for exploration success within 5km of Sorpresa.

Previously, Sorpresa and some of the surrounding mineralisation had been described as Low Sulphidation Epithermal and considered as part of a porphyry Cu / Au system. With both the broad geochemistry and mineralisation morphology associated with Sorpresa and the Casuarina Valley / Fortuna Prospect best fitting the IRGS model the reinterpretation of past positive results from these and other surrounding prospects in context of an IRGS model creates new opportunities for gold discoveries with further exploration. Rimfire now has the opportunity to rapidly leverage its extensive surface and drill hole dataset, and samples in storage, to re-evaluate past results in the context of the IRGS model. The Sorpresa discovery and surrounding prospects are located within the Lachlan Transverse Zone and in relatively close proximity to the porphyry copper Cu / Au deposits of Northparkes which is one of the reasons this style of mineralisation has been a focus of Rimfire in this area. To date, significant gold mineralisation has been identified around the Sorpresa area but a clear link to a porphyry Cu-Au system has been difficult to establish in this area of the project. The IRGS model allows for a clear (but different) set of geochemical path finders to be applied, along with typical geophysical and geological features, that can vector exploration to what can be significant gold deposits of varied style.

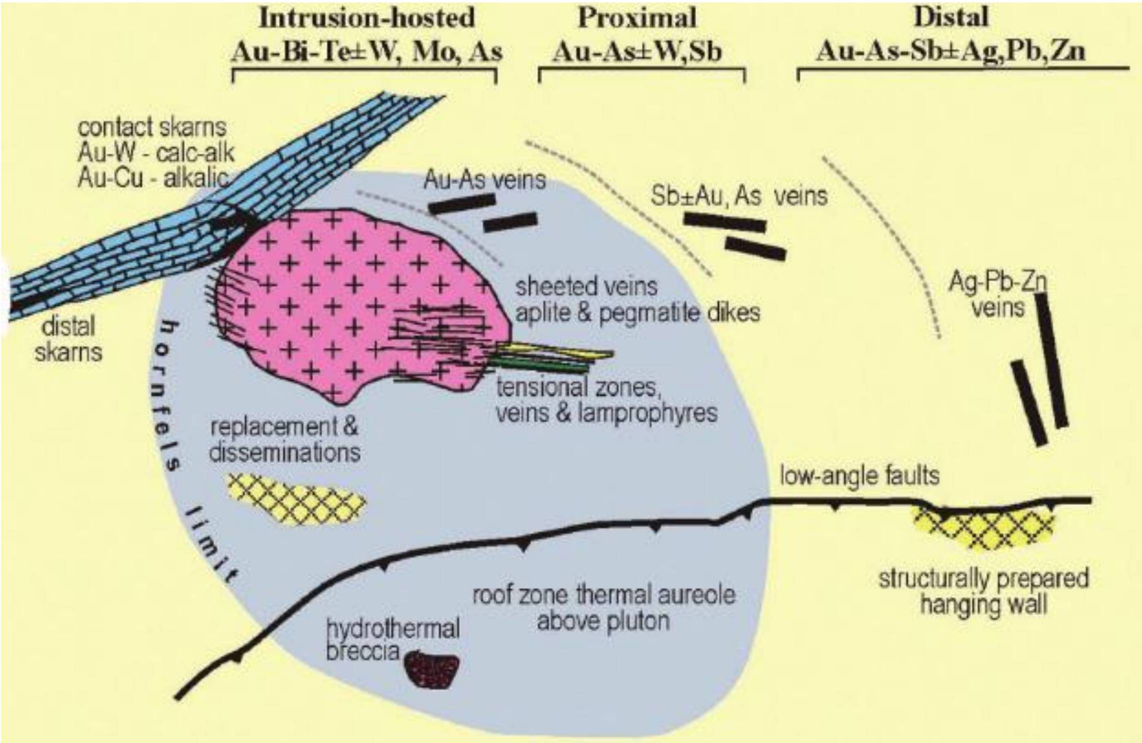
Some significant features of IRGS Deposit types include:

- Gold grades of >1-2 g/t in disseminated systems and higher in vein systems.
- Gold deposit size ranges from small, +100k oz; to large +1 Moz; to mega +10 Moz

Genetic Model and Conceptual Position of Some Rimfire Prospects



Schematic Intrusion Related Gold System (IRGS) model showing lateral and vertical zonation in mineralisation styles, and interpreted position of Sorpresa Prospects. (Modified from Lang et al, 2000)

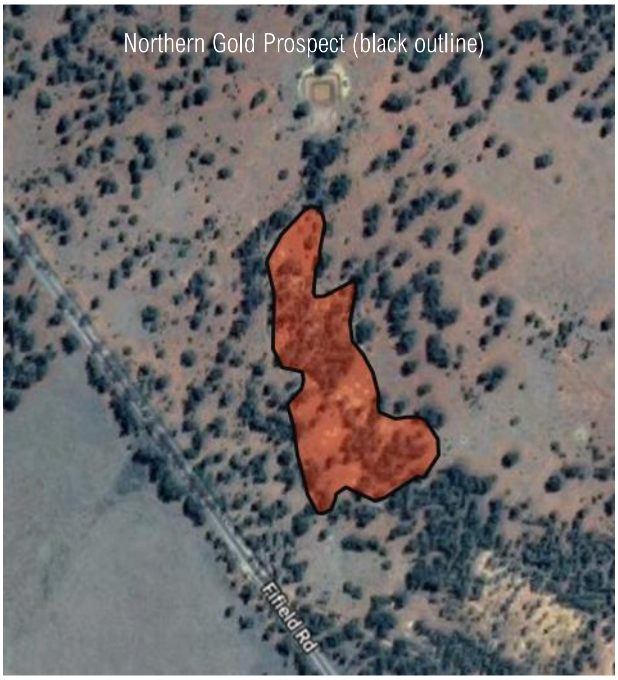


General plan model of IRGS illustrating various mineralisation styles, locations and outward metal zoning.
(Modified from Hart et al., 2002)

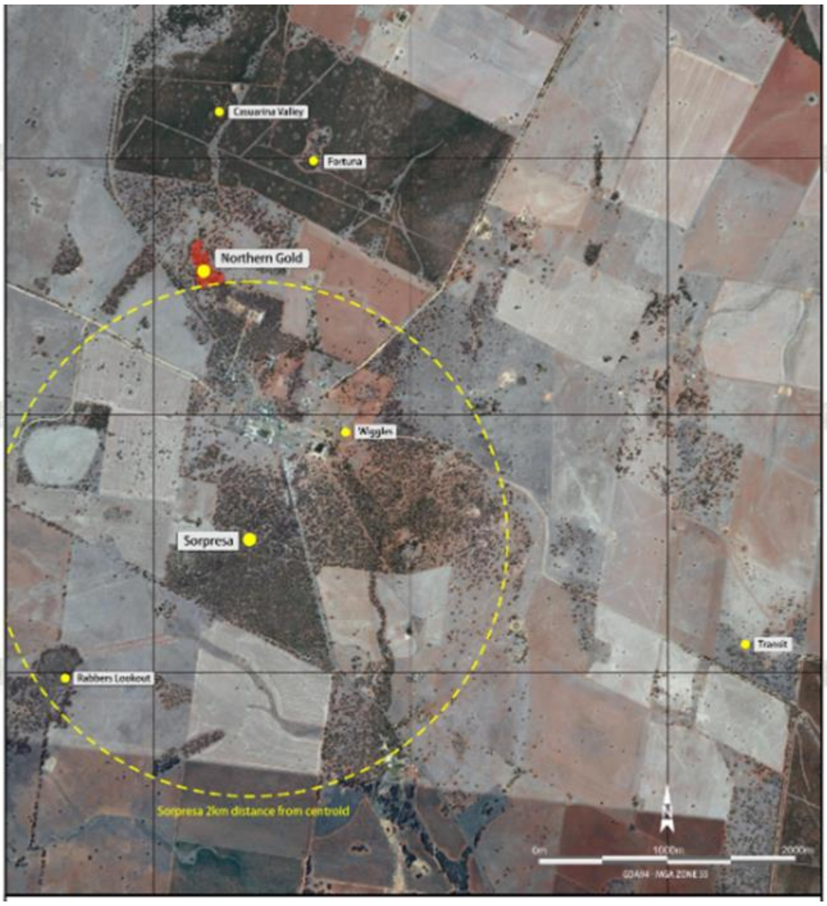
The current planned work in the Southern and Northern Project Areas where Rimfire interprets the presence of early Ordovician Volcanics, known elsewhere (Northparkes Cu/Au, Cadia Cu/Au and Cowal Au deposits) to host significant porphyry system deposits, remains a primary focus. Exploration in these areas is at an early stage and both Cu-Au porphyry and Intrusion Related Gold System mineralisation models will influence the exploration strategy and assessment of future exploration results.

Northern Gold

The Northern Gold Prospect is 2km north of the Sorpresa discovery, where there is an extensive area of relatively shallow (<6m) historic gold workings covering +350m strike length x 80m width, in what is interpreted as a gravel filled poorly formed valley. Historic workings across the area are thought to have been targeting coarse gold accumulations within the highly weathered bedrock at the base of the infilling gravels. An initial auger drilling program was completed to test both the valley fill and underlying insitu geology. The work confirms the source of gold is from bedrock rather than infilling channel gravels and weathered bedrock samples indicate that the host rocks are not black silica lithology as at Sorpresa. More work is required to understand controls of what is thought to be a related but different mineralisation setting to the nearby Sorpresa Deposit. Assay results indicate anomalous gold (+20ppb) within the weathered bedrock below the gravels. The degree of weathering is high, creating the potential for gold depletion near surface. A program of RC drilling will test this concept and the bedrock potential. There has been no known drill testing of bedrock below the zone of historical hand mining pits.



Locality Map of Northern Gold Prospect and surrounding IRGS style targets



Perilya Joint Venture

A passive 10% interest is held by the Company (Perilya 90%) in Exploration Licence EL5958 in the Broken Hill area with Perilya responsible for meeting all annual expenditure commitments and other compliance requirements. The ground is contiguous and along strike from Cobalt Blue's (ASX "COB") Thackaringa Project and has potential for base metal and cobalt mineralisation.

Key Priorities Ahead

The company over the past 12 months has undertaken a significant amount of exploration work to support work towards discovery of a significant size > 1Moz gold +/- 1Mt copper mineralised system. The key priorities ahead are completing exploration work programs for both Cu-Au porphyry and Intrusion Related Gold System (IRGS) mineralisation models to deliver the Company's goal to discover, define and develop mineable resources.

The immediate main areas of focus include:

- ✓ Northern Area work is to obtain general information on bedrock lithologies and geochemistry with a large km scale anomalous footprint that is a key feature of large scale mineralised systems
- ✓ Southern Area work is to obtain general information on bedrock lithologies and geochemistry with a large km scale anomalous footprint that is a key feature of large scale mineralised systems
- ✓ Sorpresa Area
    - Northern Gold work is to complete a drill program to evaluate potential for gold mineralisation in a significant zone of historical mine workings where there has been no historical drilling
    - Analysis of data across the broader area around Sorpresa in context of an intrusion related gold system model to define targets for further assessment
    - Completion of a Sorpresa Resource Update that meets JORC (2012) code and use of this model to run a conceptual pit optimisation process to identify if cash flow positive opportunities exist for a high grade gold low tonnage project.

Rimfire remains of the view that a "company making" opportunity has the potential to emerge within its exploration licences.

DIRECTORS' REPORT

Your Directors present the following report on the Company and its controlled entity for the financial year ended 30 June 2019.

Directors

The names of Directors in office during the whole or part of the financial year and up to the date of this report:

- Ian McCubbing (Chairman)
- Craig Riley (Managing Director and Chief Executive Officer, appointed CEO from 31 January 2019, appointed Managing Director from 31 March 2019)
- John Kaminsky (Managing Director and Chief Executive Officer, retired 31 January 2019, retired as Director 31 March 2019)
- Ramona Enconniere (Non-Executive Director, retired 31 January 2019)
- Andrew Greville (Non-Executive Director)

Principal Activities

The principal activities of the Consolidated entity during the financial year were the exploration and evaluation of mineral deposits.

Review of Operations

The Company's focus remains at Fifield NSW with prospects and targets in Gold and Copper. The ground holding in Central NSW was increased to 915km^2 with the addition of two new exploration licences in the Greater Lake Cowal area during the year.

The exploration efforts are situated within the well-established, highly credentialed and mineralised Macquarie Arc and a regional structural corridor referred to as the Lachlan Transverse Zone (LTZ). This corridor includes the Northparkes copper-gold mine and the Cadia Valley Operations gold-copper mines amongst others and represents an excellent discovery setting for the Company.

Operational Activities

The Company continues to enact a process of review, rating and prioritisation of its key prospect opportunities to progress and grow the pipeline for new discoveries.

The Fifield area has good access to infrastructure and skills suitable for any potential mining scenario and this adds further validity to the pursuit of mineralisation in the district.

Full details of the progression of discovery activity undertaken during the period is contained in the Review of Discovery Activity section within this Annual Report.

Work Program Approach for Financial Year 2020

Rimfire's priorities for the Financial Year 2020 will be to continue with its dual strategy of exploration for a major copper / gold or gold mineralised system such as Northparkes (Cu/Au) or Cowal (Au) in the Northern and Southern Areas in conjunction with ongoing work to monetise the Sorpresa discovery.

The Company will continue to pursue options to secure a Joint Venture partner or partnership to accelerate progress.

Junior Resource Sector Outlook and Financial Position

The global outlook for the resources sector continues to be mixed with strong demand and interest in the top tier mining companies with variable and predominately weaker interest in the junior resource sector during the period. For the junior resource sector (exploration), there is still low levels of investor liquidity and investor participation. The resurgence of the gold price and fundamentals due to the world economic fears on the back of international trade policies is yet to flow through to an increased interest in junior greenfields exploration companies with strong exposure to the gold sector. Importantly, the industry is starting to recognise that as major gold producer reserves and resources decline, there is a need to increase expenditure to achieve discoveries of new replacement gold resources. This should see exploration spend increase by the majors and support a more buoyant outlook for the junior gold exploration companies.

The Company's cash at bank at 30 June 2019 was $0.1m. This cash balance has subsequently been increased due to the Rights Issue launched 26 June 2019, with $0.8m being raised before costs (including placement of shortfall).

The Company continues to actively manage costs with Non-Executive Directors continuing to have Director fee payments deferred after implementation of cash preservation measures from January 2019.

During the period, Rimfire was notified by the ATO that its application for a Junior Minerals Exploration Initiative (JMEI) credit allocation was successful and the ATO granted an allocation of $550,000 in JMEI credits for the 2019/20 income tax year. The JMEI credits will only be available to ordinary shares issued between 01 July 2019 and 30 June 2020, which includes shares issued under the Rights Issue announced 26 June 2019. A participating shareholder's final JMEI credit entitlement amount will be determined after lodgement of the Company's 2019/20 tax return.

The JMEI scheme has been put in place by the Federal Government to encourage investment in small minerals exploration companies that carry out greenfields mineral exploration in Australia. The JMEI scheme provides credits that allows greenfields mineral eploration companies to generate a tax incentive by allowing companies to give up a portion of their tax losses from eligible greenfields mineral exploration expenditure for distribution to investors. The JMEI credits are only available for Australian resident shareholders and generally, these shareholders will be entitled to a refundable tax offset (for individual shareholders or superannuation funds) or franking credits (for companies).

Capital Structure

As at 30 June 2019 the capital structure of the Company was;

- 1,069,618,073 Ordinary Shares on Issue (RIM)
- 131,140,518 Listed Options, 2.2 cent, expire 1 May 2020 (RIMOB)
- 74,000,000 Unlisted Options, various prices and vesting dates

Commodity Pricing for the Period

During the 2019 Financial Year, the Gold price continued to appreciate with an increase of 11%, finishing at USD1,391 per ounce. Currently, the gold price is trading at AUD2,213 per ounce (using an exchange rate AUD:USD of 0.68 and Gold Price as at 26 September 2019), which is close to record highs. Gold and Silver Prices from www.kitco.com in New York in USD and Copper Prices from www.LME.com in USD.

Commodity	Price USD 29/06/2018	Price USD 30/06/2019	FY19 USD change	Price AUD 29/06/2018*	Price AUD 30/06/2019*	FY19 AUD change
Gold (oz)	1,252.40	1,391.20	11.08%	1,692.43	1,987.43	17.43%
Silver (oz)	16.06	15.18	(5.48%)	21.74	21.69	(0.08%)
Copper (t)	6,645	5,998	(9.74%)	8,980	8,554	(4.74%)

* Using and exchange rate AUD:USD of 0.74 for 29/06/2018 and 0.70 for 30/06/2019

Operating Results

The loss of the Consolidated entity amounted to $875,505 in the period (2018: $1,047,835).

Dividends

No dividends were paid during the financial year, nor are any recommended at 30 June 2019 (30 June 2018: Nil).

After Balance Date Events

Successful Rights issue completed post FY2019 raising $0.8m (before costs), which has enabled the Company to continue its exploration programs as planned and as detailed in the company prospectus dated 26 June 2019.

No other matters or circumstances which have arisen since the end of the financial year have significantly affected or may significantly affect the operations of the Consolidated entity, the results of those operations, or the state of affairs of the Consolidated entity in future financial years.

Licence and Environmental Compliance

The Consolidated entity aims to ensure that the highest standard of environmental care is achieved. The Board maintains the responsibility to ensure that the Consolidated entity's environment policies are adhered to and to ensure that the Consolidated entity is aware of, and is in compliance with, all relevant environmental legislation.

During the 2019 financial year, the Fifield site had an environmental site inspection during the period and there were no compliance issues or environmental breaches during the year.

Information on Directors

Ian McCubbing Non-Executive Chairman *Bachelor of Commerce (Hons) (UWA), MBA(AGSM), CA, GAICD*	
Experience and Expertise	Appointed Director and Chairman of the Board in July 2016 and possesses a strong commercial background in the resources industry. He has over 30 years' experience as a Chartered Accountant with industrial and mining companies, principally in the areas of corporate finance and mergers and acquisition. He holds a Bachelor of Commerce (Honours) from UWA, Executive MBA from the AGSM, and is a graduate member of the Australian Institute of Company Directors. Mr McCubbing is currently a Non-Executive Director of two other ASX listed resources related companies and previously been a Director and CFO of ASX 200 listed mining companies.
Other Current Directorships	Swick Mining Services Ltd (Non-Executive Director since 2010), Sun Resources NL (Chairman since 2016).
Former Directorships in Last 3 Years	Kasbah Resources Ltd (Non-Executive Director from 2011 to 2016) Symbol Mining Ltd (Non-Executive Director from 2018 to 2019) Avenira Ltd (Non-Executive Director from 2012 to 2019)
Special Responsibilities	Chairman of the Board Member of the Audit Committee. Member of Remuneration and Nomination Committee.
Interests in Shares	11,809,849 Fully paid ordinary shares
Interests in Options	5,241,877 Listed Options, exercisable at $0.022 (2.2 cents) per option, expiring 01 May 2020 (RIMOB) 2,952,466 Listed Options, exercisable at $0.01 (1.0 cent) per option, expiring 01 May 2020 (RIMOC)
Craig Riley (appointed CEO from 31 January 2019, appointed Managing Director from 31 March 2019) Managing Director and Chief Executive Officer *Bachelor of Applied Science (Hons) (Queensland University of Technology)*	
Experience and Expertise	Joined Rimfire in September 2018 in the capacity of Business Development Manager and was appointed Chief Executive Officer on 31 January 2019 and Managing Director on 31 March 2019. Craig has more than 25 years' of exploration and mining industry experience with a successful track record of commercial appraisal and development of projects globally across a range of commodities. His extensive experience includes major mining companies and junior explorers internationally and across Australia, includes Northparkes mine.
Other Current Directorships	None.
Former Directorships in Last 3 Years	None.
Special Responsibilities	Appointed CEO 31 January 2019, appointed Managing Director 31 March 2019
Interests in Shares	Nil.
Interests in Options	42.5m unlisted options, various vesting dates and performance hurdles.
John Kaminsky Managing Director and Chief Executive Officer – retired 31 January 2019 *Bachelor of Applied Science (Chemistry) (RMIT), MBA (Melbourne Business School)*	
Experience and Expertise	Appointed Director of Rimfire Pacific Mining NL and Axis Mining NL in April 2004. He brings strong strategic and international skills to the company and has more than 20 years' experience in international trade, including chemicals, plastics, metals, minerals, ores, concentrates and energy products. He assumed the role of Executive Chairman in December 2004 and became Managing Director and Chief Executive Officer on 03 March 2016.
Other Current Directorships	None.
Former Directorships in Last 3 Years	None.

Special Responsibilities	Director (retired 31 March 2019) and Managing Director and Chief Executive Officer (retired 31 January 2019).
Interests in Shares	As John is no longer a Director of the company, his interests in the company are not disclosed
Interests in Options	As John is no longer a Director of the company, his interests in the company are not disclosed
Ramona Enconniere (retired 31 January 2019) Non-Executive Director *Bachelor of Commerce (University of Melbourne), MBA (Melbourne Business School)*	
Experience and Expertise	Appointed Director of Rimfire Pacific Mining NL in May 2005. She has professional affiliations with the Australian Society of CPA and the Australian Institute of Banking and Finance. She makes an excellent contribution to the Board through her experience gained in corporate banking and the funding of mergers and acquisitions, loan syndications, project financing, debt raising via capital markets/securitisation with Citibank, Bank of America, OCBC (Overseas-Chinese Bank Corporation) and National Australia Bank.
Other Current Directorships	None.
Former Directorships in Last 3 Years	None.
Special Responsibilities	Chair of the Audit Committee (retired 31 January 2019) Member of the Remuneration and Nomination Committee (retired 31 January 2019)
Interests in Shares	As Ramona is no longer a Director of the company, her interests in the company are not disclosed
Interest in Options	As Ramona is no longer a Director of the company, her interests in the company are not disclosed
Andrew Greville Non-Executive Director *Bachelor of Engineering (Mining), University of Queensland, Queensland Limited Mine Manager's Certificate*	
Experience and Expertise	Appointed Director of Rimfire Pacific Mining NL in August 2017. He is a qualified mining engineer, brings over 30 years' of mining industry experience with an outstanding track record of international success in the copper industry, particularly in the fields of business development, including mergers & acquisitions, marketing and strategy, with his last position before establishing his own consulting business WEMCO, being the Executive General Manager, Business Development and Strategy, Xstrata Copper.
Other Current Directorships	Managing Director of West End Mining & Consulting (Private Company)
Former Directorships in Last 3 Years	None.
Special Responsibilities	Member of Audit Committee, Chair of Audit Committee (from 31 January 2019) Chair of Remuneration and Nomination Committee
Interests in Shares	3,000,000 Fully paid ordinary shares
Interests in Options	1,250,000 Listed Options, exercisable at \$0.022 (2.2 cents) per option, expiring 01 May 2020 (RIMOB) 750,000 Listed Options, exercisable at \$0.01 (1.0 cent) per option, expiring 01 May 2020 (RIMOC)
Melanie Leydin Company Secretary *Bachelor of Business majoring in Accounting and Corporate Law, Swinburne University, Chartered Accountant and Registered Company Auditor*	
Experience and Expertise	Appointed as Company Secretary of the Company in April 2017. Ms Leydin has 25 years' experience in the accounting profession including 13 years in the Corporate Secretarial profession and is a company secretary and finance officer for a number of entities listed on the Australian Securities Exchange. She is a Chartered Accountant and a Registered Company Auditor. Since February 2000, she has been the principal of Leydin Freyer, specialising in outsourced company secretarial and financial duties.

Meetings of Directors

During the financial year, meetings of Directors were held and attendances by each Director are detailed below.

	Director's Meetings		Audit Committee Meetings		Rem. and Nom. Committee Meetings	
	No. Eligible to Attend	Number Attended	No. Eligible to Attend	Number Attended	No. Eligible to Attend	Number Attended
Ian McCubbing	14	14	2	2	3	3
Craig Riley (appointed Director 31/03/2019)	7	7	-	-	-	-
Andrew Greville	14	14	2	2	3	3
John Kaminsky (retired 31/03/2019)	7	2	-	-	-	-
Ramona Enconniere (retired 31/01/2019)	5	5	1	1	2	2

REMUNERATION REPORT (AUDITED)

The Remuneration Report, which has been audited, outlines the Key Management Personnel (KMP) remuneration arrangements for the Consolidated entity, in accordance with the requirements of the *Corporations Act 2001* and its regulations.
The Remuneration Report is set out under the following main headings:

1. Principles used to determine the nature and amount of remuneration
2. Details of remuneration for the year ended 30 June 2019
3. Employment contracts
4. Share based compensation of Directors and Key Management Personnel
5. Additional Disclosures relating to Key Management Personnel
6. Shareholding
7. Five year summary of key financial data
8. Other matters

1. Principles used to determine the nature and amount of remuneration

The Board of Rimfire Pacific Mining NL uses the Remuneration and Nomination Committee to review and consistently apply the Company Policy to allow the Company to maintain its ability to attract and retain the best executives and Directors to run and manage the Consolidated entity, as well as create alignment between Directors, executives and shareholders.

The Company Policy, implemented via the Remuneration and Nomination Committee, is to benchmark Company remuneration against comparable businesses and ensure that remuneration is comparable to the upper quartile, but also within the financial constraints the Company may be operating within at the time of assessment.

Remuneration policy for Directors and senior executives is reviewed annually by the Board. The policy allows a mix, as determined by the Board on advice of the Remuneration and Nomination Committee. Depending on the nature of employment agreements, remuneration comprises a fixed component, (which is based on factors such as capability, effectiveness, work tasks, responsibilities, length of service and experience), superannuation, fringe benefits, short term bonus, long term incentives (which may include shares, options on shares or performance rights), subject to any necessary shareholder or regulatory approvals. During the year the Company did not engage remuneration consultants to provide advice on the Company's remuneration policy.

The policy requires reviews taking into account the Consolidated entity's performance, executive and Non-Executive Director performance and comparable information from industry, including other listed companies in the resources sector. Independent external advice is sought as required. There is currently no link between the policy and the Company's earnings and shareholder wealth because the Company is still in the exploration phase and is not generating revenue. Instead, the criteria for executive and Director appraisal include:

- Maintaining high standards of workplace, health and safety, environmental compliance and community liaison,
- Leading the development of strategy, and communicating to stakeholders,
- Maintaining capital resources necessary to execute the Company's strategy, with minimal dilution and costs to shareholders,
- Technical advancement in the discovery potential of the project areas,
- Managing operations and expenditure to efficient levels and within budgets,
- Preserving financial and business integrity and managing risk under difficult industry conditions,
- Recruiting, managing and training personnel to ensure access to high levels of skill in the industry,
- Managing investor relations and Company communication,
- Ability to multi-skill and cover as much of the Company's skill needs from in-house resources.

The Board is aware of the need to maintain competitive remuneration to reward performance which benefits shareholders and advances the Company. To this end, a review of the short term bonus and long term incentive programs to motivate and reward those people who create shareholder value and make the greatest contribution to the Company was undertaken last year. A Long term incentive Plan was approved by shareholders at the Company's 24 November 2017 AGM.

Whilst there has been no change to the remuneration of Non-Executive Directors, since January 2019 Non-Executive Directors pay was deferred whilst the company was undertaking cost reduction activity and still remain unpaid at the end of the period. To align Directors' interests with shareholder interests, Directors are encouraged to hold shares in the Company. Senior Management from March 2019 were paid reduced salaries whilst the company was undertaking cost reduction activity.

The remuneration policy review undertaken in 2018 will be revisited as required to ensure it continues to meet the needs of the Company, creates better alignment to industry practices for remuneration and to accommodate changes to law. The Company has reviewed the application of laws in relation to the use of employee share schemes and performance rights. At the 2018 AGM the Company received 92% of 'for' votes in relation to its remuneration report for the year ended 30 June 2018. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

2. Details of Remuneration for the Year Ended 30 June 2019

Benefits to senior executives and the Non-Executive Directors consisted primarily of cash benefits in the period with unlisted options with vesting conditions being offered to the Managing Director. A Non-Executive Director Pool of $200,000 was available in 2019 ($200,000 in 2018) and represents the maximum aggregate payments to Non-Executive Directors, in their capacities as Directors, that can be paid in any one year without requiring additional shareholder approval. The actual Non-Executive Director pool utilised in the 12 month period was $133,333 in total ($126,586 in 2018). This rate is below the industry norm.

2019	Primary			Post Employment	Long Term Benefits	Equity Compensation	Total
Name of Director / Senior Executive	Paid Salary, Fees & Commissions	Accrued Salary and Fees*	Bonus	Superannuation Contributions	Long Service Leave	Options	
Non- Executive Directors							
I McCubbing	22,831	27,397	-	4,772	-	-	55,000
A Greville	20,000	20,000	-	-	-	-	40,000
R Enconniere (retired 31 January 2019)	28,333	3,333	-	-	-	-	31,666
Executive Directors							
J Kaminsky (retired 31 March 2019)	155,731	6,033	-	19,146	39,145	-	220,055
C Riley (appointed CEO 31 January 2019, appointed Managing Director 31 March 2019)	60,727	11,569	-	6,868	-	111,503	190,666
Total	**287,622**	**68,331**	**-**	**30,786**	**39,145**	**111,503**	**537,387**

*Accrued Salaries and Fees are the amounts accrued but not paid at the end of the period.

2018	Primary			Short-Term Benefits	Post Employment	Long Term Benefits	Equity Compensation	Total
Name of Director / Senior Executive	Paid Salary, Fees & Commissions	Accrued Salary and Fees	Bonus	Annual Leave	Superannuation Contributions	Long Service Leave	Shares & Options	
Non- Executive Directors								
I McCubbing	45,662	-	-	-	4,338	-	-	50,000
A Greville	34,086	-	-	-	-	-	-	34,086
R Enconniere	30,000	-	-	-	-	-	-	30,000
G Billinghurst (retired 24 November 2017)	12,500	-	-	-	-	-	-	12,500
Executive Director								
J Kaminsky	260,815	-	-	18,848	24,777	40,513	-	344,953
Total	**383,063**	**-**	**-**	**18,848**	**29,115**	**40,513**	**-**	**471,539**

*Note: As part of J Kaminsky's remuneration agreement (effective 01 July 2017), he was entitled to annual leave and long service leave. Previously, he was employed on a contract basis.

Performance Income as a Proportion of Total Remuneration

No performance based remuneration was paid during the year ended 30 June 2019 (2018: nil).

Transactions Between Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless stated. In the current financial year related parties (Jill Kaminsky and Nicole Kaminsky) of Mr John Kaminsky were paid in respect of administrative services $10,032 ($12,941 in 2018). Payment for these services were on normal commercial terms.

3. Employment Contracts

An Executive Services Agreement is in place with the CEO and Managing Director, Mr Craig Riley, effective from 31 January 2019. Under the terms of the Agreement, the termination provisions are 6 months' notice by the company and 3 months' notice by the employee.

The Non-Executive Directors have been appointed on an ongoing basis and Directors have no retirement benefit allowances (neither current nor accrued), and the Company has no obligations to Directors upon their cessation from office.

4. Share Based Compensation of Directors & Key Management Personnel

42.5m unlisted options were granted to the Managing Director and CEO during the year ended 30 June 2019, with vesting conditions in place that align with the strategies and goals of the company. No options or other share based compensation was granted to Non-Executive Directors exercised, expired or held during the year ended 30 June 2019.

Unlisted Options Granted to Managing Director during 2019

Tranche and Vesting Condition	Grant date	Expiry date	Share price at grant date	Exercise price	No. Options
FY2019 Tranche 1, vesting at the date of grant	30/04/2019	31/08/2021	$0.005	$0.0065	10.0m
FY2019 Tranche 2, vesting upon achieving a Board approved financing deal to facilitate mining at Sorpresa	30/04/2019	31/07/2020	$0.005	$0.008	7.5m
FY2019 Tranche 3, vesting upon production (First Ore) at Sorpresa to a Board approved work plan	30/04/2019	31/12/2023	$0.005	$0.011	10.0m
FY2019 Tranche 4, vesting upon delivery of a JV or farm-in arrangement to a Board approved level	30/04/2019	31/08/2021	$0.005	$0.0065	5.0m
FY2019 Tranche 5, vesting upon drilling of a prospect resulting in identification of >500koz of Au equivalent Inferred Resource (JORC 2012)	30/04/2019	31/08/2021	$0.005	$0.0065	10.0m

5. Additional Disclosures Relating to Key Management Personnel

None.

6. Shareholding

Number of Shares held by Key Management Personnel in which they have a relevant interest.

2019

Name of Director / Senior Executive	Balance 01 July 2018	Received as Remuneration	Shares Acquired	Net Change Other	Balance 30 June 2019
Non- Executive Directors					
I McCubbing	2,574,285	-	6,283,098	-	8,857,383
A Greville	1,000,000	-	1,250,000	-	2,250,000
R Enconniere (retired 31 January 2019)*	9,069,860	-	1,742,464	(10,812,324)	-
Executive Directors					
J Kaminsky (retired 31 March 2019)*	33,408,169	-	222,222	(33,630,391)	-
C Riley (appointed CEO 31 January 2019, appointed Managing Director 31 March 2019)	-	-	-	-	-
Total	**46,052,314**	**-**	**9,497,784**	**(44,442,715)**	**11,107,383**

*Due to R Enconniere and J Kaminsky retirement from the Board (31 January 2019 and 31 March 2019 respectively) they are not considered a Key Management Person from this date and their shareholdings are therefore not included in the balance for 30 June 2019.

2018

Name of Director / Senior Executive	Balance 01 July 2017	Received as Remuneration	Shares Acquired	Net Change Other	Balance 30 June 2018
Non- Executive Directors					
I McCubbing	2,574,285	-	-	-	2,574,285
A Greville (appointed 18 August 2017)*	-	-	1,000,000	-	1,000,000
R Enconniere	9,069,860	-	-	-	9,069,860
G Billinghurst (retired 24 November 2017)**	19,502,375	-	-	(19,502,375)	-
Executive Director					
J Kaminsky	33,408,169	-	-	-	33,408,169
Total	**64,554,689**	**-**	**1,000,000**	**(19,502,375)**	**46,052,314**

* A Greville held the shares at the time of his appointment as Non-Executive Director.

**Due to G Billinghurst retirement from the Board (24 November 2017) he is not considered a Key Management Person from this date and their shareholdings are therefore not included in the balance for 30 June 2018.

Options

Number of Options held by Key Management Personnel

2019

Name of Director / Senior Executive	Balance 01 July 2018	Options Acquired	Options Received as Remuneration	Options Expired	Net Change Other	Balance 30 June 2019	Total Vested 30 June 2019
Non- Executive Directors							
I McCubbing	-	5,241,877		-	-	5,241,877	5,241,877
A Greville	-	1,250,000		-	-	1,250,000	1,250,000
R Enconniere (retired 31 January 2019)*	-	1,742,464		-	(1,742,464)	-	-
Executive Directors							
J Kaminsky (retired 31 March 2019)*	-	222,222		-	(222,222)	-	-
C Riley (appointed CEO 31 January 2019, appointed Managing Director 31 March 2019)	-	-	42,500,000	-	-	42,500,000	10,000,000
Total	**-**	**8,456,563**	**42,500,000**	**-**	**(1,964,686)**	**48,991,877**	**16,491,877**

*Due to R Enconniere and J Kaminsky retirement from the Board (31 January 2019 and 31 March 2019 respectively) they are not considered a Key Management Person from this date and their shareholdings are therefore not included in the balance for 30 June 2019.

2018

Name of Director / Senior Executive	Balance 1 July 2017	Options Acquired	Options Expired	Net Change Other	Balance 30 June 2019	Total Vested 30 June 2019
Non- Executive Directors						
I McCubbing	-	-	-	-	-	-
A Greville	-	-	-	-	-	-
R Enconniere	-	-	-	-	-	-
G Billinghurst (retired 24 November 2017)	-	-	-	-	-	-
Executive Director						
J Kaminsky	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

Executives

There were no executives other than Craig Riley (appointed CEO 31 January 2019, appointed Managing Director 31 March 2019), at balance date.

7. Five Year Summary of Key Financial Data

The earnings of the company for the five years to 30 June 2019 are summarised below:

	2019	2018	2017	2016	2015
	$	$	$	$	$
Revenue and other income	5,628	35,538	43,327	178,027	228,939
Net profit / (loss) before tax	(875,505)	(1,047,836)	(924,782)	(725,485)	(720,794)
Net profit / (loss) after tax	(875,505)	(1,047,836)	(924,782)	(725,485)	(720,794)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2019	2018	2017	2016	2015
Share price beginning financial year ($)	0.011	0.022	0.019	0.200	0.020
Share price end financial year ($)	0.003	0.011	0.022	0.015	0.020
Basic loss per share (cents per share)	(0.08)	(0.11)	(0.10)	(0.09)	(0.10)

End of audited remuneration report.

8. Other Matters

Shares issued under option and unissued shares under option

No options were exercised during the period. As at 30 June 2019 the breakdown of options – both listed and unlisted at balance date.

Listed Options	No.	%'age
Existing Listed Options (exercisable at 2.2 cents by 01 May 2020)	131,140,518	26.9%
New Listed Options as part of Offer (exercisable at 1.0 cent by 01 May 2020)	356,539,358	73.1%
Total Listed Options	487,679,876	100.0%

Unlisted Options	No.	%'age
Employee Options (exercisable at 2.95 cents by 25 September 2020)	1,500,000	2.03%
Employee Options (exercisable at 0.65 cents by 31 August 2021)	20,000,000	27.03%
Employee Options, performance based vesting conditions (exercisable at 0.80 cents by 31 July 2020)	15,000,000	20.27%
Employee Options, performance based vesting conditions (exercisable at 1.10 cents by 31 December 2023)	15,000,000	20.27%
Employee Options, performance based vesting conditions (exercisable at 0.65 cents by 31 August 2021)	7,500,000	10.14%
Employee Options, performance based vesting conditions (exercisable at 0.65 cents by 31 August 2021)	15,000,000	20.27%
Total Unlisted Options	74,000,000	100.00%

Indemnifying Officers

The Company maintains a Directors and Officers insurance policy. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy, including the nature of the liability insured against and the amount of the premium.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an Officer or auditor of the Company or any related body corporate against a liability incurred as such an Officer or auditor.

Directors and Officers covered by the Directors & Officers Liability Insurance Policy at the time of this report are:

Mr Ian McCubbing	Mr Craig Riley
Mr Andrew Greville	Ms Melanie Leydin

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the financial year.

Auditor's Independence Declaration

The auditor independence declaration required under Section 307C of the *Corporations Act 2001* forms part of this Directors' Report and is included on page 21.

Non-Audit Services

There were no non-audit services provided by BDO East Coast Partnership during the financial year.

Signed in accordance with a resolution of the Board of Directors.

Chairman	Ian McCubbing
Dated this	30th day of September 2019

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DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE DIRECTORS OF RIMFIRE PACIFIC MINING NL

As lead auditor of Rimfire Pacific Mining NL for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Rimfire Pacific Mining NL and the entities it controlled during the period.

James Mooney
Partner

BDO East Coast Partnership

Melbourne, 30 September 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated Entity 2019 $	2018 $
Revenue from continuing operations	2	5,628	35,558
Expenses:			
Employee benefits expense		(281,258)	(413,218)
Non-executive directors' fees		(133,333)	(126,587)
Share Based Payments		(19,273)	(4,638)
Professional costs		(71,636)	(91,913)
Occupancy costs		(38,429)	(35,572)
Travel costs		(2,041)	(17,894)
Marketing expense		(84,110)	(176,169)
Depreciation		(36,450)	(33,920)
Insurance		(12,430)	(22,718)
Share registry and listing expenses		(64,873)	(54,115)
Loss on disposal of plant and equipment		(3,683)	(737)
Other administration expenses		(133,617)	(105,913)
Loss before income tax	3	(875,505)	(1,047,835)
Income tax benefit	4	-	-
Loss after income tax		(875,505)	(1,047,835)
Other comprehensive income		-	-
Total comprehensive loss for the year		(875,505)	(1,047,835)
Loss per share for the year attributable to the members of Rimfire Pacific Mining NL			
Basic loss per share (cents per share)	6	(0.08)	(0.11)
Diluted loss per share (cents per share)	6	(0.09)	(0.11)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	Consolidated Entity 2019 $	2018 $
CURRENT ASSETS			
Cash and cash equivalents	7	95,706	893,597
Trade and other receivables	8	45,134	47,238
Other current assets	10	6,150	7,249
TOTAL CURRENT ASSETS		146,990	948,084
NON-CURRENT ASSETS			
Trade and other receivables	8	160,000	150,000
Property, plant and equipment	9	413,589	478,264
Exploration & evaluation costs	11	13,313,247	12,312,777
TOTAL NON-CURRENT ASSETS		13,886,836	12,941,041
TOTAL ASSETS		14,033,826	13,889,125
CURRENT LIABILITIES			
Trade and other payables	12	210,934	192,815
Provisions	13	39,226	77,018
TOTAL CURRENT LIABILITIES		250,160	269,833
NON-CURRENT LIABILITIES			
Provisions	13	2,812	770
TOTAL NON-CURRENT LIABILITIES		2,812	770
TOTAL LIABILITIES		252,972	270,603
NET ASSETS		13,780,854	13,618,522
EQUITY			
Contributed equity	14	31,078,996	30,060,432
Reserves		23,911	4,638
Accumulated losses		(17,322,053)	(16,446,548)
TOTAL EQUITY		13,780,854	13,618,522

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Contributed equity $	Share based payment Reserve $	Accumulated losses $	Total $
Balance at 1 July 2018	**30,060,432**	**4,638**	**(16,446,548)**	**13,618,522**
Issued capital	1,150,332	-	-	1,150,332
Capital raising costs	(131,768)	-	-	(131,768)
Share-based payments	-	19,273	-	19,273
Total comprehensive loss for the period	-	-	(875,505)	(875,505)
Balance at 30 June 2019	**31,078,996**	**23,911**	**(17,322,053)**	**13,780,854**
Balance at 1 July 2017	**30,060,432**	**-**	**(15,398,713)**	**14,661,719**
Share-based payments	-	4,638	-	**4,638**
Total comprehensive loss for the period	-	-	(1,047,835)	(1,047,835)
Balance at 30 June 2018	**30,060,432**	**4,638**	**(16,446,548)**	**13,618,522**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated Entity 2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(741,417)	(1,107,128)
Interest received		6,707	40,428
Net cash used in operating activities	22a	(734,710)	(1,066,700)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,788)	(61,417)
Payment for exploration and evaluation costs		(1,074,436)	(1,863,996)
Reimbursements of exploration expenditure		-	1,315,870
Proceeds from sale of property, plant and equipment		3,200	1,500
Net cash used in investing activities		(1,073,024)	(608,043)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,127,765	-
Transaction costs associated with share issues		(117,922)	-
Net cash provided by financing activities		1,009,843	-
Net decrease in cash held		(797,891)	(1,674,743)
Cash at beginning of the year		893,597	2,568,340
Cash at end of the year	7	95,706	893,597

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

Note 1 Notes to the Consolidated Financial Statements

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Rimfire Pacific Mining NL is a profit orientated entity for the purpose of the financial report.

The financial report covers the economic entity of Rimfire Pacific Mining NL and its controlled entity. Rimfire Pacific Mining NL is a listed public company, incorporated and domiciled in Australia.

The principal activities of the Consolidated entity during the financial year were the exploration and development of economic mineral deposits.

The financial report of Rimfire Pacific Mining NL and its controlled entity, complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report was authorised for issue by Directors on the date of signing the Directors' Declaration.

The financial report is presented in Australian dollars, has been prepared on an accruals basis and is based on historical costs.

Accounting Policies

a. **Significant Judgements and Key Assumptions**

Judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements concern the information regarding capitalised exploration expenditure for exploration and mining licences. In particular, the judgement that there is insufficient information available to make a reasonable assessment of the existence or otherwise of economically recoverable reserves.

b. **Going Concern**

The consolidated entity incurred an operating loss of $875,505 and had cash outflows from operating activities of $741,377 for the year ended 30 June 2019. The ability of the consolidated entity to continue as a going concern is dependent on a number of factors, one being the continuation and availability of funds. These conditions indicate a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern.

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business for the following reasons:

- As at 30 June 2019, the consolidated entity had cash and cash equivalent of $95,706.
- Subsequent to the end of 30 June 2019, the entity completed a successful capital raising of $832k before costs to allow for the next stage of discovery programs to continue
- As part of the Capital Raising options where issued and are due to expire 01 May 2020, which may raise up to $2.8m of additional funding.
- Directors have a number of external funding alternatives available such as a farm-out of exploration commitments or raising additional equity funds. The Company has a history of successfully undertaking capital raisings during the last 15 years and has entered into significant partnerships in the past.
- The Board also has the ability to defer or reduce operating activities and exploration expenditure if necessary, whilst meeting minimum tenement expenditure commitments.
- The entity also owns assets such as freehold land and plant and equipment in Fifield which can be used for funding.

Based on the consolidated entity successfully actioning the above, the directors believe that the consolidated entity will continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

Should the company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the company be unable to continue as a going concern and meet its debts as and when they fall due.

Accounting Policies (Cont'd)

c. **Principles of Consolidation**

The Consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Rimfire Pacific Mining NL as at 30 June 2019 and the results of all subsidiaries for the year then ended. Rimfire Pacific Mining NL and its subsidiaries together are referred to in these financial statements as the 'Consolidated entity'.

Subsidiaries are all those entities over which the Consolidated entity has control. The Consolidated entity controls an entity when the Consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully Consolidated from the date on which control is transferred to the Consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

d. **Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on the taxable profit or loss.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Rimfire Pacific Mining NL and its wholly-owned Australian subsidiary have not formed an income tax Consolidated group under the tax consolidation regime.

e. **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are measured on the cost basis, being the amounts which have been paid for the asset.

Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on a reducing balance basis to write off the net cost of each item of plant and equipment over its expected useful life commencing from the time the asset is ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

Depreciation

The depreciable amount of property, plant and equipment, but excluding freehold land, is depreciated using a reducing balance method commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Accounting Policies (Cont'd)

The depreciation rates used for each class of depreciable assets are:

Leasehold improvements	15%
Plant and equipment	7.5% - 30%
Office furniture	10% - 40%
Motor Vehicles	20%

f. **Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

g. **Exploration Evaluation and Development Expenditure**

Exploration and evaluation expenditure incurred is capitalised at cost and includes acquisition of rights to explore, studies, exploratory drilling, sampling and associated activities. Costs are accumulated in respect of each identifiable area of interest. General and administrative expenditures are only included in the measurement of exploration and evaluation costs where they relate directly to operational activities' particular area of interest.

These costs are only carried forward where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and
(ii) at least one of the following conditions is also met:
  (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
  (b) exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are reclassified to development and amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

The carrying amount of the capitalised expenditure is also recognised after deducting any reimbursable costs from New Gold Inc. under the earn in Agreement received in relation to the capitalised exploration. New Gold Inc. exited the earn-in joint venture during 2018, as part of their strategic withdrawal from all operations in countries other than North America.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

h. **Restoration, Rehabilitation, and Environmental Costs**

The Company has provided an environmental bond to the NSW Department of Planning and Environment in the form of a bank guarantee, included in trade and other receivables ($160,000). The ultimate recoupment of this environmental bond is dependent on the completion, to the satisfaction of the Department of rehabilitation of the relevant site. The environmental bond reflects the estimated cost to rehabilitate planned exploration activity over the tenements. The Company policy is to continuously rehabilitate areas that have been affected by exploration activity when the activity has been completed.

i. **Impairment of Assets**

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Profit or Loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of cash-generating unit to which the asset belongs.

Accounting Policies (Cont'd)

j. **Employee Benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits expected to be settled within one year including entitlements arising from wages and salaries and annual leave, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Contributions are made by the Consolidated entity to employee superannuation funds and are charged as expenses when incurred.

k. **Cash and Cash Equivalents**

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of the Consolidated Statement of Cash Flows, cash includes cash on hand and deposits with banks or financial institutions net of bank overdrafts.

l. **Trade and Other Receivables**

Trade receivables and other receivables are recorded at amounts due less any allowance for doubtful debts.

m. **Trade and Other Payables**

Trade payables and other payables are recognised when the Consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services. Payments are normally settled on 30 day terms.

n. **Financial Instruments**

Recognition

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and new impairment model for financial assets.

The Company has adopted AASB 9 from 01 July 2018, which have resulted in no material change to the accounts.

Financial Assets and Liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Fair Value Hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level 1 input that is significant to the entire fair value measurement, being:

Level 1 - Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2 - Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 - Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3. The Company would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Company recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

Accounting Policies (Cont'd)

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

The company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and or loss.

Impairment

The Company recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost or at fair value through other comprehensive income (FVTOCI). The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

o. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Profit or Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

p. Income Recognition

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

q. Government Grants

Government grants relating to assets such as capitalised exploration expenditure, are recognised in the Consolidated Statement of Financial Position by deducting the grant in arriving at the carrying amount of the asset. Government grants relating to expenses are recognised in the profit and loss as other income.

r. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Consolidated Statement of Financial Position are shown inclusive of GST.

s. **Earnings Per Share**
Basic earnings per share is calculated by dividing the profit attributable to the owners of Rimfire Pacific Mining NL, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

t. **Segment Reporting**
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. Rimfire Pacific Mining NL does not have any separately reportable segments.

u. **Contributed Equity**
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

v. **Equity Settled Compensation**
Equity-settled transactions are awards of shares, or options over shares, that are provided to employees or contractors in exchange for the rendering of services. Equity-settled share-based compensation benefits have been provided to employees in the current financial year.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated entity receives the services that entitle the employees or contractors to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

w. **Adoption of New and revised Standards**
The company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and are effective for the current financial reporting period, being the year end 30 June 2019. New and revised standards and amendments thereof and interpretations effective for the current reporting period that are relevant to the company include:

AASB 9 Financial Instruments, and relevant amending standards;
AASB 15 Revenue from Contracts with Customers

The adoption of new and revised standards and amendments has not affected the amounts reported for the current or prior years. A discussion on the adoption of AASB 9 and AASB 15 is included below. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

AASB 9 - Financial Instruments ('AASB 9')

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and new impairment model for financial assets.

Classification and Measurement
On 01 July 2018, the Company has assessed financial instruments held by the Company and have classified them into the appropriate AASB 9 categories. The main effects resulting from this reclassification are shown in the table below.

On adoption of AASB 9, the Company classified financial assets and liabilities measured at either amortised cost or fair value, depending on the business model for those assets and on the asset's contractual cash flow characteristics. The Company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, to present subsequent changes in fair value in other comprehensive income.

Accounting Policies (Cont'd)

The following table summarises the impact on the classification and measurement of the Company's financial instruments 01 July 2018:

Presented in statement of financial position	Financial Instrument	AASB 139	AASB 9	Reported $	Restated $
Cash and cash equivalents	Term deposit	Held to maturity	Amortised cost	No change	No change
Trade and other receivables	Loans and receivables	Loans and receivables	Amortised cost	No change	No change
Trade and other payables	Loans and receivables	Amortised cost	Amortised cost	No change	No change

The Company does not currently engage in any hedging activities and accordingly any changes to hedge accounting rules under AASB 9 do not have any impact on the Company.

Impairment

AASB 9 introduces a new expected credit loss ("ECL") impairment model that requires the Company to adopt an ECL position across the Company's financial assets from 01 July 2018. The loss allowances for financial assets are based on the assumption about risk of default and expected loss rates as opposed to the previously applied incurred loss model. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculations, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The Company has assessed that the risk of default is minimal for trade receivables, and as such, no impairment loss has been recognised against these receivables as at 30 June 2019.

AASB 15 – Revenue from Contracts with Customers ('AASB 15')

AASB 15 supersedes the prior standards for revenue recognition including, AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations. AASB 15 applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers and is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The adoption of AASB 15 has not affected any of the Company's revenue recognition areas.

Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Company for the year ending 30 June 2019. Management is in the process of assessing the impact of the adoption of these standards and interpretations on the Company.

AASB 16 – Leases ('AASB 16')

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Impact of adoption

The adoption of AASB 16 is not expected to have a material impact on the Company's lease recognition areas.

Note 2 Income

	Consolidated Entity 2019 $	Consolidated Entity 2018 $
Other income		
Interest	5,628	35,558
Total Revenue	5,628	35,558

Note 3 Loss for the Financial Year

	Consolidated Entity 2019 $	Consolidated Entity 2018 $
The net loss for the financial year has been arrived at after charging the following:		
Expenses		
Employee benefits expense and share based payments	300,531	417,856
Marketing expense	84,110	176,169
Non-executive directors' fees	133,333	126,586
Rental expense	25,845	24,513
Depreciation	36,450	33,920

Note 4 Income Tax Expense

		Consolidated Entity 2019 $	2018 $
a.	The prima facie tax expense/(benefit) on loss before tax is reconciled to the income tax as follows:		
	Prima facie tax expense/(benefit) on loss before tax at 30% (2018: 30%)	(262,652)	(314,350)
	Add:		
	Tax effect of:		
	- non-allowable items	-	-
,	- net current year tax losses not recognised, temporary differences and deductible exploration expenditure.	299,439	344,135
	Less:		
	Tax effect of:		
	- Research and Development tax offset income	-	-
	- capitalised share placement costs	(36,787)	(29,785)
	Income tax benefit/(expense) attributable to loss	-	-
	Deferred tax assets arising from tax losses that have not been recognised:		
	Tax losses carried forward	6,945,295	6,061,399
	Temporary differences – exploration costs	(3,993,974)	(3,695,333)
	Temporary differences – other	115,514	90,262
	Net Deferred tax asset not recognized	3,066,835	2,456,328
	Balance of franking account at year end	-	-

Potential deferred tax assets attributable to tax losses carried forward and temporary differences have not been brought to account because Directors do not believe realisation of the deferred tax assets is probable. These benefits will only be obtained if:

(a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realized;

(b) the company continue to comply with the conditions for deductibility imposed by law, and

(c) no changes in tax legislation adversely affect the company in realizing the benefit from the deductibility for the loss.

Rimfire Pacific Mining NL and its wholly owned entity have not opted to enter the tax consolidation regime as at 30 June 2019.

Note 5 Auditor's Remuneration

	Consolidated Entity	
	2019 $	2018 $
Remuneration of the auditor for:		
- auditing or reviewing the financial reports	40,465	38,439
	40,465	38,439

Note 6 Earnings per Share

		Consolidated Entity	
		2019 $	2018 $
a.	**Reconciliation of Earnings to Loss**		
	Loss used in the calculation of basic EPS	(875,505)	(1,047,836)
	Loss used in the calculation of dilutive EPS	(875,505)	(1,047,836)
b.	**Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS**	1,024,361,022	943,477,555
	Potential ordinary shares	-	-
	Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	1,024,361,022	943,477,555
c.	**Classification of securities**		
	Share options are anti-dilutive and securities have not been classed as potential ordinary shares and are not included in the determination of dilutive EPS.	-	-
d.	**Ordinary shares issued between reporting date and time of completion of the financial report**	-	-
	Basic loss per share (cents per share)	(0.08)	(0.11)
	Diluted loss per share (cents per share)	(0.09)	(0.11)

Note 7 Cash and Cash Equivalents

Cash at the end of the financial year as shown in the Consolidated Statement of Cash Flows is reconciled to items in the Consolidated Statement of Financial Position as follows:

	Consolidated Entity	
	2019 $	2018 $
Cash at bank and on hand	95,706	264,901
Short term deposits	-	628,696
	95,706	893,597

Refer to Note 23 for the risk exposure analysis for cash and cash equivalents.

Note 8 Trade and Other Receivables

	Consolidated Entity	
	2019	2018
OTHER RECEIVABLES	$	$
CURRENT		
Security deposits	13,049	13,049
Interest receivable	-	1,080
Other receivables	32,085	33,109
	45,134	47,238
NON-CURRENT		
Security deposits	160,000	150,000
TOTAL	205,134	197,238

Refer to Note 23 for the risk exposure analysis for receivables. At the reporting date, no receivables were past due or impaired.

Security deposits of $50,000 are held in support of a bank guarantee issued in favour of the NSW Department of Planning and Environment, with the remaining $110,000 being held directly with the NSW Department of Planning and Environment.

Note 9 Property, Plant and Equipment

	Consolidated Entity	
	2019	2018
	$	$
PROPERTY		
Freehold land		
At cost	226,834	226,834
Total Land	226,834	226,834
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	491,031	489,407
Accumulated depreciation	(340,647)	(300,364)
	150,384	189,043
Motor vehicle		
At cost	51,437	68,710
Accumulated depreciation	(27,217)	(25,605)
	24,220	43,105
Office furniture		
At cost	102,402	102,402
Accumulated depreciation	(90,250)	(83,214)
	12,152	19,188
Leasehold improvements		
At cost	419	419
Accumulated depreciation	(419)	(325)
	-	94
Total Plant and Equipment	186,756	251,430
Total Property, Plant and Equipment	413,590	478,264

Note 9 Property, Plant and Equipment (Cont'd)

a. **Movements in Carrying Amounts**

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

2019	Freehold Land $	Motor Vehicles $	Plant and Equipment $	Office Furniture $	Leasehold Improvements $	Total $
Consolidated Entity:						
Balance at the beginning of year	226,834	43,105	189,043	19,188	94	478,264
Additions	-	-	1,624	-	-	1,624
Disposals	-	(6,883)	-	-		(6,883)
Depreciation expense	-	(12,002)	(17,317)	(7,037)	(94)	(36,450)
Depreciation capitalised	-	-	(22,965)	-	-	(22,965)
Carrying amount at the end of year	226,834	24,220	150,384	12,151	-	413,590

2018	Freehold Land $	Motor Vehicles $	Plant and Equipment $	Office Furniture $	Leasehold Improvements $	Total $
Consolidated Entity:						
Balance at the beginning of year	226,834	26,732	190,933	26,710	94	471,303
Additions	-	25,529	27,908	1,961	-	55,398
Disposals	-	(2,237)	-	-	-	(2,237)
Depreciation expense	-	(6,919)	(17,518)	(9,483)	-	(33,920)
Depreciation capitalised	-	-	(12,280)	-	-	(12,280)
Carrying amount at the end of year	226,834	43,105	189,043	19,188	94	478,264

Note 10 Other Assets

	Consolidated Entity 2019 $	2018 $
CURRENT		
Prepaid expenses (insurance, rent, body corporate)	6,150	7,249

Note 11 Exploration & Evaluation Costs

	Consolidated Entity 2019 $	2018 $
NON-CURRENT		
Exploration Expenditure		
Costs carried forward in respect of areas of interest in:		
– exploration and evaluation phases	13,313,247	12,312,777
Opening balance	12,312,777	11,744,970
Additional expenditure	1,000,470	1,764,052
Reimbursed exploration expenditure	-	(1,196,245)
Closing balance	13,313,247	12,312,777

No exploration expenditure was impaired during 2019 (2018: Nil).

Note 12 Trade and Other Payables

	Consolidated Entity 2019 $	2018 $
CURRENT		
Trade creditors	75,059	111,227
Directors and senior management accrued salaries and fees	86,047	-
Sundry creditors and accrued expenses	49,828	69,547
GST collected	-	12,041
	210,934	192,815

Note 13 Provisions

	Consolidated Entity 2019 $	2018 $
CURRENT		
Employee benefits	39,226	77,018
	39,226	77,018
NON-CURRENT		
Employee benefits	2,812	770

Note 14 Contributed Equity

	Consolidated Entity 2019 $	2018 $
1,069,618,073 (2018: 943,477,555) fully paid ordinary shares	31,078,996	30,060,432
	31,078,996	30,060,432

a. **Ordinary shares**

Contributed equity	2019	2018
At the beginning of the reporting period	30,060,432	30,060,432
Net shares and costs relating to shares issued during the year	1,018,564	-
At reporting date	31,078,996	30,060,432

Shares outstanding	2019 Units	2018 Units
At the beginning of reporting period	943,477,555	943,477,555
Total Shares issued during year	126,140,518	-
At reporting date	1,069,618,073	943,477,555

b. **Capital Management**

Management controls the capital of the Consolidated entity in order to ensure that the Company remains a going concern as a primary objective and is able to deliver suitable exploration, as the circumstances allow. This is done, to the best of Management's ability in the prevailing business and economic circumstances. The Consolidated entity's debt and capital includes ordinary share capital, listed options and financial liabilities.

The Consolidated entity is not subject to any externally imposed capital requirements.

c. **Share based payments & options**

	Consolidated Entity 2019 $	2018 $
Reserves		
Share based payments	23,911	4,638

Grant date	Expiry date	Exercise price	Balance at start of the year	Granted	Exercised	Expired/ Forfeited/ Other *	Balance at 30 June 2019
24 September 2017	25 September 2020	$0.0295	1,500,000	-	-	-	1,500,000
30 April 2019	Various**	Various**	-	72,500,00	-	-	72,500,000

*Employee options attributable to employees who have forfeited their options by leaving the company.

** Various Tranches granted during FY2019, vesting conditions, exercise prices and volume of each tranche detailed in the next table.

The fair value of the options is estimated at the date of grant using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Tranche and Vesting Condition	Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date $	No. Options
FY2019 Tranche 1, vesting at the date of grant	30/04/2019	31/08/2021	$0.005	$0.0065	100%	-	1.18%	$54,637	20.0m
FY2019 Tranche 2, vesting upon achieving a Board approved financing deal to facilitate mining at Sorpresa	30/04/2019	31/07/2020	$0.005	$0.008	100%	-	1.14%	$24,830	15.0m
FY2019 Tranche 3, vesting upon production (First Ore) at Sorpresa to a Board approved work plan	30/04/2019	31/12/2023	$0.005	$0.011	100%	-	1.43%	$49,277	15.0m
FY2019 Tranche 4, vesting upon delivery of a JV or farm-in arrangement to a Board approved level	30/04/2019	31/08/2021	$0.005	$0.0065	100%	-	1.18%	$20,489	7.5m
FY2019 Tranche 5, vesting upon drilling of a prospect resulting in identification of >500koz of Au equivalent Inferred Resource (JORC 2012)	30/04/2019	31/08/2021	$0.005	$0.0065	100%	-	1.18%	$40,798	15.0m

Accounting policy for share-based payments

Equity-settled share-based compensation benefits are provided to employees as an additional incentive to recognise their contribution to the success of the company and persistence to deliver ongoing results.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met provided all other conditions are satisfied.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 15 Controlled Entity

	Country of Incorporation	Percentage Owned (%) 2019	2018
Parent Entity			
Rimfire Pacific Mining NL			
Subsidiary of Rimfire Pacific Mining NL			
Axis Mining NL	Australia	100	100

Note 16 Parent Entity Information

Set out below is the supplementary information about the parent entity.

	2019 $	2018 $
Current assets	146,624	947,857
Total assets	14,033,599	13,888,898
Current liabilities	248,660	268,333
Total liabilities	251,472	269,103
Issued capital	31,078,996	30,060,432
Reserves	23,911	4,638
Accumulated losses	(17,20,780)	(16,446,548)
Total equity	13,782,127	13,618,522
Loss of the parent entity	(875,505)	(1,047,835)
Comprehensive loss of the parent entity	(875,505)	(1,047,835)

Parent Entity Commitments:

All capital and operating commitments of the group have been entered into by the Parent Entity. Refer to note 17 for these commitments. The accounting policies of the parent entity are consistent with those of the Consolidated entity, as disclosed in note 1.

Note 17 Capital and Leasing Commitments

	Consolidated Entity	
	2019	2018
	$	$
a. Operating Lease Commitments		
Office & Other Premises		
Payable		
- not later than 1 year	18,000	18,000
- later than 1 year but not later than 5 years	-	-
	18,000	18,000

b. Capital Expenditure Commitments

The Consolidated entity is committed to capital expenditure on its various exploration and mining licences and leases as follows:

	Consolidated Entity	
	2019	2018
Payable	$	$
- not later than 1 year	428,667	350,677
- later than 1 year but not later than 5 years	439,974	701,333
	868,640	1,052,010

Note 18 Contingent Liabilities and Contingent Assets

The Directors are not aware of any matters or circumstances which have arisen during or since the financial year which may significantly affect the operations of the Consolidated entity, the results of those operations or state of affairs of the Consolidated entity in future years.

Note 19 Segment Reporting

Business and Geographical Segments

The Consolidated entity operates predominantly in one business and geographic segment, being mineral exploration and prospecting within Australia.

Segment information is presented using a "management approach", (i.e. Segment information is provided on the same basis as information used for internal reporting purposes by the board of directors). At regular intervals, the board is provided management information at a group level for the group's cash position, the carrying values of exploration permits and a group cash flow forecast for the next 12 months of operation. On this basis, no segment information is included in these financial statements.

Note 20 Key Management Personnel Disclosures

a) **Details of Directors and Key Management Personnel**

Directors

The follows persons were Directors of Rimfire Pacific Mining NL during the financial year:

Ian McCubbing (Chairman)
Craig Riley (Managing Director and CEO (appointed CEO 31 January 2019, appointed Managing Director 31 March 2019)
Andrew Greville (Non-Executive Director)
John Kaminsky (Managing Director and CEO, retired as CEO 31 January 2019, retired as Director 31 March 2019)
Ramona Enconniere (Non-Executive Director, retired 31 January 2019)

b. **Key Management Personnel compensation**

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's key management personnel for the year ended 30 June 2019. The totals of remuneration paid to Key Management Personnel of the company during the year are as follows:

	2019 $	2018 $
Short-term employee benefits - Paid	287,622	401,911
Short-term employee benefits - Accrued	68,331	-
Post-employment benefits	30,786	29,115
Long Term Benefits	39,145	40,513
Shares and Options	111,503	-
	537,387	471,539

Note 21 Related Party Details

	2019 $	2018 $
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
Transactions with director related parties:		
(i) In the current financial year related parties (Jill Kaminsky and Nicole Kaminsky) of Mr John Kaminsky were paid in respect of administrative services. Payment for these services were on normal commercial terms.	10,032	12,941

Note 22 Cash Flow Information

	Consolidated Entity	
	2019 $	2018 $
a. Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(875,505)	(1,047,835)
Non-cash flows in loss		
Depreciation	36,450	33,920
Loss on disposal of PPE	3,683	737
Expense of share-based payment	19,273	4,638
Changes in assets and liabilities relating to operations		
(Increase)/decrease in prepayments	1,099	13,934
(Increase)/decrease in other receivables	64,841	(37,374)
Increase/(decrease) in trade creditors and accruals	51,199	(71,138)
Increase/(decrease) in provisions	(35,750)	36,418
Cash flows used in operations	(734,710)	(1,066,700)

b. Cash not available for use
There was no cash as at the end of the year which was unavailable for use.

c. Non-cash Financing and Investing Activities
There were no non-cash financing and investing activities carried out during the year.

Note 23 Financial Risk Management

a. Financial Risk Management Objectives and Policies

The Consolidated entity's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated entity. The Consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other risks.

Risk management is carried out by senior executives under policies approved by the Board of Directors. These policies include identification and analysis of the risk exposure of the Consolidated entity and appropriate procedures, controls and risk limits.

Market risk
Interest rate risk
The Consolidated entity's main interest rate risk arises from its holdings of cash and cash equivalents on deposit. Deposits held at variable rates expose the Consolidated entity to interest rate risk. Deposits held at fixed rates expose the Consolidated entity to fair value risk. The Consolidated entity's exposure to interest rate risk is set out in Note 23(b).

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated entity. The Consolidated entity exposure to credit risk is limited to security deposits provided to landlords and other third parties. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Liquidity risk
Vigilant liquidity risk management requires the Consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Consolidated entity manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 23 Financial Risk Management (Cont'd)

Categorisation of financial assets

Financial assets	Note	Category	Carrying value 2019 $	Carrying value 2018 $
Cash & cash equivalents	7	Cash and other financial assets	95,706	893,597
Trade and other receivables	8	Trade and other receivables at amortised cost	205,134	197,238
Financial liabilities				
Trade and other payables	12	Financial liabilities measured at amortised cost	210,934	192,815

b. **Interest Rate Risk**

The Consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates on classes of financial assets and financial liabilities, is as follows:

	Floating Interest Rate $		Fixed Interest Rate Maturing Within One Year $		Non-interest Bearing $		Total $	
	2019	2018	2019	2018	2019	2018	2019	2018
Financial Assets								
Cash	95,206	264,401	-	628,696	500	500	95,706	893,597
Receivables	160,000	150,000	-	-	45,134	47,238	205,134	197,238
Total Financial Assets	**255,206**	**414,401**	**-**	**628,696**	**45,634**	**47,738**	**300,840**	**1,090,835**
Financial Liabilities	-	-	-	-				
Trade and sundry creditors	-	-	-	-	210,934	192,815	210,934	192,815
Total Financial Liabilities	**-**	**-**	**-**	**-**	**210,934**	**192,815**	**210,934**	**192,815**
Net inflow/(outflow) on financial assets	**255,206**	**414,401**	**-**	**628,696**	**(165,300)**	**(145,077)**	**89,906**	**898,020**

Note 23 Financial Risk Management (Cont'd)

c. **Net Fair Values**

The carrying amounts of financial assets and liabilities approximate the net fair value unless otherwise stated.

d. **Sensitivity Analysis**

The group has performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 30 June 2019, the effect on loss after tax and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated Entity	
	2019 $	2018 $
Change in loss after tax		
- Increase in interest rate by 0.5%	1,276	2,072
- Decrease in interest rate by 0.5%	(1,276)	(2,072)
Change in equity		
- Increase in interest rate by 0.5%	1,276	2,072
- Decrease in interest rate by 0.5%	(1,276)	(2,072)

The above changes are based on the effect of an interest rate change in relation to funds held in deposit with financial institutions. A change in 0.5% of the interest rate is deemed reasonable by management due to the current financial environment of low interest rates.

Note 24 Events Occurring after the Reporting Period

Since the end of the financial year a non-renounceable rights issue (Rights Issue) offering one (1) new share for every three (3) shares held at an application price of $0.003 per share plus an option of $0.01 exercisable by 01 May 2020, was concluded with $0.8m raised before costs including placement of shortfall.

Shares issued under option and unissued shares under option

No options were exercised during the period. As at 30 June 2019 the breakdown of options – both listed and unlisted at balance date.

Listed Options	No.	%'age
Existing Listed Options (exercisable at 2.2 cents by 01 May 2020)	131,140,518	100.0%
Total Listed Options	131,140,518	100.0%

Unlisted Options	No.	%'age
Employee Options (exercisable at 2.95 cents by 25 September 2020)	1,500,000	2.03%
Employee Options (exercisable at 0.65 cents by 31 August 2021)	20,000,000	27.03%

Note 24 Events Occurring after the Reporting Period (Cont'd)

Employee Options, performance based vesting conditions (exercisable at 0.80 cents by 31 July 2020)	15,000,000	20.27%
Employee Options, performance based vesting conditions (exercisable at 1.10 cents by 31 December 2023)	15,000,000	20.27%
Employee Options, performance based vesting conditions (exercisable at 0.65 cents by 31 August 2021)	7,500,000	10.14%
Employee Options, performance based vesting conditions (exercisable at 0.65 cents by 31 August 2021)	15,000,000	20.27%
Total Unlisted Options	**74,000,000**	**100.00%**

Note 25 Company Details

The registered office and principal place of business of the Company is:

Rimfire Pacific Mining NL
"Exchange Tower"
Suite 411, 530 Little Collins Street
Melbourne VIC 3000

DIRECTORS' DECLARATION

In the directors' opinion:

1. the attached financial statements and notes and the Remuneration Report thereto comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

2. the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

3. the attached financial statements and notes thereto give a true and fair view of the Consolidated entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date;

4. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

5. The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the directors

Chairman Ian McCubbing

Dated this 30th day of September 2019

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INDEPENDENT AUDITOR'S REPORT

To the members of Rimfire Pacific Mining NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Rimfire Pacific Mining NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Exploration & Evaluation Assets

Key audit matter	*How the matter was addressed in our audit*
The company has incurred significant exploration and evaluation expenditures which have been capitalised. As the carrying value of exploration and evaluation expenditures represents a significant asset of the company, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of this asset may exceed its recoverable amount. AASB 6 *Exploration for and Evaluation of Mineral Resources* contains detailed requirements with respect to both the initial recognition of such assets and ongoing requirements to continue to carry forward the assets. Note 1 to the financial statements contains the accounting policy and note 11 disclosures in relation to exploration and evaluation expenditures.	Our procedures included: • Obtaining evidence that the Group has valid rights to explore in the areas represented by the capitalised exploration and evaluation expenditure; • Confirming whether the rights to tenure of the areas of interest remained current at the reporting date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future; • Reviewing the directors' assessment of the carrying value of the exploration and evaluation costs, ensuring that management have considered the effect of impairment indicators, commodity prices and the stage of the Group's project; • Reviewing budgets and challenging assumptions made by the Group to ensure that substantive expenditure on further exploration for and evaluation of the mineral resources in the areas of interest were planned; and • Reviewing ASX announcements and minutes of directors' meetings to ensure that the company had not decided to discontinue activities in any of its areas of interest.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 18 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Rimfire Pacific Mining NL, for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO East Coast Partnership

James Mooney
Partner

Melbourne, 30 September 2019

Additional Information
For Publicly Listed Companies

1. The shareholder information set out below was applicable as at 16 September 2019

(a) Distribution of Shareholders by Class – RIM Ordinary Shares

Category (Size of Holding)	Total Holders	Fully Paid Ordinary Shares	% of Issued Capital
1 – 1,000	176	53,271	0.00
1,001 – 5,000	154	509,424	0.04
5,001 – 10,000	161	1,378,797	0.10
10,001 – 100,000	765	34,174,534	2.53
100,001 over	770	1,317,042,412	97.33
Total	2,026	1,353,158,438	100.00

Distribution of Shareholders by Class – RIMOB Option Expiring on 01 May 2020 at $0.022

Category (Size of Holding)	Total Holders	RIMOB Options	% of Issued RIMOB Options
1 – 1,000	11	993	0.00
1,001 – 5,000	16	67,011	0.05
5,001 – 10,000	14	106,537	0.08
10,001 – 100,000	72	2,930,326	2.23
100,001 over	78	128,035,651	97.63
Total	191	131,140,518	100.00

Distribution of Shareholders by Class – RIMOC Option Expiring on 01 May 2020 at $0.01

Category (Size of Holding)	Total Holders	RIMOC Options	% of Issued RIMOC Options
1 – 1,000	6	2,199	0.00
1,001 – 5,000	9	26,826	0.01
5,001 – 10,000	17	132,283	0.05
10,001 – 100,000	80	3,718,271	1.34
100,001 over	119	273,660,786	98.60
Total	231	277,540,365	100.00

(b) The number of Ordinary shareholders with shareholdings in less than marketable parcels was 1,437 as at 16 September 2019.
The number of RIMOB option holders with holdings in less than marketable parcels was 139 as at 16 September 2019.
The number of RIMOC option holders with holdings in less than marketable parcels cannot be calculated due to no price as at 16 September 2019.

(c) The number of holders of each class of equity security as at 16 September 2019:

Class of Security	Number
Fully Paid Ordinary Shares	2,026
RIMOB Options	191
RIMOC Options	231

(d) Voting Rights

Every Member is entitled to be present at a meeting and may vote.

On a show of hands, every Member has one vote.

On a poll every Member has:
- one vote for each fully paid ordinary share ; and
- voting rights pro-rata to the amount paid up on each partly paid share held by the Member.

(e) 20 Largest Shareholders – RIM Ordinary Shares as at 16 September 2019

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	Mr Peng Wang	38,174,603	2.82
2.	Ant Nicholson Pty Ltd <Koo Nicholson Family A/C>	30,050,000	2.22
3.	Mr John Adrian Kaminsky	28,307,725	2.09
4.	Citicorp Nominees Pty Limited	27,469,660	2.03
5.	Mr Choong Guang Koh	26,500,000	1.96
6.	HSBC Custody Nominees (Australia) Limited	24,734,201	1.83
7.	First Investment Partners Pty Ltd	24,060,281	1.78
8.	New Gold Fife Pty Ltd	23,809,524	1.76
9.	Mr Richard Thomas Hayward Daly + Mrs Sarah Kay Daly <Daly Family S/F Tom A/C>	21,841,781	1.61
10.	B David Nominees Pty Ltd <Never Satisfied S/F A/C>	19,333,336	1.43
11.	Cooee Investments Pty Ltd	18,168,604	1.34
12.	Helen Ma Pty Ltd <Stevema Super Fund A/C>	17,286,831	1.28
13.	Dr Julie Miranda Jelbart + Mr William Theodore Durnell <William Durnell S/F A/C>	17,000,000	1.26
14.	Ralston Corporation Pty Ltd <Ralston Super Fund A/C>	15,000,379	1.11
15.	Mr Christopher Lindsay Bollam	15,000,000	1.11
16.	Mr Laurie John Newman	14,616,778	1.08
17.	Beirne Trading Pty Ltd	14,500,000	1.07
18.	Dr Gary Robert Lillicrap	14,264,342	1.05
19.	Kookoo Nominees Pty Ltd <Ant & Koo Nicholson S/F A/C>	13,200,000	0.98
20.	Warcoll Holdings Pty Ltd	12,882,375	0.95
	Top 20 holders of Fully Paid Ordinary Shares	416,200,420	30.76

20 Largest Shareholders – RIMOB Options Expiring on 01 May 2020 at $0.022 as at 16 September 2019

	Name	Number of Listed Options Held	% Held of Issued RIMOB Options
1.	Geoboys Ltd	11,666,666	8.90
2.	Mr Bin Liu	11,111,111	8.47
3.	Mr Peng Wang	8,888,889	6.78
4.	TJS Investments (Aust) Pty Ltd <TJS Investments A/C>	7,017,483	5.35
5.	Mr Helmut Rocker	6,000,000	4.58
6.	Mr Long Ding	5,833,333	4.45
7.	Ant Nicholson Pty Ltd <Koo Nicholson Family A/C>	4,708,333	3.59
8.	Mr Timothy John McDonald <Blue Chip Investment A/C>	4,500,000	3.43
9.	Mr Mark Andrew Tkocz	4,000,000	3.05
10.	BIMH Pty Ltd <Union Street Super Fund A/C>	3,940,000	3.00
11.	B David Nominees Pty Ltd <Never Satisfied S/F A/C>	3,500,000	2.67
12.	Mr Harvinder Singh Grewal	3,333,333	2.54
13.	HSBC Custody Nominees (Australia) Limited	3,000,000	2.29
14.	Helen Ma Pty Ltd <Stevema Super Fund A/C>	2,593,024	1.98
15.	Goffacan Pty Ltd <KMM Family A/C>	2,499,999	1.91
16.	Mr Kerry Peter Jelbart	2,275,000	1.73
17.	Mr Andrew Melville Knox	2,197,916	1.68
18.	Invia Custodian Pty Limited <The Suvoltos Super Fund A/C>	2,087,500	1.59
19.	Coin Superannuation Fund Pty Ltd <Coin Super A/C>	1,754,371	1.34
20.	Navigator Australia Ltd <MLC Investment Sett A/C>	1,742,465	1.33
	Top 20 holders of Listed RIMOB Options Expiring on 01 May 2020 @ $0.022	92,649,423	70.65

Additional Information (Cont'd)
For Publicly Listed Companies

20 Largest Shareholders – RIMOC Options Expiring on 01 May 2020 at $0.01 as at 16 September 2019

	Name	Number of Listed Options Held	% Held of Issued RIMOC Options
1.	Ant Nicholson Pty Ltd <Koo Nicholson Family A/C>	30,000,000	10.81
2.	First Investment Partners Pty Ltd	25,000,001	9.01
3.	Mr Richard Thomas Hayward Daly + Mrs Sarah Kay Daly <Daly Family S/F Tom A/C>	17,960,446	6.47
4.	Mr Christopher Lindsay Bollam	15,000,000	5.40
5.	Beirne Trading Pty Ltd	10,000,000	3.60
5.	Ludowici Group Pty Ltd	10,000,000	3.60
5.	SH Berdoukas Pty Ltd <Tambo Super Fund A/C>	10,000,000	3.60
8.	Mr Aidan Moore	8,500,000	3.06
9.	Mr Brent Norman Fisher	8,333,333	3.00
10.	Super MSJ Pty Ltd <MSJ Super Fund A/C>	8,000,000	2.88
11.	Mr Mark Andrew Tkocz	7,025,000	2.53
12.	Mr Mark William Toman + Mrs Helen Mary Toman <The Toman Family S/F A/C>	6,666,667	2.40
13.	Mr Stanley Anthony Berdoukas	5,051,670	1.82
14.	Allowside Pty Ltd	5,000,000	1.80
15.	Mr Christopher Lindsay Bollam	4,945,039	1.78
16.	B David Nominees Pty Ltd <Never Satisfied S/F A/C>	4,833,336	1.74
17.	Helen Ma Pty Ltd <Stevema Super Fund A/C>	4,321,710	1.56
18.	Mrs Julie Avotins	4,000,000	1.44
19.	Mr Laurie John Newman	3,654,196	1.32
20.	Pointing Investments Pty Ltd	3,333,333	1.20
20.	Mrs Vanessa Ruben	3,333,333	1.20
	Top 21 holders of Listed RIMOC Options Expiring on 01 May 2020 @ $0.01	194,958,064	70.24

2. The name of the Company Secretary is Melanie Leydin.

3. The address and telephone number of the registered office and principal administrative office is:

Suite 411, 530 Little Collins Street
Melbourne VIC 3000

Telephone: 03 9620 5866
Facsimile : 03 9620 5822
Website : www.rimfire.com.au

4. The register of securities is held at the following address:

Computershare Registry Services
Yarra Falls
452 Johnston St
Abbotsford VIC 3067

Telephone: 1300 850 505 (within Australia)
Overseas: + 61 3 9415 5000

5. Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

6. Vendor Securities

There are no restricted securities on issue as at 16 September 2019.

7. Unissued shares under option

As at 16 September 2019 there were 1,500,000 unissued shares under option at an issue price of $0.0295 (2.95 cents) per option, with 375,000 options to vest on 25 September 2018, and 1,125,000 options to vest on 25 September 2019 exercisable before 25 September 2020. As at 16 September 2019 there were also 72,500,000 unissued shares under option at various prices and various vesting dates which are detailed in this report.

Schedule of Exploration Licences and Mining Licences

Licence	Location	Units	Interest	Grant Date	Renewal Date	Mineral Focus
EL7959	Fifield	7	100%	16/08/2012	16/08/2020	Gold / Base Metals
EL5534	Fifield	40	100%	23/10/1998	23/10/2019	Gold / Base Metals / Cobalt / Nickel / Scandium
EL7058	Fifield	35	100%	01/02/2008	01/02/2020	Gold / Base Metals / Platinum
M(C)L305	Fifield	1.9ha	100%	18/11/2004	17/11/2019	Gold / Platinum / Silver
M(C)L306	Fifield	2.0ha	100%	18/11/2004	17/11/2019	Gold / Platinum / Silver
EL8401	Fifield	100	100%	22/10/2015	22/10/2021	Gold / Base Metals
EL5565[1]	Fifield	4	100%	24/03/1999	24/03/2019	Platinum
EL8543	Fifield	1	100%	27/03/2017	27/03/2020	Gold / Base Metals
EL8542	Fifield	32	100%	27/03/2017	23/03/2023	Gold / Base Metals
EL6241	Fifield	15	100%	17/05/2004	17/05/2021	Gold / Base Metals / Platinum
EL8804	Greater Lake Cowal	44	100%	31/01/2019	31/01/2021	Gold / Base Metals
EL8805	Greater Lake Cowal	39	100%	30/01/2019	30/01/2021	Gold / Base Metals
EL 5958[2]	Broken Hill	27	10%	24/06/2002	24/06/2019	Base Metals / Cobalt

Notes:

1 Renewal submitted.
2 Perilya manages the tenement with Rimfire being free carried and licence renewal has been submitted.

Competent Persons Declarations

The information in the report to which this statement is attached that relates to Exploration and Resource Results, is based on information reviewed and/or compiled by Todd Axford who is deemed to be a Competent Person and is a Member of The Australasian Institute of Mining and Metallurgy.

Mr Axford has over 23 years' experience in the mineral and mining industry. Mr Axford is employed by Geko-Co Pty Ltd and is a consulting geologist to the Company. Todd Axford has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Todd Axford consents to the inclusion of the matters based on the information in the form and context in which it appears.

Historic material previously published under 2004 JORC standard that is referenced in this report:

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. In addition, the Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements which operated under the 2004 JORC reporting requirements.

Sorpresa Mineral Resource estimate reported under JORC 2012 code

Resource	Cut off	Category	Mt	Grade		Contained Metal	
				(g/t) Au	(g/t) Ag	Koz Au	Moz Ag
Gold	0.5 g/t Au	Indicated	2.0	1.14	27	73	1.7
		Inferred	1.0	0.9	12	29	0.4
		Total	3.0	1.06	22	103	2.1
Silver	25 g/t Ag	Indicated	2.1	0.21	62	14	4.2
		Inferred	1.2	0.19	40	7	1.6
		Total	3.4	0.20	54	22	5.8
Combined	0.5 g/t Au & 25 g/t Ag	Indicated	4.1	0.67	45	88	5.9
		Inferred	2.2	0.51	27	37	2.0
		Total	6.4	0.61	38	125	7.9

Notes:

1. Sorpresa Mineral Resource reported to JORC 2012 standards, at 0.50 g/t Au and 25g/t Ag cut-off
2. The figures in this table are rounded to reflect the precision of the estimates and include rounding errors.

Corporate Directory

Directors:	Ian McCubbing (Chairman) Craig Riley (Managing Director & CEO) Andrew Greville
Company Secretary:	Melanie Leydin
Registered Office:	Suite 411, 530 Little Collins Street Melbourne VIC 3000
Auditors:	BDO East Coast Partnership Collins Square / Tower Four Level 18, 727 Collins Street Melbourne VIC 3008
Lawyers of the Company:	Carton Solicitors 8 Chapel St Cremorne VIC 3121
Share Registry:	Computershare Investor Services Pty Ltd Yarra Falls 452 Johnston St Abbotsford VIC 3067 Telephone: 1300 850 505 (within Australia) Overseas: + 61 3 9415 5000
Bankers:	Westpac Banking Corporation 114 William Street Melbourne VIC 3000
Stock Exchange Listing:	Australian Securities Exchange Home Exchange – Melbourne ASX Code: RIM
Email Address:	rimfire@rimfire.com.au
Website Address:	www.rimfire.com.au

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