

RC and Diamond Drilling Program Update at Fifield NSW

Moonrise and Golden Chrome gold-copper prospects have completed RC Pre-collars

Rimfire Pacific Mining NL (ASX code: RIM) (“Rimfire” or “The Company”) advises progress on the drilling program at Fifield NSW. New Gold Inc. (TSX/NYSE: NGD) and Rimfire are jointly undertaking *first pass drilling* on five targets, using a combination of RC and/or Diamond (DD) drilling, as appropriate to each target.

The important potential porphyry target areas at Moonrise and Golden Chrome prospects will each be drilled to depths of more than 500m.

Key Summary of Drilling progress to date (refer Figures 1 to 4 for location information)

- ❑ **Moonrise gold-copper prospect Diamond Drilling has commenced**
 - Reverse Circulation (RC) drilling pre-collars were completed on two holes
 - A diamond tail finish will take one hole (RC hole depth was 300m) to a total depth of 500 to 600m
- ❑ **Golden Chrome gold-copper prospect completes RC phase, now ready for Diamond Drilling**
 - Reverse Circulation (RC) drilling pre-collars were completed on two holes
 - A diamond tail finish will take one hole (RC hole depth was 276m) to a total depth of about 500m
- ❑ **Transit gold prospect has commenced RC Drilling using a second drill rig**
 - RC drilling is being used exclusively on this prospect, with 7 holes for about 800m
 - The initial two holes have intersected a carbonaceous horizon
 - Depth range of holes is expected to be 60m to 250m

CEO, John Kaminsky commented on the drilling program developed jointly with New Gold Inc. :



“The **first pass drill testing** is well underway at Fifield on three of the five proposed targets. We are conducting some of the deepest drilling yet seen at the project area, so this work will provide important information and context.

“We will be utilising two rigs concurrently in the next phase of the program, with RC drilling on the Transit prospect gold anomaly, whilst Moonrise and Golden Chrome gold-copper prospects will have diamond drilling tails extend the RC drilled holes at those locations.

“The Transit and Moonrise prospects, are located along the Eclipse gold and copper trend, situated approximately 4km east of Sorpresa. The carbonaceous geology being revealed at Transit in the RC drilling is showing some attributes similar with Sorpresa, but it is still at an early stage. We need to achieve greater depths at Moonrise to gain insights into the potential for a porphyry style system operating at this location.

“The RC drilling at the Golden Chrome target (located 3km south of Sorpresa) has encountered intensely Sericite-Silica altered geology and carbonaceous sediments, which is interesting. We expect the deeper diamond drilling tail to reveal more on the geological context at depth.

“Once Transit drilling is completed, the RC drill rig will move to the Gravity Thrust target, located between Sorpresa and Golden Chrome.



RC Drilling underway at Transit

“Rimfire and New Gold continue to pursue the discovery strategy within the Fifield region as outlined for 2017 ([Hyperlink: ASX Announcement 22 February 2017 - Discovery Strategy Outline with Work Programs Commenced](#)).”

Moonrise Gold-Copper Prospect Geology, Context and Drilling Plan concepts (refer Figures 2 & 3)

Historic Auger and RC drilling has highlighted a series of quartz-feldspar porphyry dykes, suggesting a nearby intrusive centre. A series of west-northwest verging thrusts have been interpreted through the area, with the Eclipse Trend being indicative of the strike of one such thrust.

Cross-cutting E-W and ESE-WNW striking faults are also present. The pocket of RC drilling at Eclipse South (2015) shows at least two porphyry dykes/sills interpreted as intruded along thrust breaks, within a package of sediments above a sheared/thrust zone, which overlies a package of andesitic volcanoclastics (including silica/hematite unit).

Work in the immediate Moonrise prospect area has included detailed mapping, float and rock chip sampling, soil sampling, and auger drilling, but no deeper drilling until this current program.



Moonrise RC drilling completed. DD starting

Some areas to the west have been historically targeted with generally shallow RC drilling, with some deeper holes reaching down hole depths up to 200m. Rock chip geochemistry from this region shows elevations in Au, Bi and Te relative to the rest of the Eclipse Trend.

Target deposit style and Drill Plan Rationale at Moonrise

The indicated location of a porphyry core is suggested by patterns evident in the soil geochemistry over the Moonrise prospect. Two mineralising models could be present based on the evidence in field work, (including geophysics interpretations), as follows:

1. A high level porphyry system with the drilling designed to intersect the dyke swarm above the main porphyry body. The occurrence of low sulphidation epithermal style colloform banded veining and rare boiling textures supports this interpretation of the Eclipse Trend being representative of a shallow level epithermal environment.
2. The epithermal textures noted in float also support a structurally prepared hydrothermal derived gold deposit as a valid target, with a strong relationship between the interpreted thrust plane, cross cutting faults, and gold mineralisation observed in the previous historic drilling.

Both possible models can be investigated via the drilling program being undertaken at Moonrise.

Sincerely

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Attached:

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<i>About Rimfire and Fifield Project Objectives</i>	<i>Page 4</i>
<i>Figure 1; Drill Locations and context map</i>	<i>Page 5</i>
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SUMMARY OF THE FIVE TARGET PROSPECT AREAS INVOLVED IN THE DRILLING PROGRAM

Reverse Circulation (RC) and Diamond Core (DD) drilling commenced in late July and will continue during August/September. The New Gold Inc. – Rimfire partnership is utilizing a common drilling contractor. The Diamond Core drilling will follow initial pre-collars drilled with Reverse Circulation. Drill hole sequencing and depths may be changed as results, logistics, access and ground conditions warrant.

Figure 1 shows the target areas (★) for RC and DD drilling. All required permits and notifications are in place.

The overall drilling program summary is as follows:*

□ 3,000m of Reverse Circulation (RC) drilling

- Targeted depths of 60m to 300m
- Five target areas are proposed for first pass reconnaissance testing

□ 1,000m of Diamond Core drilling (DD)

- Targeted depths ranging from 400m to 600m as **diamond tails** from initial RC pre-collars on three targets (Moonrise, Golden Chrome, Carlisle) of the five proposed targets

* *This proforma program is subject to review and modification at the discretion of the Fifield project partners (New Gold Inc and Rimfire), and may change according to land access, logistic constraints, permitting or technical variations.*

The initial target areas and sequence planned for drilling is:

1. The **Golden Chrome** target lies within a zone of strong phyllic alteration that has been mapped over an area 800m in diameter, potentially representing the near surface expression of a mineralized porphyry system at depth, with potential for Au-Cu mineralisation.

The regolith mapping, geology, geochemistry, alteration studies, magnetics and gravity geophysics all provide support to the model hypothesis.

Additional evidence is provided by primary coarse untraveled ragged gold in the bedrock or base of the Platina Lead historic mine spoils. The Platina Lead follows the soft highly altered ring fault to the Golden Chrome intrusive system.

2. The **Moonrise** area located along the Eclipse trend, centres on a zone of anomalous gold in soil and rock chips near the projected trace of an interpreted thrust fault in close proximity to a dioritic intrusive.
3. The **Transit** area to the north of Moonrise, is a newly defined surface gold anomaly within the Eclipse trend, with adjacent base metal signatures and nearby epithermal boiling textures in rock float.
4. The **Carlisle** target centres on an 800m diameter strong magnetic anomaly partially tested with a series of shallow RC holes drilled by Rimfire in 2015. Previous reconnaissance sampling in the area identified favourable silica alteration and anomalous copper and gold, including up to 23.0 g/t Au in rock chips.
5. The **Gravity Thrust** target, is based on Rimfire's interpretation of gravity and magnetic contrast which suggests a possible repeat of Sorpresa style mineralization along a 2km sub-parallel feature to the south of the Trench31 area.

Additional areas may also be considered for drilling.

ABOUT RIMFIRE

Rimfire Pacific Mining is an ASX listed (ASX code: RIM) resources exploration company that has its major focus at Fifield in central NSW, located within the Lachlan Transverse Zone (LTZ). In 2010~11 the Company made a greenfields gold and silver discovery, named “Sorpresa”, announcing a JORC compliant Inferred & Indicated Maiden resource in 2014.

The current main Sorpresa strike line containing gold and silver mineralisation is approximately 1.5km in length and is at various stages of further discovery growth assessment, including the larger 7km x 2km Sorpresa corridor.

Multiple prospects areas involving potential for Gold, Silver, Copper and Platinum have been established within a >6km radius of the Sorpresa discovery at Fifield, which is part of the contiguous 669km² tenement position held.

Earn-in by New Gold Inc.

On 28th October 2016, Rimfire and New Gold Inc. (TSX/NYSE code: NGD) signed an [Earn-in Agreement](#) (ASX Release) under which New Gold Inc. has committed to spend A\$2 million during the first 12 month earn-in (period to 21 March 2018) and may choose to spend additional funds (up to \$12 million in total within 5 years) to earn up to a 70% interest in Rimfire’s tenements in the Fifield district.

Project area goals at Fifield NSW

The discovery aspiration for the Fifield area is to achieve an aggregate discovery outcome in excess of 4 million ounces of gold equivalent metal, being capable of supporting a mine life in excess of 10 years, and within the lower third of industry costs of production.

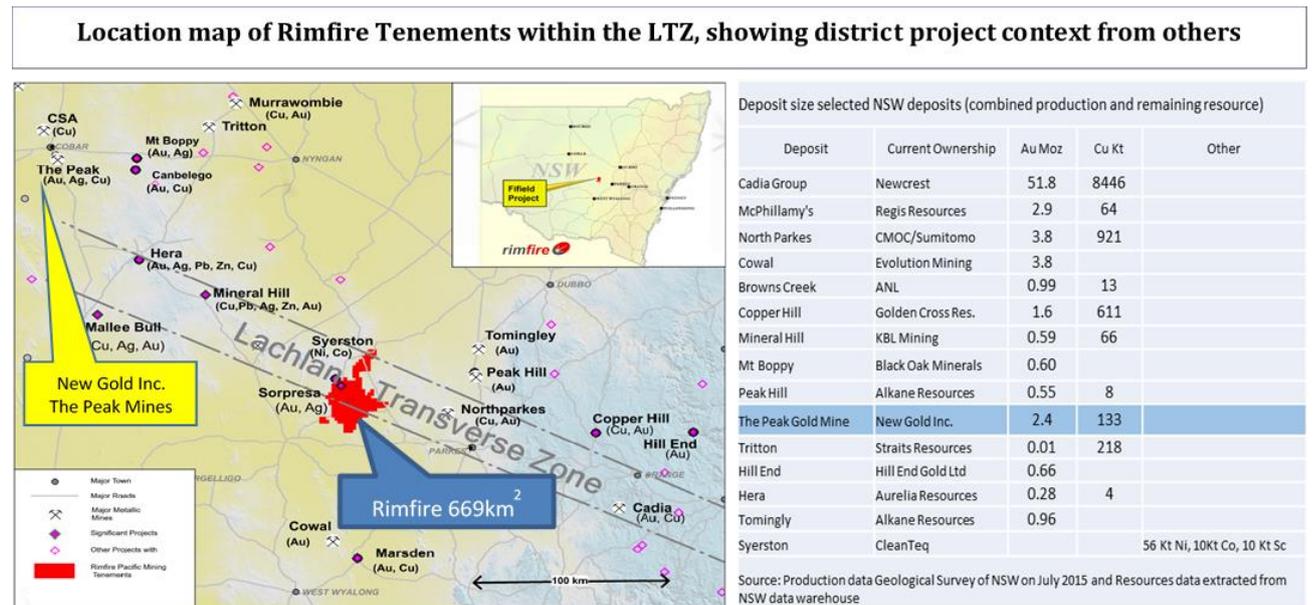


Figure 1: Fifield District Prospect Map – Adjacent Deposits to the North – on geology and structure background (Rimfire interpretation pre 2017)

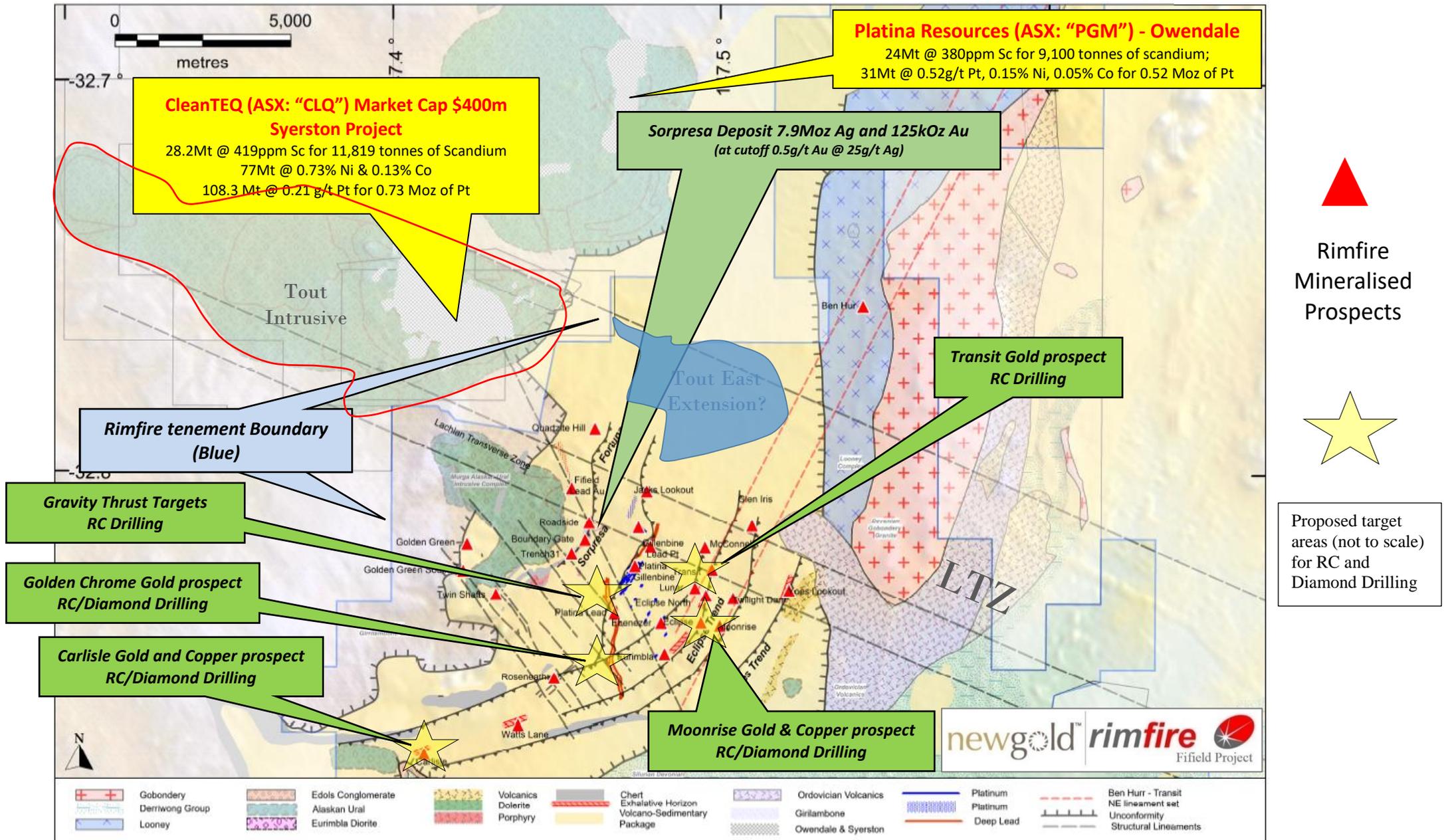
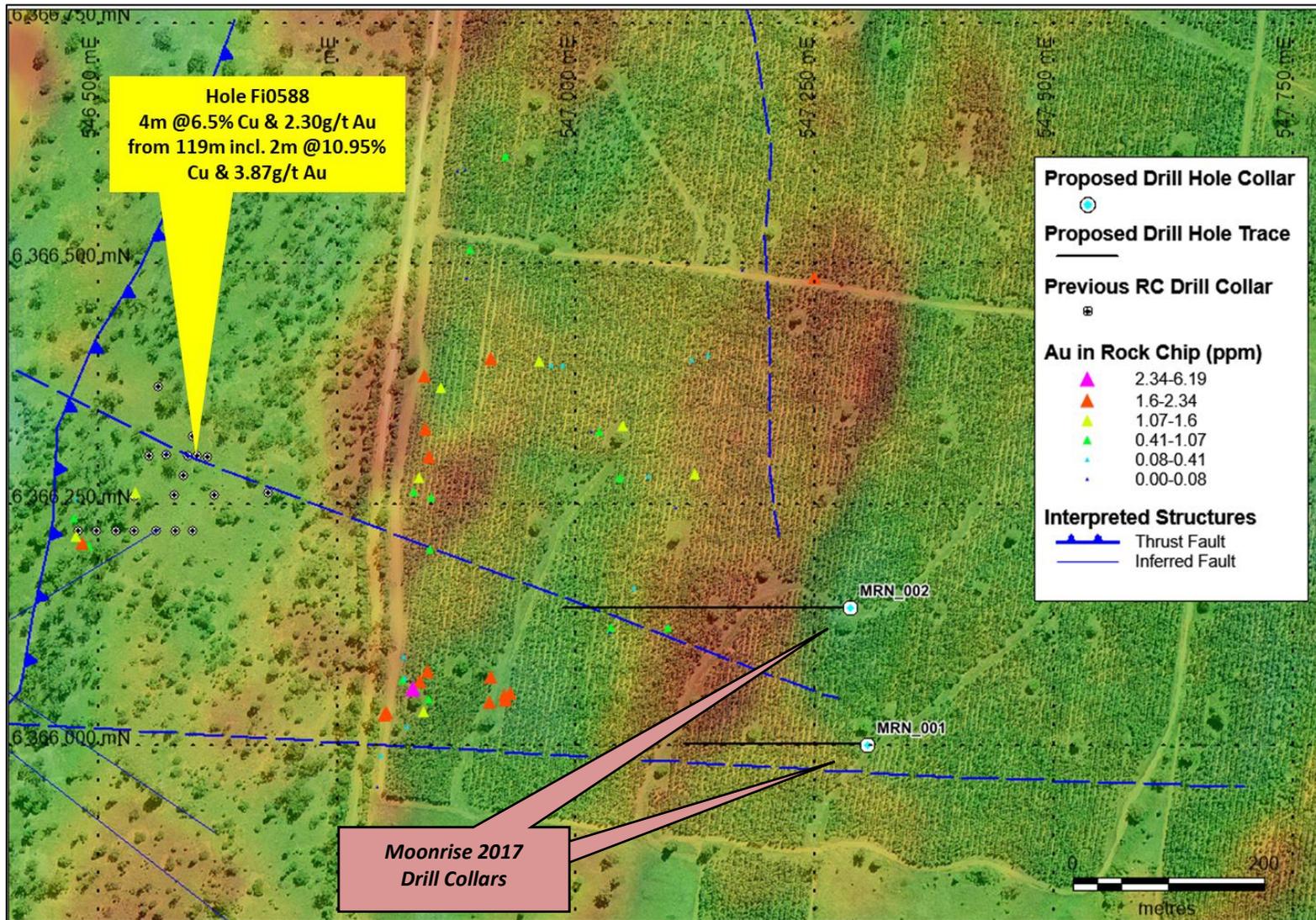


Figure 2: Moonrise Prospect – RC/Diamond Drilling locations with context rockchips, structure and 2015 RC drilling to the west (Hole Fi0588)



- ❑ Map showing Moonrise collar locations with downhole trace over 1VD RTP Magnetic Image and Satellite Image. **Coloured triangles represent rock chip locations.**
- ❑ Drilling targeting down dip position of thrust fault and the intersection with an inferred NW trending fault
- ❑ Inferred NW trending fault possible control on Cu mineralisation in Fi0588
- ❑ Drill plan 2 x RC pre-collar, then Diamond Tail finish

Figure 3: Moonrise Prospect part of Eclipse Trend – RC drilling Highlights (2015) shown to the west of current planned drilling locations

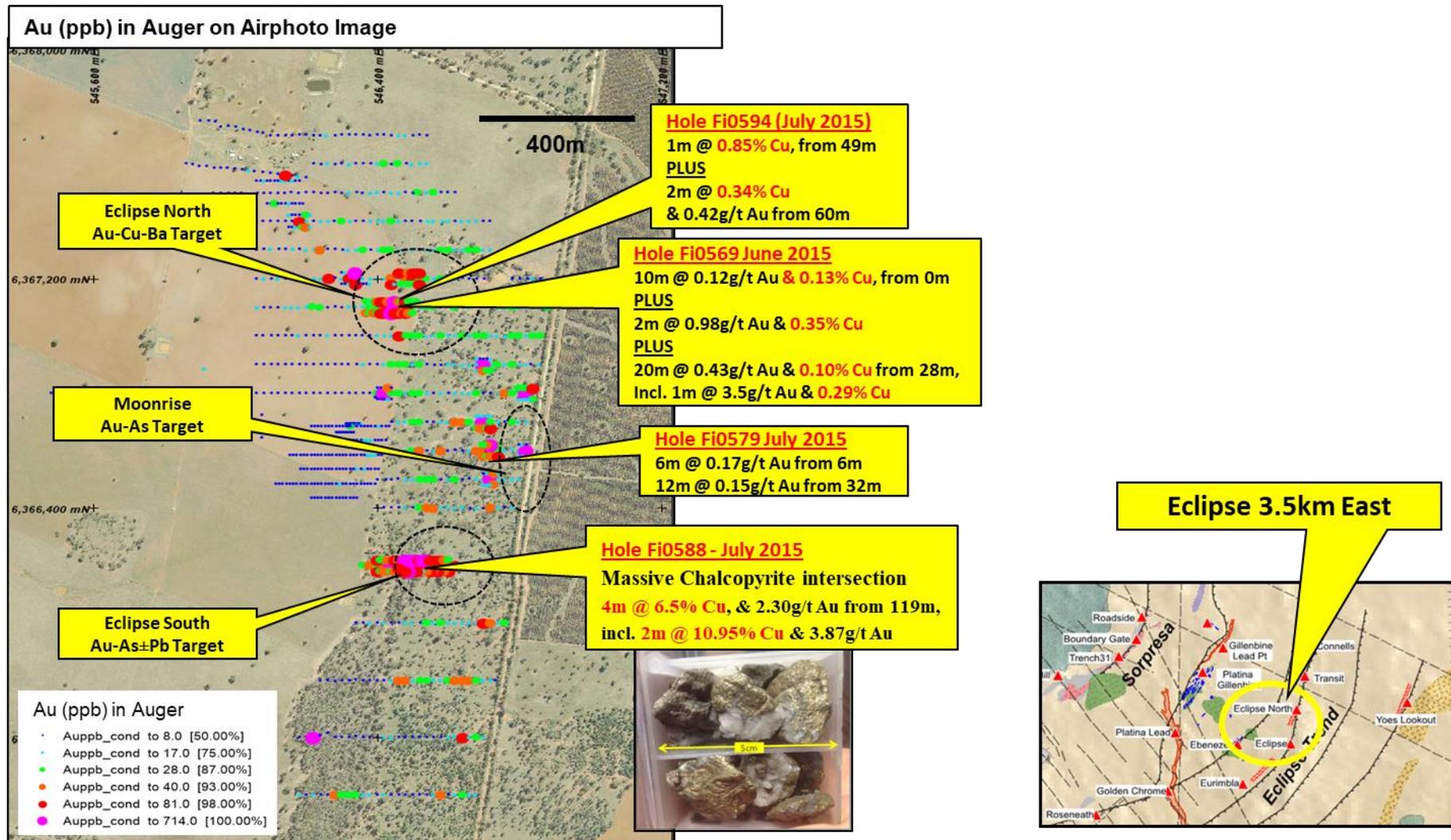
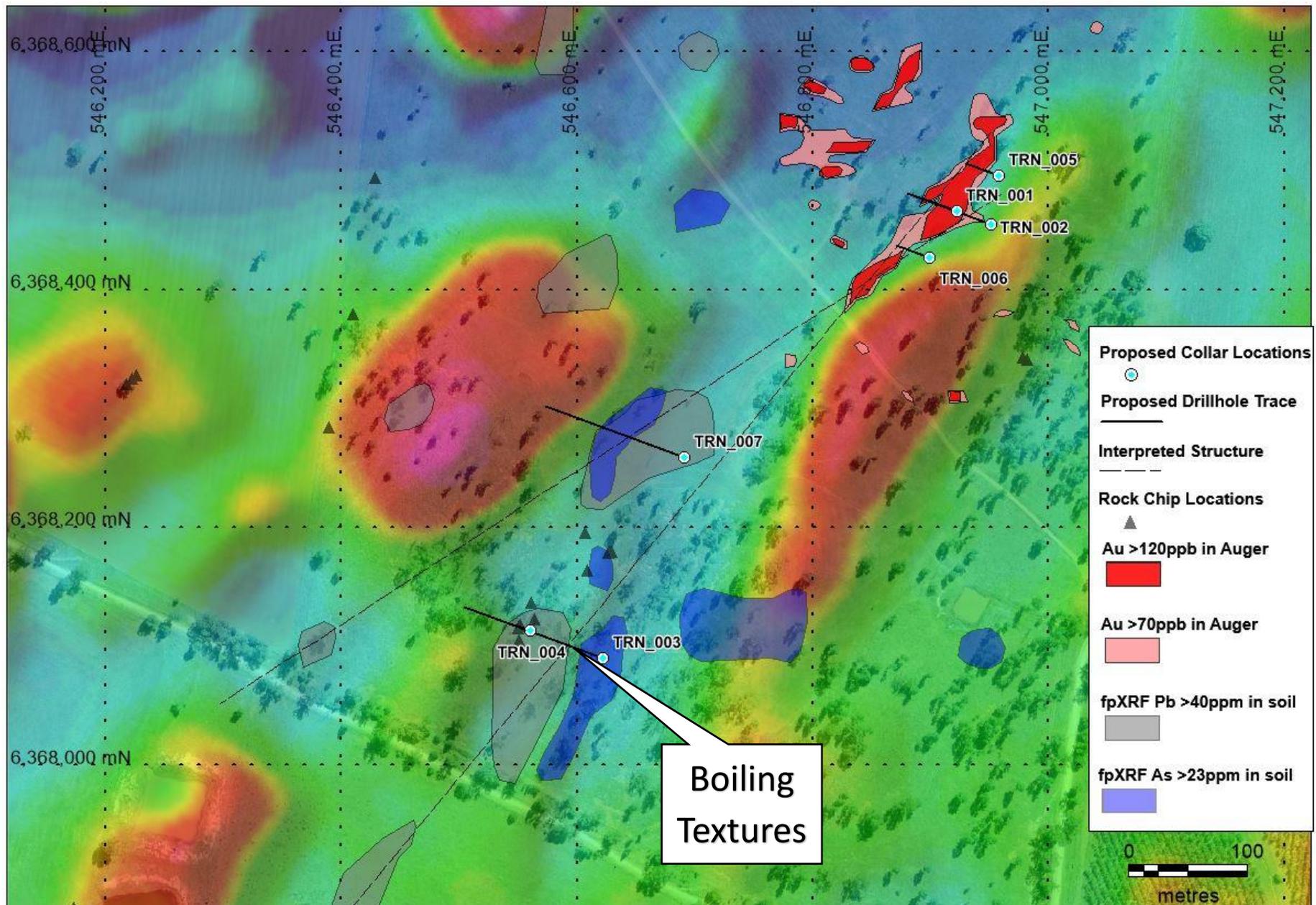


Figure 4: Transit Gold Prospect part of Eclipse Trend showing planned RC drilling locations on geochem and magnetic context



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 Colin Plumridge who is deemed to be a Competent Person and is a Member of The Australasian Institute of Mining and Metallurgy.

Mr Plumridge has over 45 years' experience in the mineral and mining industry. Mr Plumridge is employed by Plumridge & Associates Pty. Ltd. and is a consulting geologist to the Company. Colin Plumridge 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'. Colin Plumridge has previously consented to the inclusion of the matters based on the information in the form and context in which it appears.

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

The information provided both the historic results and in "About Rimfire Pacific Mining section" is available to view on the Company Website at hyperlink: [ASX Announcements](#). 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. Mr Colin Plumridge as a Competent Person consented to the inclusion in the original reports in the form and context in which each appeared, please refer to the Competent Persons declaration above for additional information.

Table 1 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.