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# Quarterly Report

For the quarter ended June 2019

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## Highlights

- The Company raised approximately \$0.5m before costs from the Rights Issue that commenced 26<sup>th</sup> June 2019.
- The Australian Tax Office (ATO) granted Rimfire \$550,000 of Junior Minerals Exploratoion Incentive (JMEI) credits for the 2019/20 income tax year. These tax credits, until depleted, are assigned to shareholders who are Australian taxpayers and have participated in the Company's Rights Issue or Placements since July 2019.
- Rimfire has concluded negotiations with drilling contractors to start a drilling program subject to drill rig availability in September 2019 for;
  - ✓ A 50 hole aircore bedrock drilling program of 2,100 metres at the Northern and Southern Areas targeting large scale Northparkes (copper/gold) or Cowal (gold) style mineralisation, and
  - ✓ A 4 hole RC drilling program of 300 metres (depth 75m, 60 degrees dip) at the Northern Gold prospect to test bedrock for potential of economic gold mineralisation intercepts at shallow depth (<50m).
- Rimfire has confirmed that the known geology, mineralisation and geological relationships in the Sorpresa Basin and surrounding area supports possible gold mineralisation as part of an Intrusion Related Gold System (IRGS) which could have significant, and rapid, implications for exploration success within 5km of Sorpresa.

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Rimfire Pacific Mining NL (ASX: RIM) ("the Company" or "Rimfire") is pleased to provide the June 2019 Quarterly Activity Report for activities undertaken at Fifield NSW.

The Company continues to pursue its Dual Strategy ([ASX Announcement: 25 September 2018, Dual Strategy](#)) of ongoing exploration for further discoveries including large scale porphyry style gold or copper/gold systems in intepreted Ordovician Volcanic geology and monetization of Sorpresa. The Company will utilise funds from recent capital raising on exploration drill testing of the Northern and Southern Exploration Areas with the goal to discover a large scale porphyry style gold or copper/gold systems in intepreted Ordovician Volcanic geology. In conjunction with this work, the company will aslo undertake drill testing of the Northern Gold Prospect which is interpreted to be part of an Intrusion Related Gold System (IRGS). The monetisation of Sorpresa will be influenced by the results from the Northern Gold work program.

### Craig Riley, Managing Director at Rimfire states:

*"The conclusion of the successful Rights Issue provides Rimfire with a firm financial base to undertake drilling programs commencing in September 2019. This is an exciting time for Rimfire and it's shareholders as it tests a number of highly prospective targets with results of drilling to be available to shareholders during the final quarter of calendar year 2019."*

## Going for gold.



## Health, Safety, Environment and Community

### Health and Safety

There have been no Health or Safety related incidents during the last quarter. The Total Year To Date performance for Minor Injuries, Medical Treatment Injuries and Lost Time Injuries remains zero.

### Environment

There have been no environmental incidents during the last quarter. There has been routine monitoring of historical rehabilitation sites to check for any subsidence around historical drill holes. A site visit by a representative of the NSW Department of Planning and Infrastructure – Resources and Geoscience Environmental Team identified no rehabilitation issues for further remedial work.

### Community

In preparation for field activities or to allow reconnaissance mapping to be undertaken there has been extensive landholder or landowner consultation meetings. Approvals were obtained from 27 landholders for execution of various field work activities for primarily geological mapping or site visits by company or government representatives.

## Field Project Activity

The Fifield project main activities in the 3 month period to 30 June 2019 have been focused on extracting value from existing geological data to allow a rapid transition to field activities once the company secures suitable funding. This work has included design of drilling programs to test the Northern Area, Southern Area and Northern Gold Project targets.

There has been ongoing routine submittal of Annual Technical Reports (under IMER standards) to NSW Department of Planning and Infrastructure – Resources and Geoscience to meet government compliance requirements for Rimfire's Exploration Licences (EL8542, EL8543, EL6241, EL5565) and Mining Leases (M(C)L305, M(C)L306). Work has been progressed in streamlining the collection of data and submittal of the Annual Community Consultation Reports (CCR) in conjunction with Annual Technical Reports.

### Northern and Southern Areas

A significant focus has been the exploration potential of the Northern and Southern Areas for the discovery potential of a major copper / gold or gold mineralised system such as Northparkes (Cu/Au) or Cowal (Au). Rimfire Pacific Mining NL (ASX: RIM) provides the opportunity for shareholders or potential shareholders to view a video interview with Managing Director and CEO, Craig Riley and Geology Consultant, Mick Love covering the discovery potential for a major copper / gold or gold mineralised system such as Northparkes (Cu/Au) or Cowal (Au). To view, please copy the following details into your web browser: <https://www.youtube.com/watch?v=Z2B7TiMiYLI&feature=youtu.be>

The 30km<sup>2</sup> Northern Area still requires reconnaissance mapping to be completed however, preliminary planning indicates 18 vertical aircore holes of average depth 20m for a total of 360m drilling will allow testing of bedrock. The 100km<sup>2</sup> Southern Area mapping is complete and drill planning indicates 35 holes of average depth 50m for a total of 1,750m will allow testing of bedrock.



### **Intrusion Related Gold System**

Recent analysis of exploration data indicates that an Intrusion Related Gold System (IRGS) genetic model is most appropriate for explaining the multiple occurrences of predominantly gold mineralisation within the Sorpresa Basin and surrounding area (~5km). 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.

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 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. 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. This could have significant, and rapid, implications for exploration success within 5km of Sorpresa.

The Sorpresa discovery and surrounding prospects are located within the Lachlan Transverse Zone 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 (Figure 1).

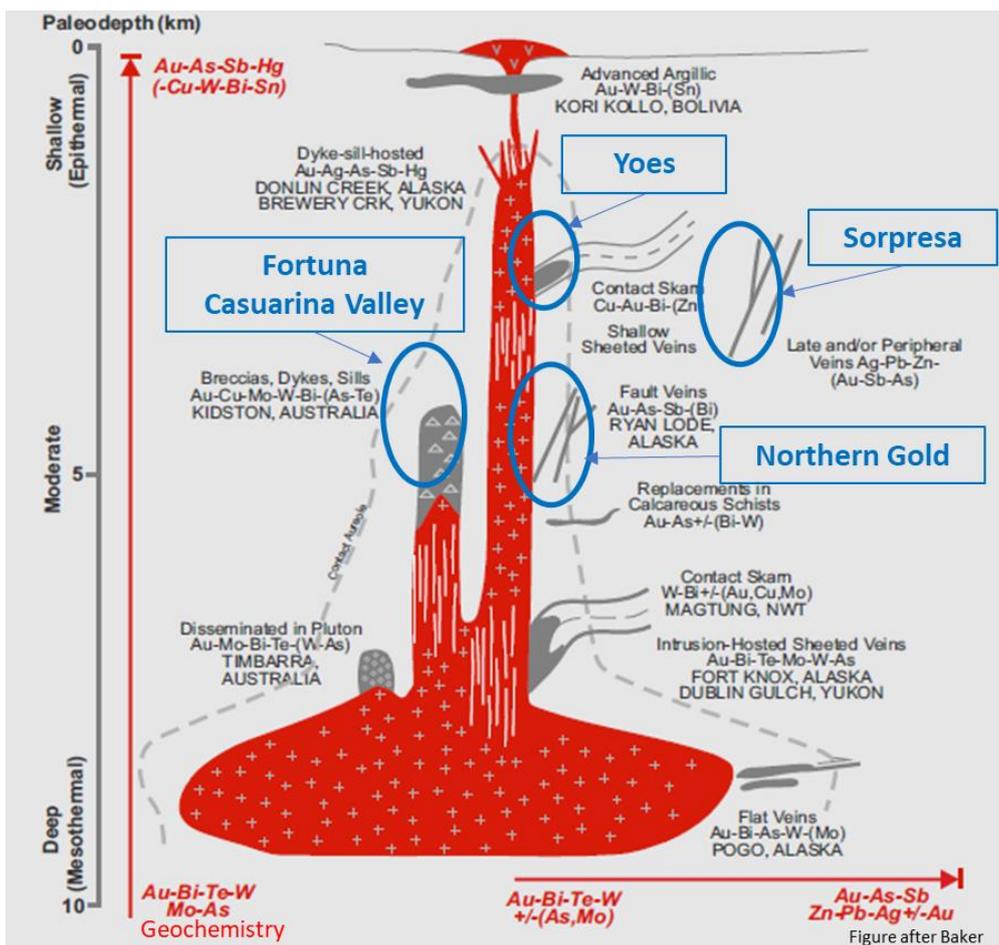
Some significant features of IRGS Deposit types include:

- 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 (Figure 2)

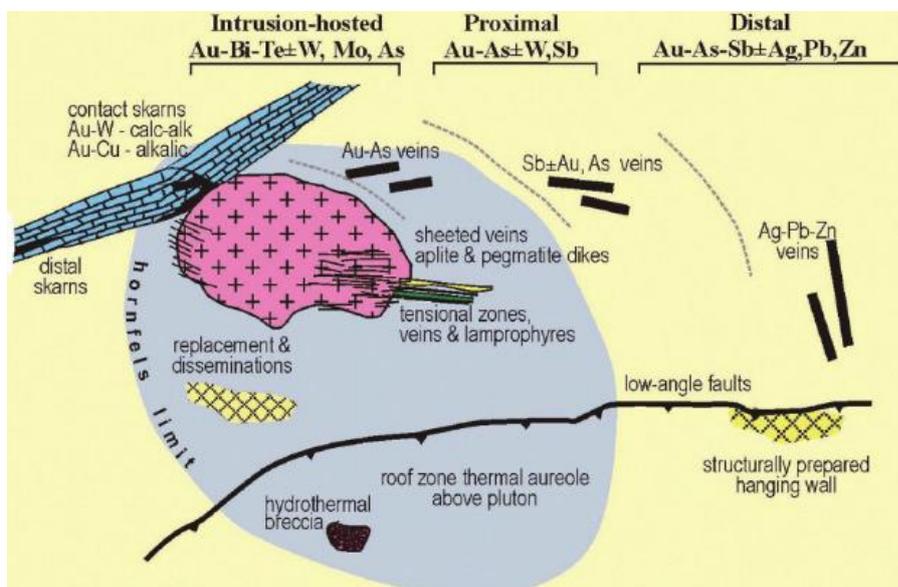
A comparison of some key IRGS features and evidence from Sorpresa area is provided in Table 1.



Figure 1: IRGS 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)

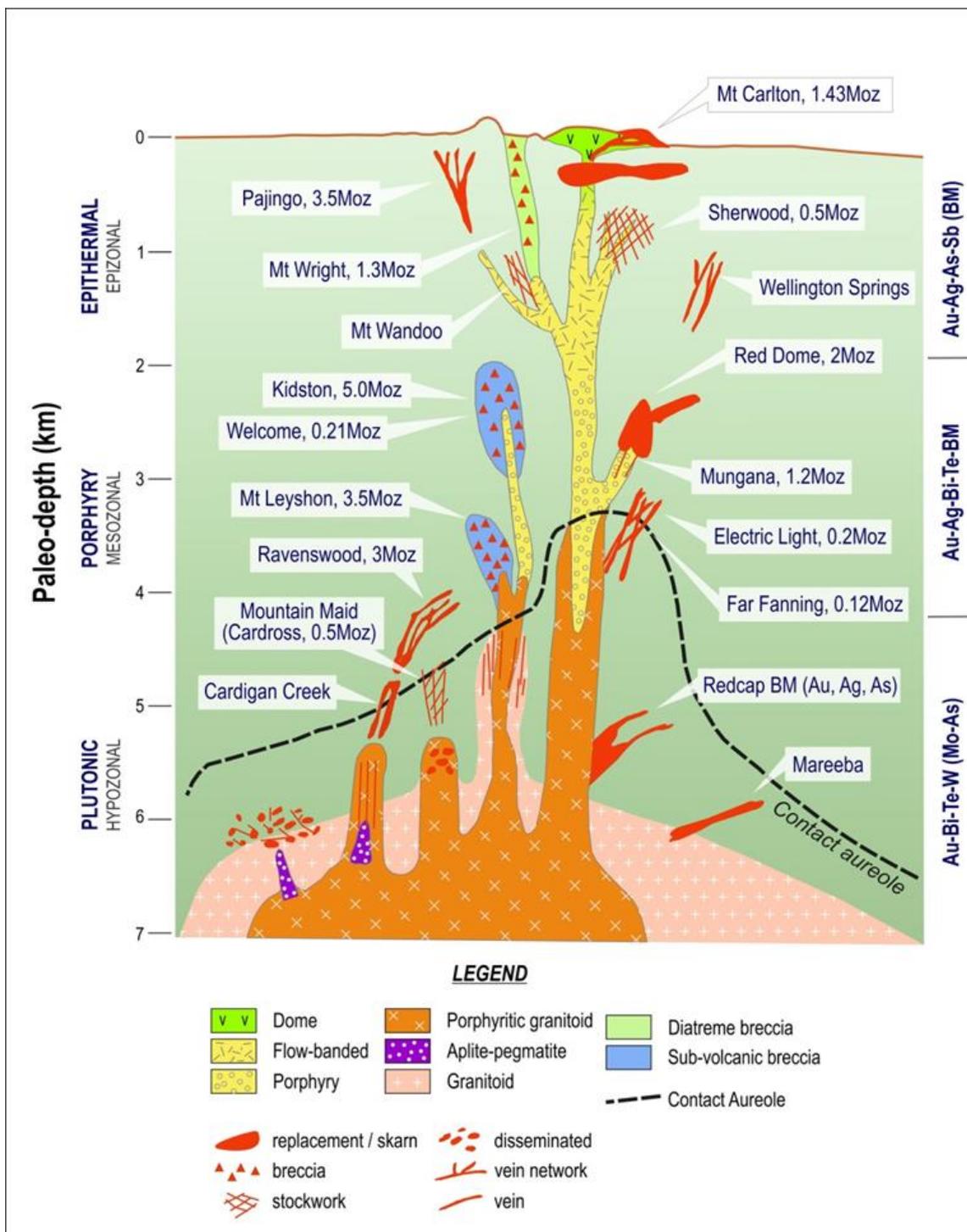


**Table 1: IRGS Indicators Evident in Vicinity of Sorpresa and Surrounding Area (< 5km)**

Features of IRGS	Indicators at Fifield
Tectonic setting: best developed in intrusions that were emplaced into ancient continental margins behind accretionary or collisional orogens and subduction-related magmatic arcs	Confirmed: Fifield characterised by continental Giralambone rocks to the west and arc volcanics to the east.
Timing: Mineralisation coeval with intrusion and typically emplaced over a short period	Confirmed: Dating indicates common age for sulphides from Sorpresa, a monzodiorite to the north east, plus porphyritic rhyolitic intrusives from within the Sorpresa resource and across the central area.
Mineralisation often emplaced during a late period of extension	Supported: 2016 drilling south west of Sorpresa confirmed interpreted ~E-W striking faults to have normal (extensional) displacement. The drilled fault cuts the late Siluro-Devonian Edols Conglomerate, and a similar interpreted fault cuts through the Sorpresa Resource area.
Driver of system are felsic ilmenite series plutons with low magnetic susceptibilities	Supported: Gobondery Granite considered ilmenite series plus felsic porphyritic dykes associated with mineralisation.
Evidence of rapid fractionation and fluid exsolution indicative of volatile saturation during crystallisation (aplite, felsite & pegmatitic dikes).	Supported: Felsite identified in several areas and pegmatitic dykes known to the north east of Sorpresa
Diverse Deposit Styles	Supported: Sorpresa = vein & fine disseminated Au with rhyolitic porphyritic dyke association, Yoes = skarn with low level Cu & Au, Golden Green = chlorite altered shear hosted Au, Fortuna = potential for breccia pipe or cupola hosted sheeted vein mineralization
Metal indicators: significant copper lacking, sulphides low (<5%), intrusions low in iron, (pyrite, pyrrhotite, arsenopyrite rather than hematite, magnetite), gold typically fine grained, tin and tungsten associated with granites. Metal assemblages are gold-dominant with anomalous Bi, W, As, Te and/or Sb, and typically have non-economic base metal concentrations (base metals increase in distal positions)	Supported: Copper very rare/low level in past exploration results, drilling typically encounters low level pyrite, pyrrhotite, arsenopyrite but not hematite, magnetite. Gold in Sorpresa resource very fine grained and noted as a reason the area was not identified by historic miners. Cassiterite (tin) panned from surface samples around Sorpresa and mentions of Scheelite (tungsten) identified in the area by past explorers. As and Sb recognised with Au at Sorpresa (Bi, W & Te not regularly assayed)
Zoning	Confirmed: Sorpresa (south end Au, As, Sb +Ag > north end Ag, Pb, Zn, +Au, As) and indicated by peripheral base metals in Auger and Aircore samples around Fortuna

Note: above comparison based on available data and should be considered indicative at this stage

Figure 2: Schematic model of IRGS examples from Northern Queensland



Source Morrison and Beams, 2015 Mines and Wines Conference, Intrusion Related Gold Systems of the Charters Towers Province, North Queensland



## CORPORATE ACTIVITY

### Cash, Capital Structure, Funding, Facilities and Investments

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<sup>th</sup> June 2019 and concluding during July 2019, with approximately \$0.5m being raised before costs. The shortfall is eligible for the Board to place with investors.

Table 2 - Changes in Capital Structure\*

Security Class	30 June 2019	24 July 2019 (conclusion of Rights Issue)
Ordinary Shares on Issue (RIM)	1,069,618,073	1,217,491,771
Listed Options - 2.2 cents, expire 1 May 2020 (RIMOB)	131,140,518	131,140,518
Listed Options – 1.0 cents, expire 1 May 2020 (RIMOC)	-	147,873,698
Unlisted Options – Various Prices and Vesting Dates	74,000,000	74,000,000

\*Excludes firm commitments for Shortfall but monies not received as at 23<sup>rd</sup> July 2019, ASX Announcement: [Rights Issue Shortfall Notice](#)

The Company continues to actively manage costs with Non-Executive Directors continuing to be unpaid and Senior Management on reduced salaries during the quarter.

During the Quarter, 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 1 July 2019 and 30 June 2020, which includes shares issued under the Rights Issue announced 26<sup>th</sup> 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 exploration 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) ([JMEI ATO Details](#)).

### Commodity Pricing for the Quarter

During the June Quarter 2019 the gold price continues to appreciate, finishing the quarter with an 8% increase in value of USD 1,391 per ounce. Currently the gold price is greater than AUD 2,000 per ounce, trading at AUD 2,032 per ounce (using an exchange rate USD:AUD of 0.70). Gold and Silver Prices from [www.kitco.com](#) in New York in USD and Copper and Cobalt Prices from [LME.com](#) in USD.

Commodity	Price USD 31-Mar-19	Price USD 30-Jun-19	June 2019 Quarter % change	Price USD 24-Jul-19
Gold (oz)	1,293.00	1,391.20	7.59%	1,422.80
Silver (oz)	15.14	15.18	0.30%	16.52
Copper (t)	6,484	5,998	-7.50%	5,968



## Appendix A - Rimfire Exploration Licences

Below is a listing of the exploration licences held by Rimfire Pacific Mining NL as at 30 June 2019.

No.	Licence	Location	Interest	Interest Aquired / Farmed In During Quarter	Interest Aquired / Farmed Out During Quarter
1	EL7959	Fifield	100%	-	-
2	EL5534	Fifield	100%	-	-
3	EL7058	Fifield	100%	-	-
4	M(C)L305	Fifield	100%	-	-
5	M(C)L306	Fifield	100%	-	-
6	EL8401	Fifield	100%	-	-
7	EL5565	Fifield	100%	-	-
8	EL8543	Fifield	100%	-	-
9	EL8542	Fifield	100%	-	-
10	EL6241	Fifield	100%	-	-
11	EL8804	Greater Lake Cowal Area	100%	-	-
12	EL8805	Greater Lake Cowal Area	100%	-	-
13	EL 5958*	Broken Hill	10%	-	-

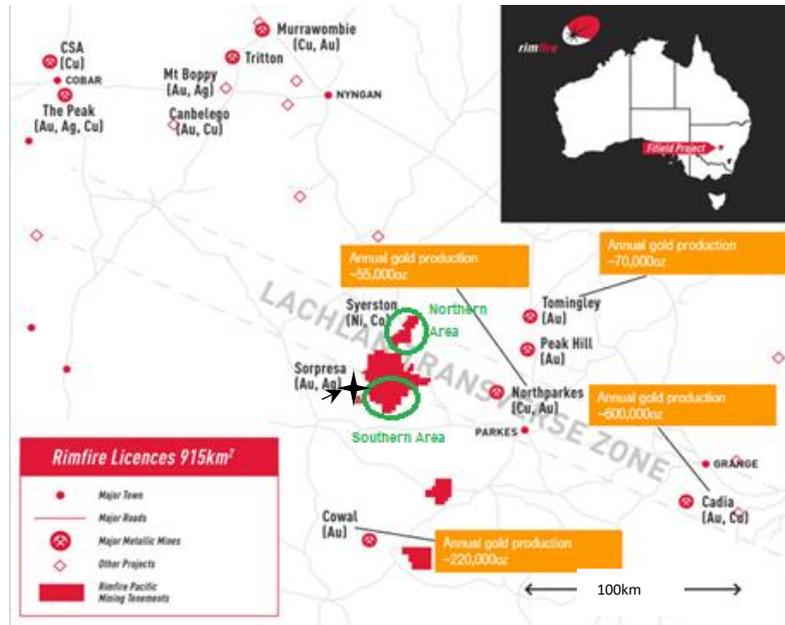
\* Perilya manages the tenement with Rimfire being free carried



## ABOUT RIMFIRE

Rimfire Pacific Mining (RIM) is an ASX listed resources exploration company with its major focus at Fifield in central NSW, located within the Lachlan Transverse Zone (LTZ). In 2011 the Company made a greenfields discovery, named “Sorpresa”, announcing a JORC Inferred & Indicated Maiden resource in 2014. The information provided in “About Rimfire” is available to view on the company’s website: [ASX Announcements](#).

Figure 1: Location Plan Rimfire Exploration Licences and Project Areas



Rimfire is exploring for a major copper / gold or gold mineralised system such as at Northparkes (Cu/Au) or Cowal (Au) on 915km<sup>2</sup> of Exploration Licences 100km west of Parkes in central NSW. Multiple prospects with potential for further gold discoveries exist in the area around Sorpresa which are part of Rimfire’s 681km<sup>2</sup> contiguous tenements. Rimfire also holds two exploration licences covering 234km<sup>2</sup>; located 40 to 60kms south of the Fifield Project, in a prospective area now part of a moratorium associated with the MinEx Cooperative Research Centre program ([minexcrc.com.au](#))

## 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.

## Forward looking statements Disclaimer:

This document contains “forward looking statements” as defined or implied in common law and within the meaning of the Corporations Law. Such forward looking statements may include, without limitation, (1) estimates of future capital expenditure; (2) estimates of future cash costs; (3) statements regarding future exploration results and goals. Where the Company or any of its officers or Directors or representatives expresses an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and the Company or its officers or Directors or representatives as the case may be, believe to have a reasonable basis for implying such an expectation or belief. However, forward looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward looking statements. Such risks include, but are not limited to, commodity price fluctuation, currency fluctuation, political and operational risks, governmental regulations and judicial outcomes, financial markets and availability of key personnel. The Company does not undertake any obligation to publicly release revisions to any “forward looking statement”, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.