

31 October 2018

ASX Release

Quarterly Report – September 2018

Rimfire Pacific Mining NL
ABN 59 006 911 744

Corporate Details:
ASX Code: RIM

Issued capital:
943,477,555 Ordinary Shares
1,500,000 Unlisted Options

Cash Status (30-09-2018):
\$0.445m

Mineral Focus:
Gold, Silver, Copper, Platinum,
Nickel and Cobalt

Established Resource:
Sorpresa
125k oz Au, 7.9m oz Ag
(inferred and indicated)

Directors:

Non-Executive Chairman:
Ian McCubbing
Managing Director & CEO:
John Kaminsky

Non-Executive Directors:
Ramona Enconniere
Andrew Greville

Company Secretary:
Melanie Leydin

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Rimfire Pacific Mining NL (ASX: RIM) (“the Company” or “Rimfire”) is pleased to provide the September 2018 Quarterly Report for activities undertaken at Fifield NSW.

Key highlights, activities and milestones

- ❑ **Dual Strategy - Sorpresa Appraisal and Regional Discovery**
- ❑ **Detailed Gravity Survey Scheduled at Fifield NSW**
- ❑ **Subsequent to the end of Quarter the launch of a Non-Renounceable Rights Issue to raise \$2.1m before costs**

During the last Quarter the Company announced an update on its dual strategy to pursue options to deliver value shifting outcomes at Fifield NSW. The strategy embraces two components:

1. Monetise the 2011 Sorpresa gold and silver discovery and subsequent resource to provide a positive cash contribution to the business
2. Continue the Regional Discovery Pursuit for large scale ore bodies within the broader Fifield area that remains prospective for further discoveries including large scale porphyry style gold or copper/gold systems in the Ordovician Volcanic geology.

The focus of work at Sorpresa to deliver on the first component of the Dual Strategy is a complete review and integration of all the exploration work at Sorpresa since the original discovery to determine if high grade zones provide sufficient mineralisation at a suitable cut-off grade to allow development of a mining operation. This revenue stream could then provide Rimfire with a future source of funding to assist with ongoing exploration costs. There remain numerous high quality untested prospects within a 4km radius of the original Sorpresa discovery that would benefit from a systematic near mine exploration.

The focus of work on the second component of the Dual Strategy will be to continue the pursuit and discovery of large scale ore bodies in the broader Fifield area that is prospective for further large scale porphyry style gold or copper/gold systems in the Ordovician Volcanics that host the Cowal (Evolution Mining) and Northparkes (China Molybdenum) mines in the adjacent area (within 100km of Fifield).

To expedite progress on regional prospects within the broader Fifield Exploration Licences a high resolution gravity survey was announced covering a planned area of 240km² (nominal 400m x 400m spacing). The immediate focus are rock sequences that have been interpreted by company geologists as Ordovician age and prospective for Cowal and Northparkes style mineralisation

CEO John Kaminsky commented on the positive progress during the September Quarter:



“The Company looks forward to unlocking a potential pathway for economic success at Sorpresa with the objective of generating some cash for future Sorpresa extensional and Fifield regional discovery programs, which remain highly prospective.”

“The New Gold Inc. partnership recognised the potential of the Fifield Project area to yield large discoveries and has reinforced confidence in the potential for further >1M oz Au discoveries.”

“The Company continues to investigate additional major corporate partnership opportunities to assist the acceleration of the discovery potential for large scale mineralisation at Fifield. A new partnership is worthy of consideration, given the previous track record of the Company and quality of the project.”

PROJECT ACTIVITY DETAIL (also refer Figures 1)

Total Drilling and Sampling work for the September Quarter

The Fifield project undertook a range of field work activities in the period including regional reconnaissance geologic mapping, expanding upon the previous southern work to target potential copper / gold and gold targets.

TABLE: September Quarter Field Discovery Work (in addition to reported drilling and assays in the quarter)

<i>Drilling Summary</i>			
Drilling Type	Holes	Metres	Prospect Areas
Auger	34	83.5	Sunrise
<i>Other Field programs</i>			
Program Type	Number	Prospect Areas	
Soil samples	<i>nil</i>	<i>nil</i>	
Surface Rock Samples	57	Redstone	
Geological reconnaissance mapping	75 km ²	Southern and Central Area Mapping	

High Resolution Gravity Survey covering 240km2 Area

In September, Rimfire awarded, Atlas Geophysics, a specialist gravity surveying company the contract for a high resolution gravity survey at the Fifield tenements over a planned area of 240km² (Figure 1). The high resolution data (nominal 400m x 400m spacing) survey work extended into October and final processed data will assist in the prioritisation of targets and more accurate planning of future drilling programs to test targets for major copper / gold and gold deposit styles.

The planned program was to complete 1,400 gravity survey stations excluding any quality control activities.

The primary focus of the survey is the Southern Ordovician area which is seen as prospective for Cowal and Northparkes style mineralisation where recently completed field mapping and sampling programs have led to an alternative model where rocks could be Ordovician age and far more prospective for porphyry copper / gold or gold systems.

Continuation of Ordovician Investigation

The previously reported Southern Area mapping program was extended to the north during the quarter with approximately 75km² of reconnaissance field mapping. This work identified no significant surface rock samples as the area is dominated by shallow cover. This broader body of mapping work will be integrated with the high resolution gravity and pre-existing magnetic surveys to plan a reconnaissance shallow drilling program to obtain bedrock samples.

CORPORATE ACTIVITIES

Cash, Funding, Facilities and Investments

The Company's cash at bank at 30 September 2018 was \$0.445m.
There was no change in the Company share structure in the quarter.

Subsequent to the end of the quarter, the Company announced a Non-Renounceable Rights Issue (Rights Issue) to raise approximately \$2.1 million before costs from the issue of 235,869,389 New Ordinary Shares (New Shares).

The Rights Issue offered one (1) new share for every four (4) shares held at an application price of 0.9 cents per share, with one free attached option for every new share. Rights Issue was open to shareholders who held Rimfire shares at 9th October 2018 with the Rights Issue closing on 30th October 2018.

The Rights Issue was successfully launched to the market with over \$500k pre-committed and Directors participating in the offer. Shares in the offer are expected to be allotted and issued to shareholders on 7 November 2018.

In the next few days a separate announcement will be made to the ASX regarding the success of the offer and notification of any shortfall amount. This cash inflow of capital will be received (and recognised in the next Quarters Cashflow Statement) after allotment and issue of the new shares on the ASX on 7th of November 2018.

The funds raised by the Rights Issue will provide additional working capital and enable Rimfire to continue with its work programs at the Fifield Project area in NSW, building upon the important milestones already established in the Sorpresa gold and silver project and make further advances in the regional discovery where an emerging gold and copper signature is being established as announced [Dual Strategy in the pursuit of these two objectives on 25th September 2018](#).

Forecast cash outflow for the upcoming quarter is slightly higher than normal, due to accommodating the anticipated costs of the Rights Issue and the lodgement of bonds and payment of licence fees for two new exploration licence applications (circa \$100k in total). The upcoming quarter forecast cash outflow also includes current planned and executed programs of exploration work as detailed in the Project activity section of this report and will be finalised once funding from Rights Issue is known.

TENEMENT POSITION

The total area covered by Company’s exploration licences remained unchanged at Fifield at 681km². The Company maintained its tenement interest in the Broken Hill area of 78km² held with Perilya as operator. Full listing of exploration licences held by the Company is contained in Appendix A of this report.

Subsequent to the end of the Quarter the Company received notification that the additional exploration authorities applied for in the Central NSW area were offered to be granted to the Company ([ASX Announcement 29 October 2018: Confirmation of Offer of Grant of New Authorities](#)), with these additional exploration applications expected to be granted as exploration licences to the Company during the current quarter.

COMMODITY PRICING FOR THE SEPTEMBER 2018 QUARTER

During the Quarter the gold price continued to move sideways with world markets assessing the impact of US foreign trade policy on global markets, finishing the quarter with a slight reduction in value of 4% (USD 1,192.20 per ounce or AUD 1,650.79 per ounce). This reduction in price during the quarter has being made up during October 2018 with current price being USD 1,232.80 per ounce, however in Australian Dollar terms, due to falling AUD against the USD, rising to AUD 1,752.63 per ounce.

Gold, Silver and Platinum Prices quoted www.kitco.com in New York in USD and Copper and Cobalt Prices quoted LME.com in USD. Exchange rate sourced from Reserve Bank of Australia – www.rba.gov.au

Commodity	Price USD 2-Jul-18	Price USD 28-Sep-18	Qtrly Change %	Price USD 26-Oct-18
Gold (oz)	1,239.20	1,192.20	-3.79%	1,232.80
Silver (oz)	15.80	14.64	-7.31%	14.65
Platinum (oz)	810.00	814.00	0.49%	831.00
Copper (t)	6,594.50	6,179.00	-6.30%	6,159.00
Cobalt (t)	74,500.00	61,500.00	-17.45%	60,750.00

Commodity	Price AUD 2-Jul-18	Price AUD 28-Sep-18	Qtrly Change %	Price AUD 26-Oct-18
AUD:USD	0.7382	0.7222	-2.17%	0.7034
Gold (oz)	1,678.68	1,650.79	-1.66%	1,752.63
Silver (oz)	21.40	20.27	-5.26%	20.83
Platinum (oz)	1,097.26	1,127.11	2.72%	1,181.40
Copper (t)	8,933.22	8,555.80	-4.22%	8,756.04
Cobalt (t)	100,921.16	85,156.47	-15.62%	86,366.22

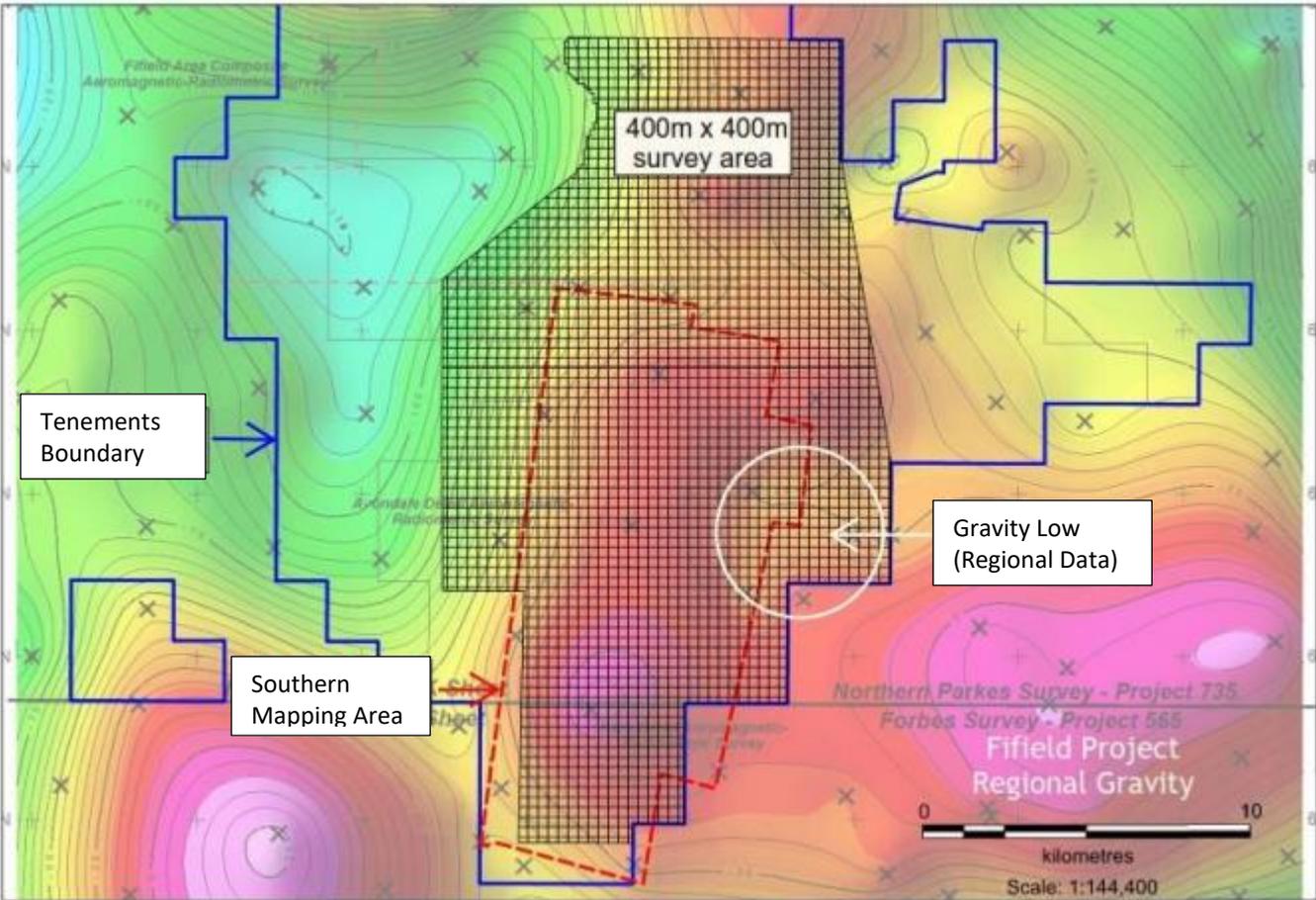
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Figures, Appendices, tables provided for reporting under JORC 2012 compliance

Additional Figures, includes location maps	Pages 4
Company Background and Competent Authority Declaration	Pages 5 ~ 7
Schedule of Tenements	Page 8

Figure 1: Planned gravity survey area over regional gravity image



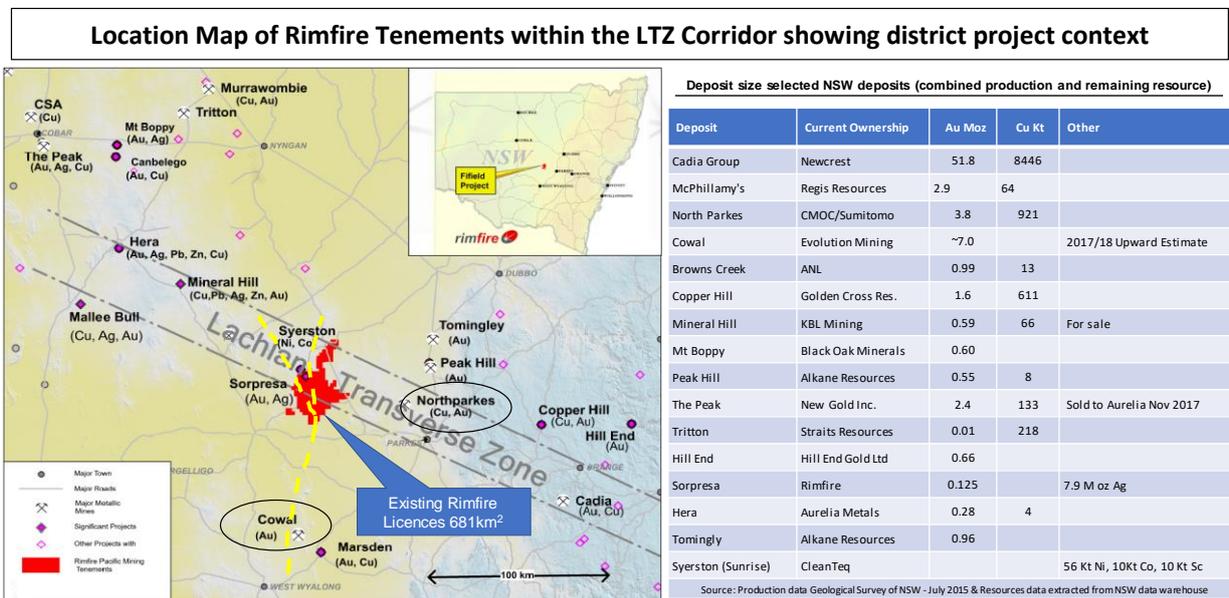
ABOUT RIMFIRE

Rimfire Pacific Mining is an ASX listed (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 discovery history of Sorpresa is shown in the [Hyperlink to the ASX presentation to the Mineral Council May 2017](#).

The current main Sorpresa trend containing predominantly gold (+/- silver) mineralisation is approximately 1.5km in length. Assessment is ongoing to determine options for monetisation of existing Sorpresa discoveries in conjunction with field work to explore a broader zone (7km x 2km corridor) that has the right structure, lithologies and geophysical signatures to produce further discoveries.

Discovery Potential in the wider Fifield District

The potential ([established with New Gold Inc., during the 2017 earn-in venture](#)) for the Fifield area is an aggregate discovery 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.



✓ **The LTZ (Lachlan Transverse Zone) - A proven mining district in Australia for Copper and Gold**

Recent Presentation and ASX Activity Summary and Analyst reports related to Rimfire

- ❑ The Company's dual Project Strategy Presentation in [ASX Announcement 19 October 2018: Broker and Investor Presentation Dual Strategy](#)
- ❑ The Company's Fifield Project Strategy outlined in [ASX Announcement 25 September 2018: Dual Strategy - Sorpresa Appraisal and Regional Discovery](#)
- ❑ The Company's latest Quarterly Report [ASX Announcement 30 July 2018: June 2018 Quarterly Activities Report](#)
- ❑ A research report on the Company was compiled by Independent Investment Research (IIR) April 2018 – Senior Analyst Mark Gordon, and is available on the Company website (www.rimfire.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.

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

The information provided 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.

Table 5: 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.

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.

RIMFIRE EXPLORATION LICENCES – Appendix A

Below is a listing of the exploration licences held by Rimfire Pacific Mining NL as at 30 September 2018:

Tenement	Location	Beneficial Percentage Held	Units	Interest Acquired / Farmed in during Quarter	Interest Disposed / Farmed out during Quarter
EL7959	Fifield	100%	7	-	-
EL5534	Fifield	100%	40	-	-
EL5565	Fifield	100%	4	-	-
EL6241	Fifield	100%	15	-	-
EL7058	Fifield	100%	35	-	-
M(C)L305	Fifield	100%	1.9HA	-	-
M(C)L306	Fifield	100%	2HA	-	-
EL8401	Fifield	100%	100	-	-
EL8543	Fifield	100%	1	-	-
EL8542	Fifield	100%	32	-	-
EL5958	<i>Broken Hill</i>	*	27	-	-

* Rimfire retains a 10% free carried interest. Perilya is the operator, holding a 90% interest