



QUARTERLY EXPLORATION AND ACTIVITIES REPORT

(For the period 1st July 2012 to 30th September 2012)

Sorpresa Gold Project Provides High Grade Gold and Silver Intersections at Fifield

The pursuit of the gold (Au) and silver (Ag) mineralisation continued at the Sorpresa Project Area, and was the major focus for exploration within Fifield NSW in the September Quarter. Drilling resumed at Sorpresa within the Roadside location (Appendix 1), which was last drilled in 2011. Additional holes were placed at Trench 31 and Boundary Gate locations also.

Highlights for the September Quarter

(Including post quarter comments)

Summary of Key Activities and Results at Fifield

- **In a post Quarter Result, drill hole Fi 212 (roadside location), provided the highest grade intersections for both Gold and Silver seen to date within the Sorpresa Project at any location**
 - 14m @ 24.4g/t Au ¹ from 26m, including 2m @ 118g/t Au
 - 26m @ 154.6g/t silver(Ag) ¹ from 14m, including 4m @ 592g/t silver(Ag)
 - Mapping, soil sampling and auger drilling has been used to identify northern mineralized extensions
 - Fi 212 was drilled at Roadside Area located 1.2km NE from the Trench 31 Area
- **Gold and Silver Results for various parts of the Sorpresa project areas will be reported shortly**
 - This includes holes up to and including Fi 216
- **A second drill rig commenced work in the week of 15th October, supplementing the existing rig on site**
 - Drilling is within the main Sorpresa Strike zone at various locations, with the Roadside Area a major focus
 - Percussion holes (RC and OHH) 217 to 242 will have been completed by end of October, for approx. 2,000m
- **Step out and regional exploration at greater Sorpresa has been undertaken**
 - This includes soil sampling, rock chips, structure mapping and auger drilling
 - Scout percussion holes have been planned on a number of locations
 - Elevated Silver and Lead Mineralisation has been identified 250m north of Roadside Area (Fi212)
 - An important new gold in soil anomaly is identified, 4km SSW of the Sorpresa main Tr31 work area
- **Field observations indicate encouraging signs of the mineralization below the base of oxidation**
 - Samples will be prepared for despatch for assay at the conclusion of the current round of drilling
- **The Company successfully raised approximately \$2.54m in new capital through placement and SPP**

Appendices (1 to 7) attached provide locations, context and results relevant to this report.

The Executive Chairman, John Kaminsky, commented on the September Quarter performance:

“The September Quarter was very satisfying producing some of the Company’s best results to date at Sorpresa, which continues to surprise on the upside.

Previously the Company's best result was Fi 160 giving **14m @ 21.9g/t Au, including 2m @ 87.5g/t**, but this has now been superseded by the impressive result seen in **Fi 212 of 14m @ 24.4g/t Au, plus 26m @ 154.6g/t Ag** at the Roadside location. These holes are 1.2km apart.

What is emerging at the Roadside location, is that the silver dominant system we had begun to recognise, clearly has a capacity for very high gold grades also.

The Company is now targeting this silver signature 250m to the north and 150m to the east at Roadside, looking to continue the silver intersections and associated gold in further percussion drilling. This work is already proceeding and the feedback in the field is positive, but assays could take some time to turn around, with a backlog of samples to prepare now.

A larger drill rig was contracted to begin testing the deeper aspects of the mineralization that has already become established in the 0 to 60m zone at Roadside and Trench 31 locations. Due to some technical difficulties with the rig, the program is a little shorter than we had planned, but we are confident the program will add important information to our knowledge base.

The Company is extremely well placed over the coming quarters, being well-funded with the capital raisings in the period and the continuance of positive news with respect to the project development. The Company greatly appreciates the support it has received from existing and new shareholders"

The Head of Exploration, Colin Plumridge, stated:

"The Company is poised to make further breakthroughs in its exploration programs with the current phase of drilling.

The Rift Basin geological setting is reflective of a greater underlying mineralizing system of which Sorpresa is just at the margin. The Roadside area is a great example of how quickly the development of the potential of an area can grow.

The Sorpresa gold and silver mineralization continues to yield a very encouraging proportion of successful drill holes, representing a great reward for persistent and well placed drilling. The mineralization in the last quarter has shown the capacity to reach spectacular grades which adds to the exhilaration and satisfaction of the work. Looking at the benign landscape it is hard to comprehend what gold and silver grades exist below the surface, all previously undiscovered.

Some of our drill holes are now hitting the mineralization below the base of oxidation and we are commonly seeing the fresh minerals that are associated with the gold and silver. All the drill holes are building our understanding of the various 3D shapes that the mineralization is taking, which is adding to our ability to build towards resource estimates.

The work programs are advancing our knowledge of the entire mineralizing system and it is highly motivating to see the project unfold in such an exciting manner."



September 2012 Quarter Summary of Exploration Undertaken

The geological context at the wider Sorpresa area continues to grow, with further exploration re-inforcing the view that Sorpresa is part of a much larger mineralised system at Fifield. The Company interprets a Rift Basin setting with a capacity for the geology to provide extremely large ore deposits at the greater Sorpresa area.

Some Highlighted Results for the Percussion OHH drilling at Sorpresa conducted in the September Quarter ¹

The percussion drilling in the September Quarter at Sorpresa again produced some excellent Au intersections at various locations, including a record intersection of gold and silver in hole Fi 212 at the Roadside Area.

Additional significant gold (Au) intersections were achieved in a number of the holes drilled at both the Trench 31 (Tr31) and the Boundary Gate areas.

➤ Trench 31 area drilling extended the high grade Au zone to the South West (SW)

¹ Refer to the Sorpresa information thread in this report for more details

- Cross sections (Appendix 3) show a strong Au grade profile and open mineralization down dip
- Hole Fi 195, with a high grade intersection of 16m @ 3.23g/t Au, is gold mineralized over a 30m interval
- Tr31 Area has now shown capacity for high Au grade along a strike of more than 250m open ended

➔ **Boundary Gate Area (located 600m NE from Trench 31 area) provided its highest grade to date**

- Hole Fi 190 had an intersection of 24m @ 2.17g/t Au, and is gold mineralized over a 32m interval
- Cross sections for Boundary Gate Area have started to be established.

Using a criteria of 10 gram-meters Au or better, the following assays were highlights of the current reporting.

Location – Trench 31 Area and SW extension Sorpresa

Hole	Main Intersection details ²	Including major section
Fi 195	16m @ 3.23g/t Au from 30m <u>and</u> 4m @ 1.06g/t Au from 50m	2m @ 17g/t Au from 36m
Fi 194	10m @ 2.55g/t Au from 36m	2m @ 9.26g/t Au from 36m
Fi 193	8m @ 0.99g/t Au from 38m <u>and</u> 2m @ 0.96g/t Au from 52m	2m @ 2.48g/t Au from 44m

Location – Boundary Gate Area Sorpresa

Hole	Main Intersection details	Including major section
Fi 190	24m @ 2.17g/t Au from 6m	2m @ 15.35g/t Au from 16m
Fi 181	2m @ 1.44g/t Au from 36m <u>and</u> 6m @ 1.96g/t Au from 48m	
Fi 191	10m @ 1.0g/t Au from 2m <u>and</u> 2m @ 1.06g/t Au from 20m	

Soil Sampling – scoping for more Gold and Silver areas and extensions

4km South of Sorpresa

Whilst it is at an early stage, there are important areas well to the south of Sorpresa that have Au in residual soil and creeks that have been sampled. These areas also have relevant associated geology, including black silica and shear zones in places.

The original Sorpresa gold area was discovered on the back of soil geochemistry and subsequent auger drilling in 2010 on a 54ppb Au in soil result. Tr31 was the breakthrough result that showed that we had a high grade gold area and this was confirmed in drilling during 2011/12. The black silica geology as a gold receptive horizon was recognised during this process.

The Company therefore takes very seriously, the observation of important familiar geology coupled with new Au in soil anomalies in this southern area, especially with results above 300ppb Au in places. Rockchip results up to 0.5g/t Au also provided additional encouragement at some of these locations.

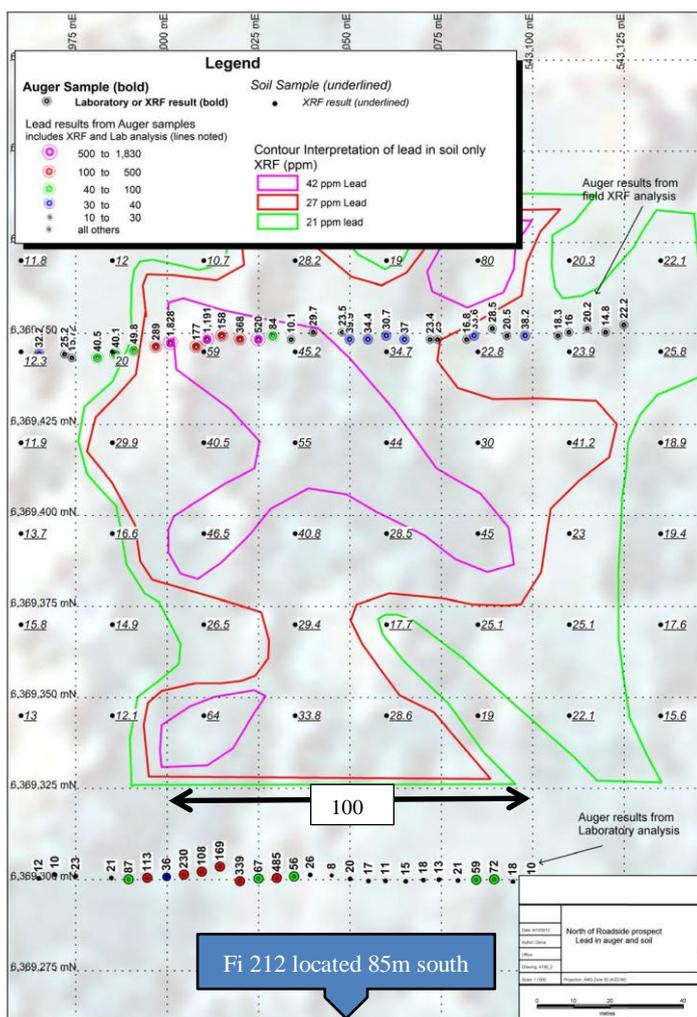


Residual soils 4km south running up to 300ppb Au

A large portion of the 8km² prospective area for Au in the Rift Basin at Sorpresa is covered with shallow alluvium, but there appears to be the re-emergence of the Sorpresa style system 4km to the south of Tr31.

² Au was determined by fire assay method AA22 & AA26 on 50g subsample charge with AAS finish at ALS Laboratories

250m North of Roadside within Sorpresa



Given the positive percussion drill hole results achieved in 2011 and most recently the partially completed program in 2012 at the Roadside Area, the Company has pursued surface mapping, soil sampling and auger drilling approx. 250m to the North of the percussion hole Fi 212.

A small outcrop of gossanous rocks with positive geochemistry was identified at this northern location, indicating the possibility of a further zone of important mineralisation. The area was then surveyed for a planned series of scout drilling during the current percussion program.

The holes were recently drilled and await sample preparation and despatch over the next few weeks.

The Company is encouraged by the prospects for the expansion of the Roadside style of silver dominant mineralisation to occur at this new location.

Sorpresa Background Geological Setting - The Syncline Rift Basin Concept

The known mineralization at Sorpresa is only a small part of the prospective mineralisation likely contained within a Rift Basin setting. As mentioned, Sorpresa was covered by residual soil and hence its discovery was greatly aided by soil geochemistry. By contrast much of the remaining Rift Basin is not suitable for soil geochemistry and will require drill based exploration.

The Company is learning to use the drill results to help refine the structural model and the basin wide work interpretations looking for repetitions and variations on the gold system geology, initially in the 0-60m zone and now deeper.

The receptive horizon plan area best estimate is 8km². This is a large area by any standards and represents significant potential for large scale mineralization. The gold receptive horizon described by the Company, is a thick layer in the basin stratigraphy. The basin itself goes above and below the receptive horizon.

The Sorpresa area is on the edge of the basin, which in turn appears orientated with the known shear zone positions for Platina-Gillenbine.

At Fifield, the strong IP anomaly identified appears located at the centre of this syncline Rift Basin. This gives rise to the possibility of a huge mineralising system being present, and focused on the basin centre. The IP anomaly is likely to be due to graphite and pyrite developed on structurally deformed and compact organic carbon. It is probable that this is the gold precipitation trigger that operates at the greater Sorpresa area in general.

The Rift Basin concept provides a broader context for the known area of gold mineralisation at Sorpresa, which is at the periphery of the Rift basin system. The Company must therefore undertake both delineation drilling at Sorpresa, as well as explore for the much larger scale mineralization, and its multi-million ounce potential likely to exist as part of the Rift Basin centre.

Next Stage of Work Program at Fifield

The Company strategy is to continue to have a mixture of discovery scout drilling, but also undertake resource definition drilling on the known Sorpresa gold mineralized areas, partly drilled in 2011 and 2012.

The familiar areas of Trench 31, Boundary Gate and Roadside will be pursued with more drilling. New areas will be tackled within the 8km² wider Sorpresa Area as part of the important ongoing discovery programs.

Sorpresa Information Thread

The Company provides a hyperlink thread of the Sorpresa Gold Mineralisation area of recent ASX and some video materials as follows:

1. ASX October 10th 2012 [Highest Gold and Silver Grades seen to date at Sorpresa Project](#)
2. ASX September 17th 2012 [First Gold Sections Created at Sorpresa Project – New Assay Results](#)
3. ASX August 31st 2012 [New Gold in Soil Zones Located 4km South of Sorpresa](#)
4. ASX July 31st 2012 [Quarterly Exploration Activities June 2012](#)
5. ASX 26th July 2012 [Successful Intersections at Sorpresa Gold Project, Fifield NSW](#)
6. ASX June 13th 2012 [High Grade Gold Intersection Sorpresa Project – Fifield NSW](#)
7. ASX May 28th 2012 [Sorpresa Gold Project has Increased Potential at Depth](#)
8. Video May 2012 [3D model of the IP Anomaly at Sorpresa Video](#)
9. ASX April 30th 2012 [Quarterly Exploration Activities March 2012](#)
10. ASX January 31st 2012 ([Quarterly Exploration Activities December 2011](#))
11. Video [January 2012 Sorpresa Gold Project – Trench 31 Area Review Video](#)
12. ASX 28th November 2011 [AGM Exploration Presentation – Including Key Summary Assay results of Sorpresa](#)
13. Rimfire Website Summary [Brief history of Sorpresa Mineralisation discovery and style \(to September 2011\)](#)
14. ASX [Assays Confirm Significant Gold and Silver at Sorpresa Project 6th July 2011](#)

COMMODITY PRICING FOR THE SEPTEMBER 2012 QUARTER

The prices of Gold and Platinum both traded above the previous quarter prices (www.kitco.com).



As at 29th October 2012, the prices for metals in New York based on closing Ask in USD were as follows:

Gold	\$1,710/oz
Platinum	\$1,541/oz
Silver	\$32/oz

CORPORATE ACTIVITIES

Tenement Position

The new tenement EL7959 **surrounding the Yoes Lookout area** at Fifield NSW has been granted. The application for renewal of EL5534 has been submitted for a further 3 year period.

Cash, Facilities and Investments

As at 30th September 2012 the Company had approximately \$3.357 million in cash.

Issued Capital

The issued capital was increased in the quarter through a Placement and SPP at 3.0 cents per share which raised a combined amount of approx. \$2.54m. At the close of business on 30th September 2012 there were 610,529,976 ordinary shares.

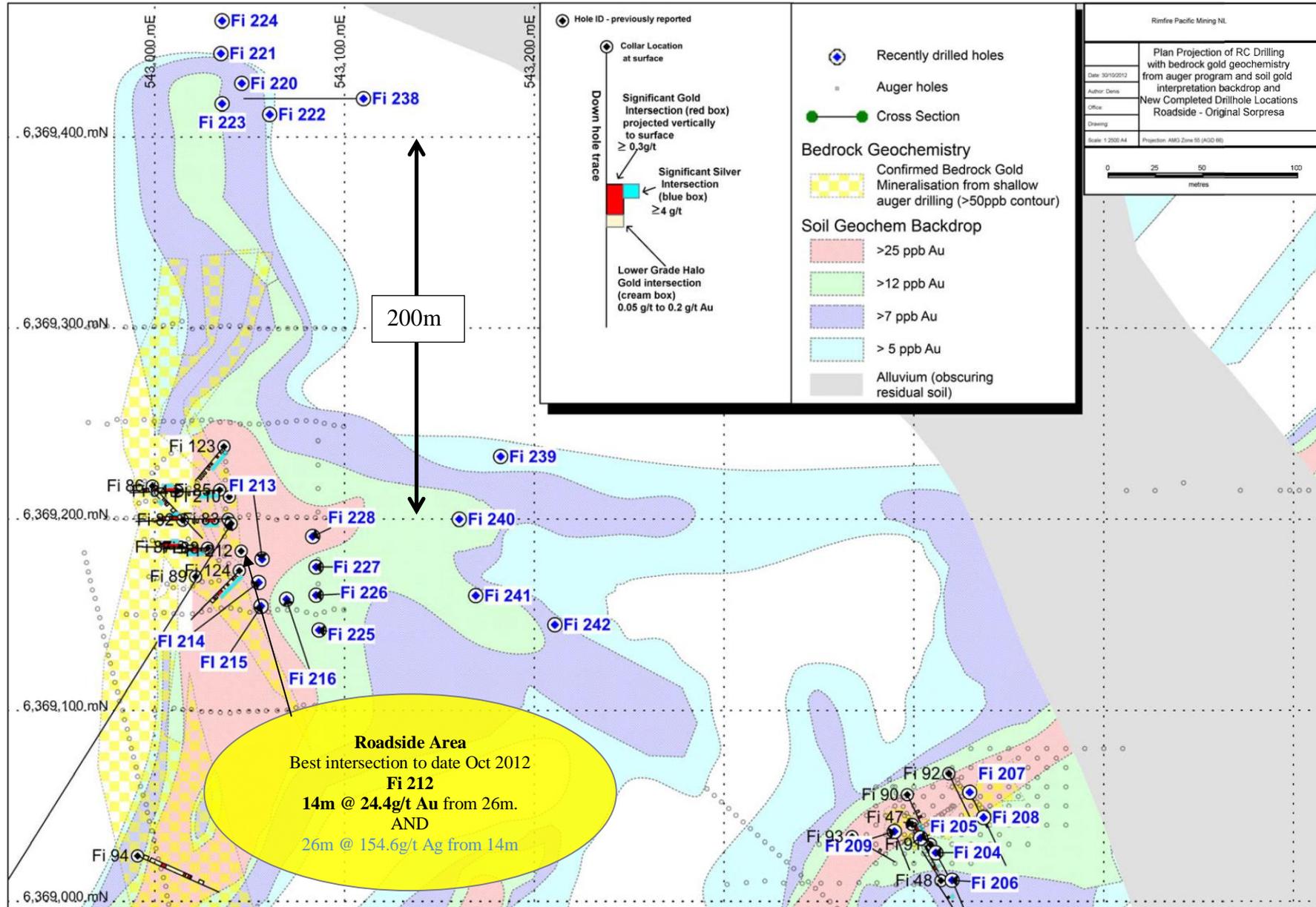


JOHN KAMINSKY
Executive Chairman

The information in the report to which this statement is attached that relates to Exploration Results is compiled by Mr Colin Plumridge, who is a Member of The Australian Institute of Mining and Metallurgy, with over 40 years experience in the mineral exploration and mining industry. Mr Plumridge is employed by Plumridge & Associates Pty. Ltd. and is a consulting geologist to the Company. He has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which is being undertaken to qualify as a Competent Person as defined in the 2004 edition of the "Australian Code for Reporting of Mineral Resources and Ore reserves". Mr Plumridge consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

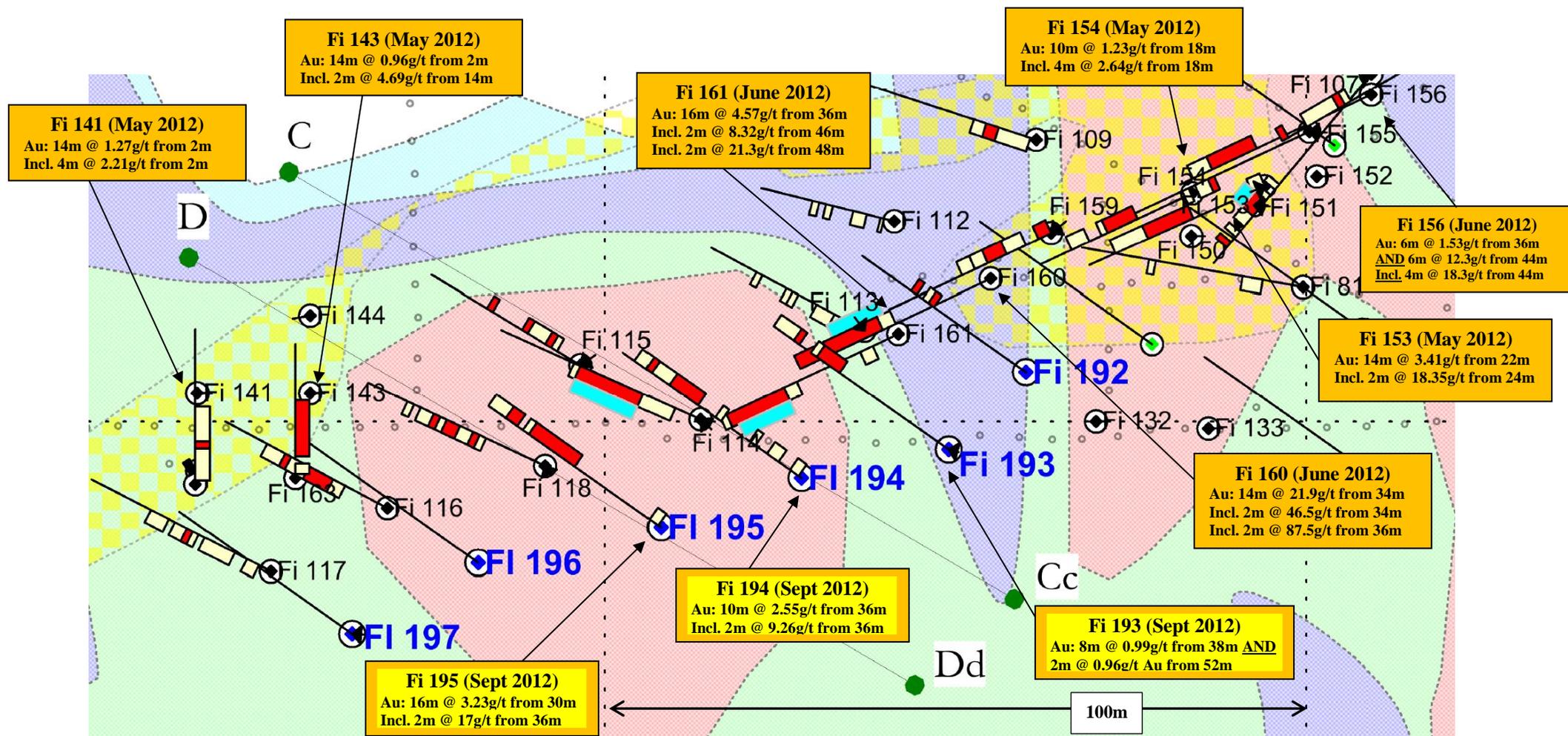
APPENDIX 1

Plan View Drilling Collar Hole Locations at "Roadside Area" Sorpresa Project Area with Previous Percussion Drilling Shown (Black) (On a backdrop of Gold in Bedrock Auger Zones and Soils previously established)



APPENDIX 2

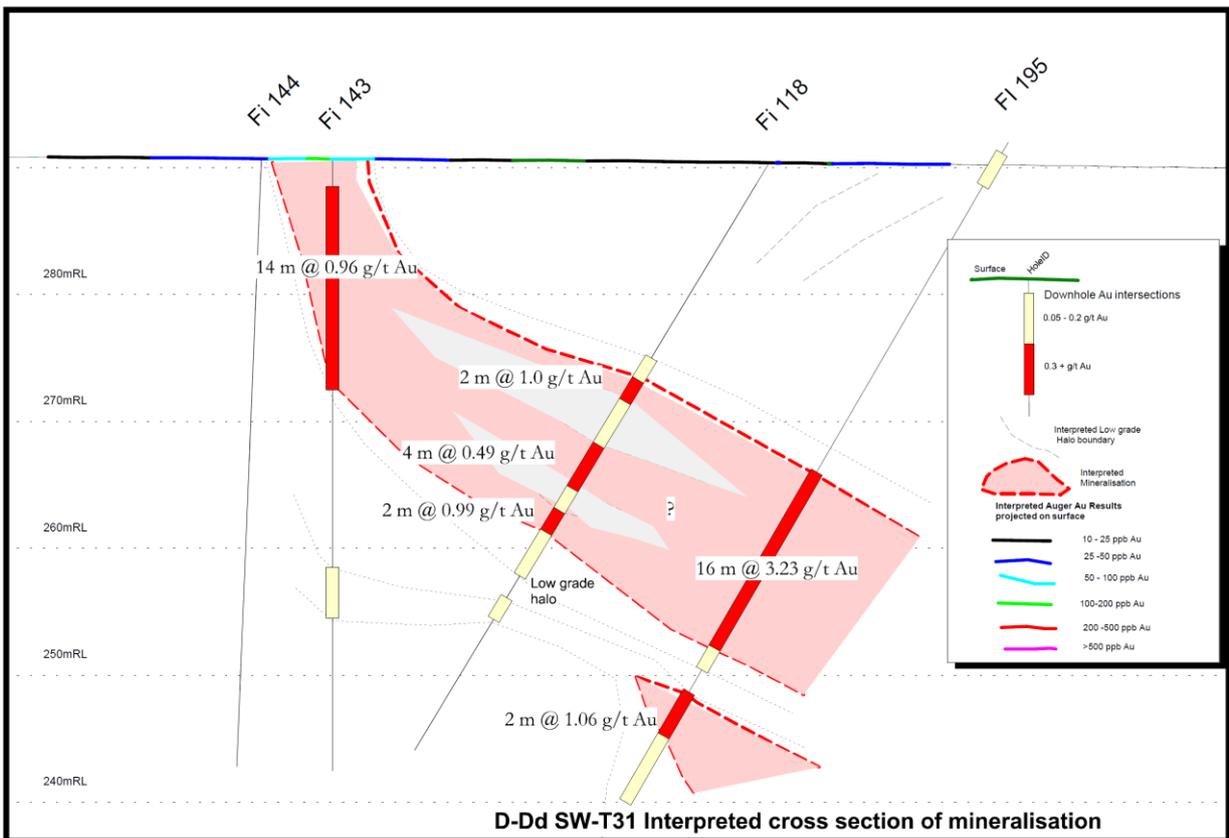
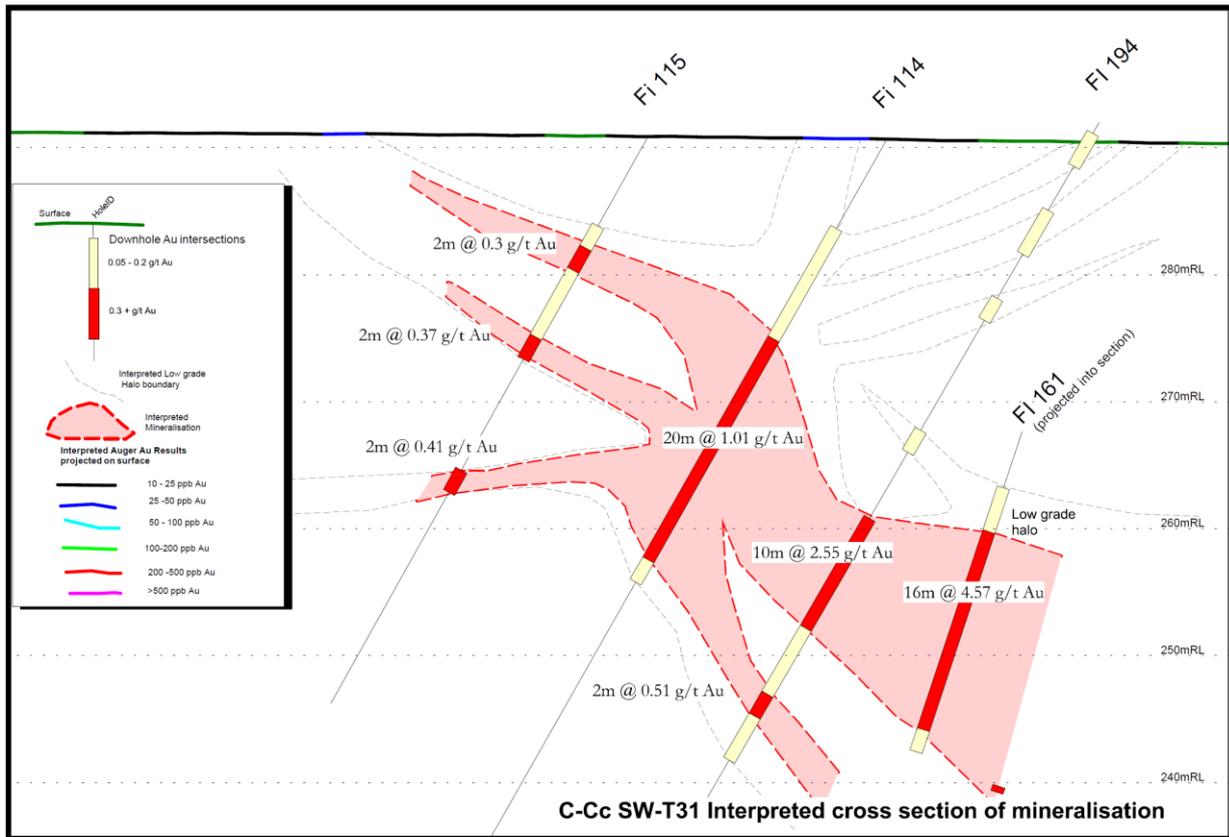
**Plan View Close up of September Quarter (Blue Colour) Drilling Collar Hole Locations at “Tr31 Area” Sorpresa with Previous Percussion Drilling (Black)
(Shown against Gold in Bedrock Auger Zones and Soils previously established)**



- Note that only **(2012) assays** of significance are shown, and are all previously reported, except for **Fi 196 & Fi 197, which are pending.**
- Au Assay Method is 50g charge AA26, Fire Assay, ALS Laboratories.
- All key assay results from previous holes at Sorpresa can be found at the hyperlink [ASX Quarterly Exploration Report June 2012 Appendix 3](#)

Appendix 3

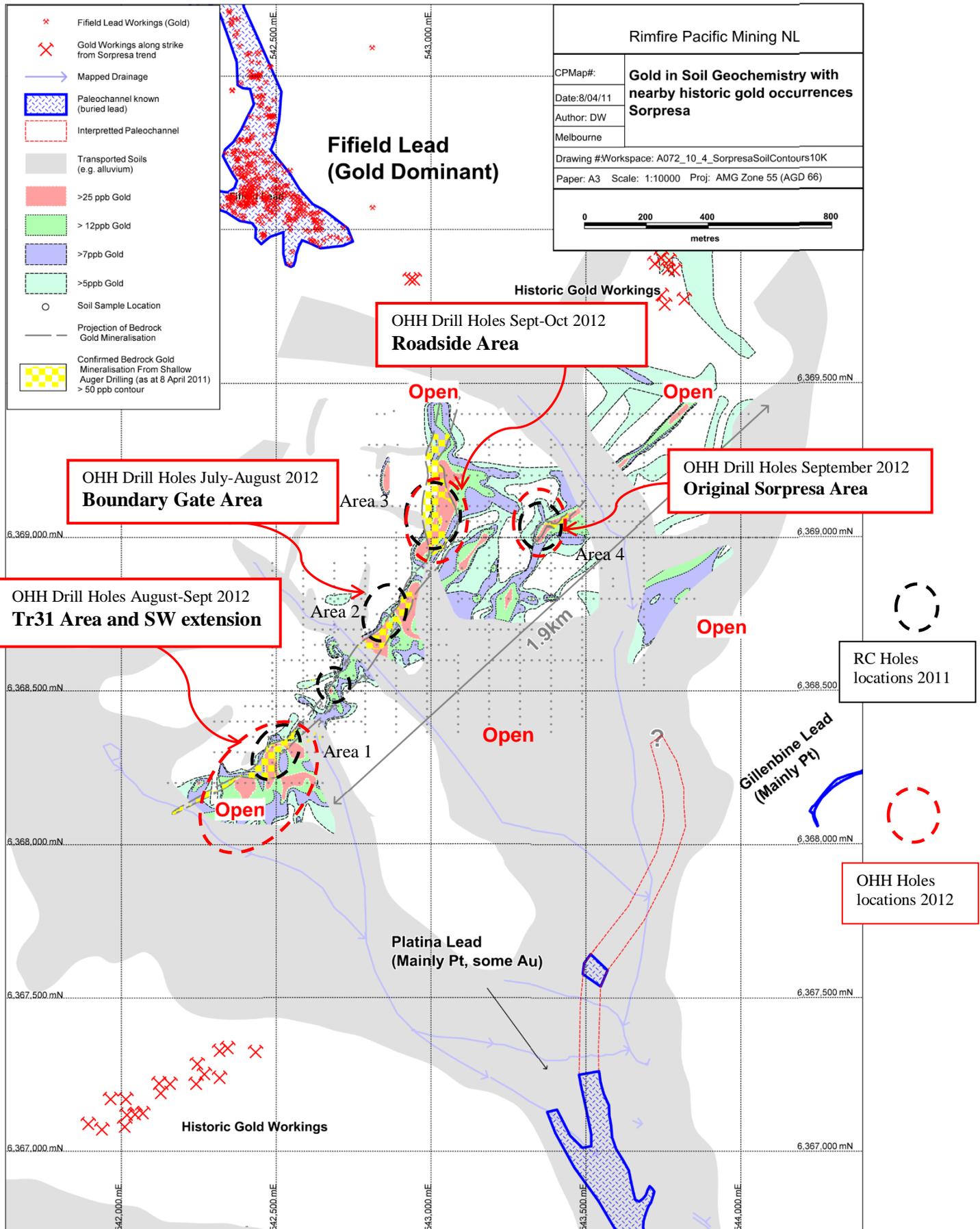
Cross Sections of some recent Holes at Tr31 SW location Sorpresa Project



Appendix 4

Percussion Drill Locations Sorpresa 2011 and 2012

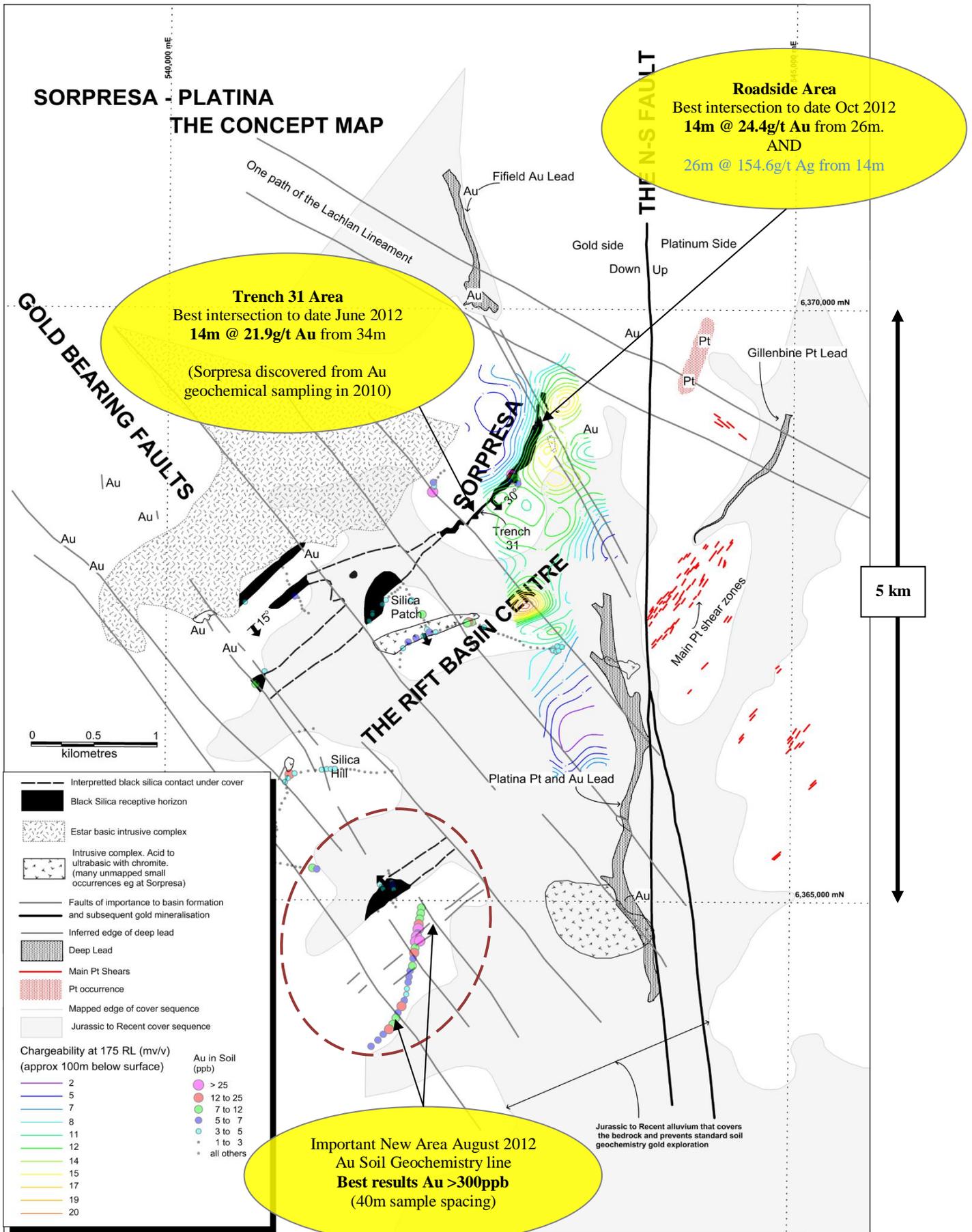
Sorpresa Gold in Soil Anomaly Context – Untested Areas and Adjacent Historic Au Workings



Appendix 5

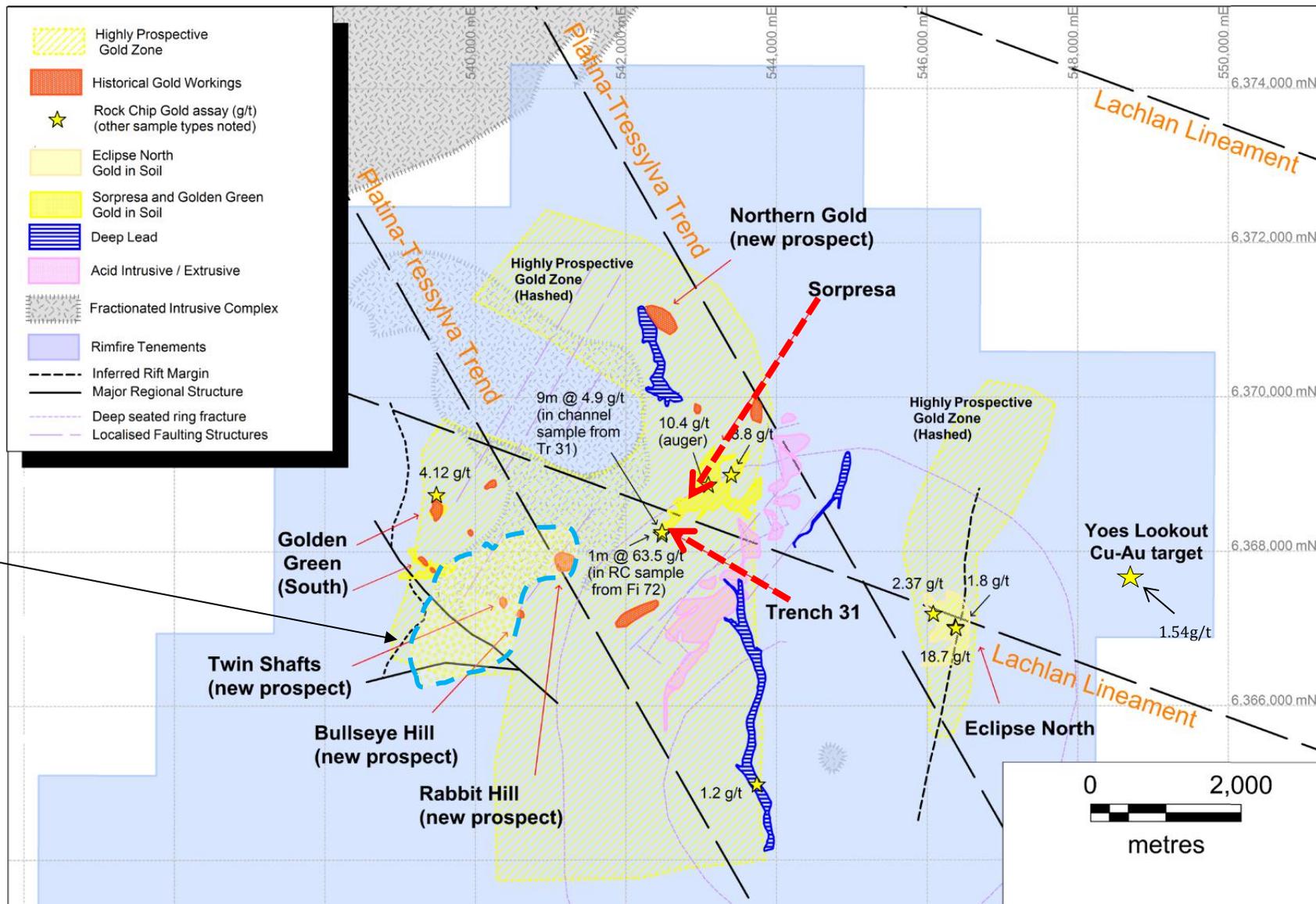
The Geological Concept Model – Syncline Rift Basin in Plan View

(Note that the IP survey response at approx. 100m depth is overlaid)



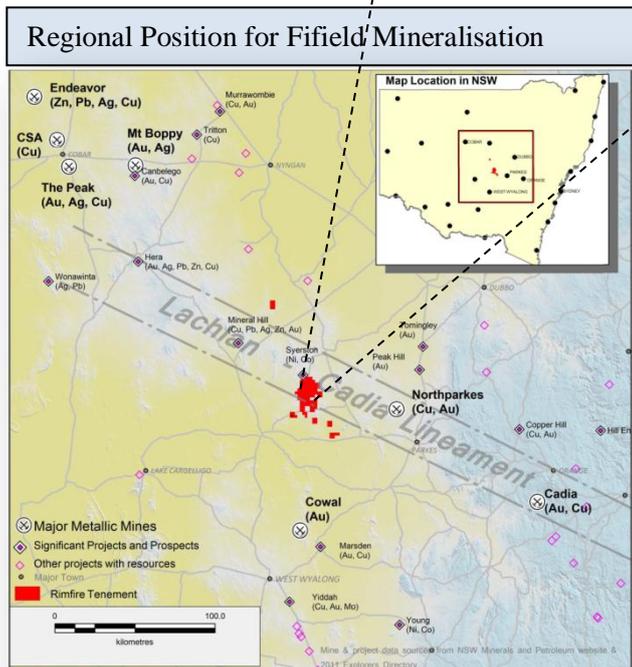
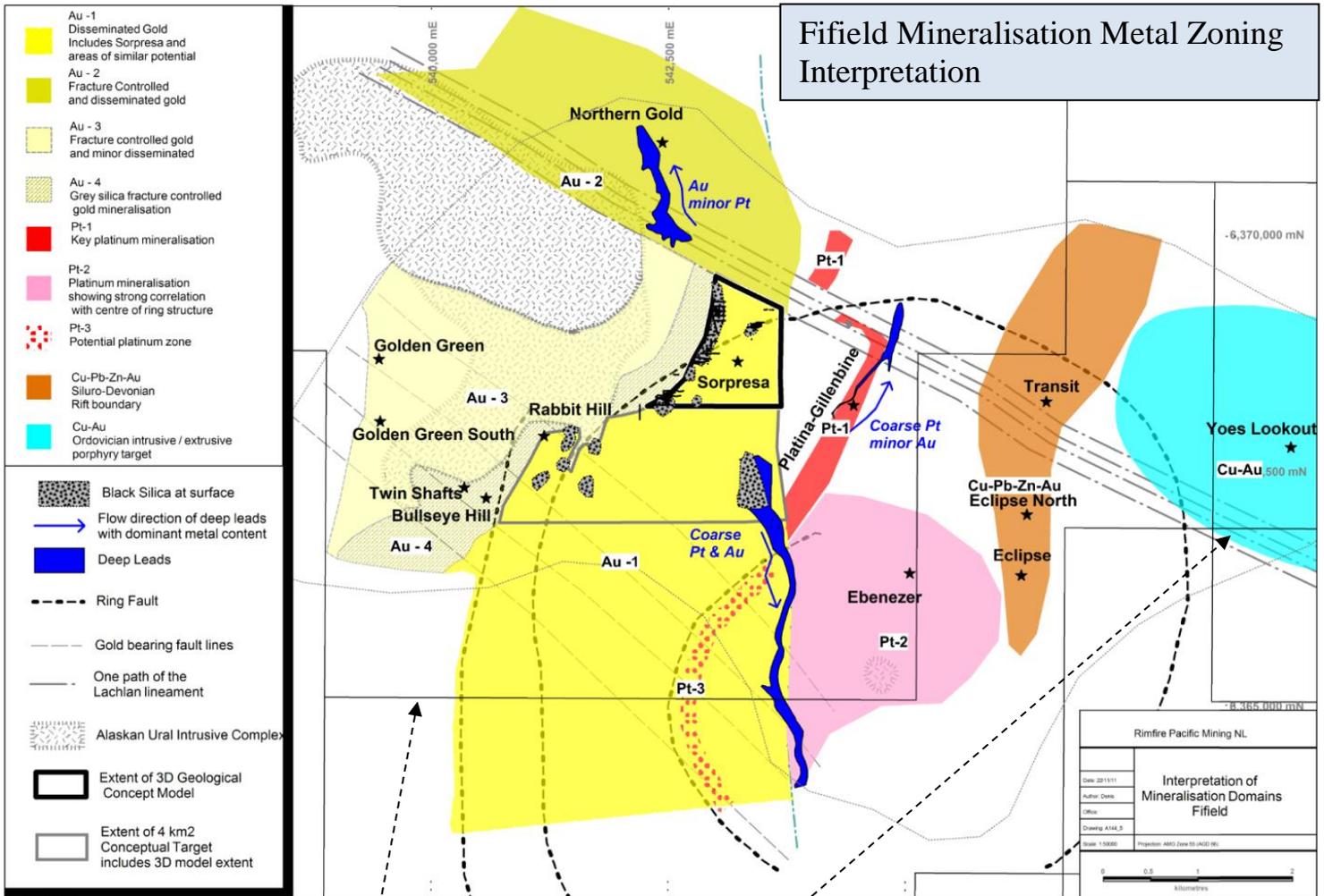
APPENDIX 6

**The Main Strike Sorpresa Area Anomalous Gold Zone and Yoes Lookout
 – within the wider Fifield Gold Observations “Some” New Prospects Highlighted**



Appendix 7

Project Locations at Fifield NSW within Lachlan-Cadia Lineament and Metal Zoning Interpretations at Rimfire Fifield Project Areas



Rimfire tenements shown in red (at left) within the Lachlan-Cadia Lineament.

Metal zoning interpreted (above) within key Rimfire Tenements at Fifield, making this an exciting location for discoveries.

Note the Black Silica areas (above) mapped as part of the Au receptive horizon inferred