

Dear Shareholder

Our company was pleased to announce on 26th June 2019 a non-renounceable rights issue to raise approximately **\$1.1 million** (before costs) from the issue of **356,539,358** New Ordinary Shares (New Shares).

The Rights Issue offers **one (1) new share for every three (3) shares held at an application price of 0.3 cents per share, with one free attached option (listed) for every new share (rounded up)**. The offer is open to all eligible shareholders who have a resident Australian and New Zealand address, and who hold Rimfire shares at 1st July 2019 (the "Record Date"). The offer closes on 18th July 2019.

The shares offered are attractively priced at 30% discount to the 30 day VWAP of 0.42 cents, as at 21st June 2019, plus the value of the free option, which will be listed.

Rimfire is an exploration company focused on 915km² of exploration licences near the town of Fifield which is 100km west of Parkes in NSW. The funds raised will be used by the Company for working capital purposes to pursue 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.

The Regional Discovery work program will focus on aircore drilling in the Southern and Northern areas. A RC drilling program will be done to test Northern Gold anomaly. The results at Northern Gold could have a significant impact on options for the monetisation of Sorpresa.

Key Highlights of the Offer include:

- **Non-Renounceable rights issue to raise up to approximately \$1.1m (before costs)**
- **Offered at 0.3 cents, a discount of 30% to 30 day VWAP**
- **For every new share, shareholders will receive one free attaching option**
- **New options will have exercise price of 1.0 cent, expiry on 1 May 2020 and will be listed**
- **Directors will take up all their entitlements under the rights issue**
- **Shareholders may apply for additional new shares, above their entitlement**

Offer Document and Entitlement & Acceptance Form

An offer document setting out details of the offer will be despatched to you on the 3rd July 2019 and accompanied by a personalised application form with instructions how to accept your entitlement.

Work Program Intentions and Corporate Activities

The primary work to be undertaken will be as follows:

- **Aircore drilling to obtain regional bedrock lithological, geochemical and alteration samples from the highly prospective Southern (100km²) and Northern areas (40km²) where there is potential for a significant size (> 1Moz gold +/- 1Mt copper) discovery. The bedrock at both the southern and northern areas has been hidden from explorers by a thin veneer of surficial cover of approximately 30m and 10m respectively.**
- **A RC drilling program at the Northern Gold prospect which is 2km north of Sorpresa will test the bedrock beneath a +350m long x 80m wide zone of historical mine pits. The results at Northern Gold program could have a significant impact on options for the monetisation of Sorpresa.**
- **General exploration activities and continued government compliance to permits and applicable licences.**
- **Provide ongoing working capital for the Company.**

Specific programs are subject to flexibility in deployment, based on emerging results and other contingencies and therefore may alter without notice.

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

The Fifield Project occurs in a globally significant gold-copper corridor, the LTZ (Lachlan Transverse Zone). Rimfire is now well placed to pursue “company making discoveries” that have a capacity to transform the Company.

Important Dates for the Rights Issue

You will need to be aware of the following key dates relating to the offer.

Key Milestones	Dates
Documents lodged with ASIC	26th June 2019
Letter sent to option holders (all)	26th June 2019
Issue Announced	26th June 2019
Form 3B notified to ASX	26th June 2019
Notice of Issue sent to eligible shareholders	27th June 2019
Ex rights Date	28th June 2019
Record Date to determine Entitlements under the Rights Issue	1st July 2019
Prospectus and Entitlement and Acceptance Form despatched – Offer opens	3rd July 2019
Closing Date for acceptances	18th July 2019
Notification of shortfall to ASX	22nd July 2019
Allotment and issue of New Shares and New Options	24th July 2019
Quotation of New Shares and New Options	25th July 2019
Despatch of statements for New Shares and New Options	26th July 2019

The above dates are indicative only. The Company reserves the right to vary the closing date of the Rights Issue, which may have a consequential effect on the subsequent dates. The directors also reserve the right not to proceed with the offer, in part or in whole, at any time prior to allotment. In that event, all Application Money will be returned without interest.

The Company is now positioned to undertake its additional work programs and corporate activities over the next period and the Rights Issue will make an important contribution to this.

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