



QUARTERLY EXPLORATION AND ACTIVITIES REPORT

(For the period 1st April 2016 to 30th June 2016)

7km x 2km North-South prospective gold corridor established at Fifield

Sorpresa RC Drilling at Roadside returns best 9m @ 16.10g/t Au & 297 g/t Ag

Key Highlights

- **High grade gold and silver RC drill results at Roadside (approx. 2,350m of drilling)**
 - Best Gold intersection Hole Fi0751 **9m @ 16.10g/t Au & 297 g/t Ag** from 43m
 - **Includes 1m @ 70.2g/t Au & 248 g/t Ag** from 49m
 - Best Silver intersection Hole Fi0778 **2m @ 3.50 g/t Au & 2360 g/t Ag**
 - **Includes 1m @ 6.24 g/t Au & 3170 g/t Ag** from 35m
- **7km x 2km North-South prospective gold corridor established** around the Sorpresa resource, with multiple high order gold (and silver) targets, with first pass RC drill plans permitted and ready to deploy
 - **"Fortuna" geochemistry gold target** (1.2km x 0.4km) 3km North of Sorpresa
 - Sorpresa like **"Southern Gravity" gold and silver target** (2km x 200m) 1.5km South of Sorpresa
 - **"Golden Chrome" intense alteration target** (700m diameter, **postulated gold porphyry at depth**) 3km south of Sorpresa
 - **Sorpresa basin style geology has been expanded from 11km² to 18km² and is open**
 - **This area is considered highly prospective and is less than 10% drill tested to date**

Highlights - Sorpresa Gold and Silver area "Top 14 RC drill holes" reported in the period

- **High grade gold and silver results at shallow depths at Roadside location (typically 0~50m)**

Hole (location)	Main Intersection(s)	Including Intersection(s)
Fi0751 (Roadside)	2m @ 0.2g/t Au & 55 g/t Ag from 28m AND 3m @ 0.38g/t Au & 112 g/t Ag from 40m AND 9m @ 16.10g/t Au & 297 g/t Ag from 43m	1m @ 6.15g/t Au & 765 g/t Ag from 43m 1m @ 27.8g/t Au & 885 g/t Ag from 46m 1m @ 17.05g/t Au & 244 g/t Ag from 47m 1m @ 70.2g/t Au & 248 g/t Ag from 49m 1m @ 13.6g/t Au & 74 g/t Ag from 50m
Fi0750 (Roadside)	4m @ 0.41g/t Au & 36 g/t Ag from 34m AND 7m @ 3.69g/t Au & 569 g/t Ag from 38m AND 5m @ 0.49g/t Au & 38 g/t Ag from 45m	1m @ 0.48g/t Au & 656 g/t Ag from 38m 1m @ 2.9g/t Au & 676 g/t Ag from 40m 1m @ 13.85g/t Au & 1700 g/t Ag from 41m 1m @ 4.6g/t Au & 333 g/t Ag from 42m
Fi0752 (Roadside)	4m @ 0.21g/t Au & 63 g/t Ag from 43m AND 9m @ 3.55g/t Au & 358 g/t Ag from 47m	1m @ 3.81g/t Au & 271 g/t Ag from 48m 1m @ 10.0g/t Au & 377 g/t Ag from 50m 1m @ 5.91g/t Au & 1620 g/t Ag from 51m 1m @ 8.19g/t Au & 85 g/t Ag from 55m
Fi 0778 (Roadside)	2m @ 3.50 g/t Au & 2360 g/t Ag AND 1.54% Pb, 1.76% Zn from 35m	1m @ 6.24 g/t Au & 3170 g/t Ag from 35m 1m @ 0.76 g/t Au & 1550 g/t Ag from 36m
Fi 0738 (Roadside)	10m @ 2.1g/t Au & 313g/t Ag from 25m	1m @ 0.64g/t Au & 1240 g/t Ag from 26m 5m @ 3.84g/t Au & 261 g/t Ag from 30m Which includes: 1m @ 4.03 g/t Au & 406 g/t Ag from 31m 1m @ 5.74 g/t Au & 253 g/t Ag from 32m 1m @ 5.44 g/t Au & 231 g/t Ag from 34m

Fi 0749 (Roadside)	4m @ 0.25g/t Au & 53g/t Ag from 31m <u>and</u> 7m @ 2.44g/t Au & 461g/t Ag from 35m <u>and</u> 7m @ 0.49g/t Au & 33g/t Ag from 42m	1m @ 0.48g/t Au & 141 g/t Ag from 32m 1m @ 6.00g/t Au & 1610 g/t Ag from 38m 1m @ 3.97 g/t Au & 1120 g/t Ag from 39m
Fi 0729 (Roadside)	7m @ 4.60g/t Au & 199g/t Ag from 39m <u>and</u> 7m @ 0.42g/t Au & 43g/t Ag from 53m	1m @ 2.13g/t Au & 463 g/t Ag from 41m 1m @ 7.21g/t Au & 136 g/t Ag from 43m 1m @ 16.2g/t Au & 448 g/t Ag from 44m
Fi 0736 (Roadside)	16m @ 1.08g/t Au & 117g/t Ag from 25m	3m @ 4.57g/t Au & 462 g/t Ag from 26m Which includes: 1m @ 8.42 g/t Au & 1070 g/t Ag from 26m 1m @ 1.12 g/t Au & 93 g/t Ag from 39m
Fi 0743 (Roadside)	11m @ 1.89g/t Au & 170g/t Ag from 11m	1m @ 3.39g/t Au & 517 g/t Ag from 11m 1m @ 8.94 g/t Au & 175 g/t Ag from 12m 2m @ 2.41 g/t Au & 73 g/t Ag from 13m 2m @ 0.21 g/t Au & 139 g/t Ag from 18m 1m @ 0.99 g/t Au & 502 g/t Ag from 20m
Fi 0728 (Roadside)	10m @ 2.08g/t Au & 123g/t Ag from 36m <u>and</u> 9m @ 0.46g/t Au & 74g/t Ag from 49m	1m @ 1.98 g/t Au & 163 g/t Ag from 38m 1m @ 15.45g/t Au & 350 g/t Ag from 41m 1m @ 0.3 g/t Au & 324 g/t Ag from 42m 3m @ 0.84 g/t Au & 143 g/t Ag from 51m
Fi0777 (Roadside)	8m @ 5.11 g/t Au & 80g/t Ag from 7m	1m @ 32.00 g/t Au & 153 g/t Ag from 11m 1m @ 4.90 g/t Au & 118 g/t Ag from 12m 1m @ 0.71 g/t Au & 167 g/t Ag from 13m
Fi0753 (Roadside)	14m @ 1.37g/t Au & 88 g/t Ag from 46m	1m @ 5.06g/t Au & 46 g/t Ag from 51m 1m @ 5.41g/t Au & 636 g/t Ag from 57m 1m @ 2.90g/t Au & 91 g/t Ag from 58m
Fi0766 (Roadside)	10m @ 1.17 g/t Au & 164 g/t Ag from 34m <u>AND</u> 6m @ 25g/t Ag from 50m	1m @ 0.65 g/t Au & 244 g/t Ag from 35m 1m @ 6.01 g/t Au & 950 g/t Ag from 39m
Fi 0748 (Roadside)	7m @ 1.64g/t Au & 214g/t Ag from 33m	1m @ 3.65 g/t Au & 42 g/t Ag from 33m 1m @ 1.14 g/t Au & 1010 g/t Ag from 36m

Greater than 10g/t Au or greater than 1,000g/t Ag highlighted

(This RC drilling is part of an ongoing assessment of the structural controls and orientation of high grade gold and silver lens areas within the known mineralisation at Sorpresa)

- ❑ The Roadside drilling results continue to encourage the Company assessment of an economic case for parts of the Sorpresa high grade lenses (Roadside, Trench 31 and Boundary Gate, in particular) (Figures 4a, 4b)
- ❑ An RC drill program has now been designed to better define the **Boundary Gate Lens at Sorpresa**

Highlights – Corporate and other activities

- ❑ NSW Department Industry **Drilling Grant Program** application (an award up to \$200,000) is due to be announced
 - These funds would be deployed against drill programs designed within 6km radius of Sorpresa
- ❑ The Company's **AusIndustry R & D application** is under preparation with the potential to yield up to \$600,000 (Sept 2016) in additional non-dilutive funding
- ❑ Discussions for potential project partnership opportunities have continued
- ❑ Presentations were made (April) at Mines & Money Asia resources conference, Hong Kong and Asia



CEO and Managing Director, John Kaminsky stated:

“Hole Fi0751, produced a best result for all of 2016 at Roadside with **9m @ 16.10g/t Au & 297g/t Ag (incl. 1m @ 70.20g/t Au & 248g/t Ag).**”

“We also had an excellent silver hit, with **2m @ 3.50 g/t Au & 2360 g/t Ag (incl. 1m @ 6.24 g/t Au & 3170 g/t Ag)** from 35m in hole Fi0778. We are seeing bonanza grade silver (>1000g/t Ag) emerge fairly frequently now in this gold-silver system operating at Roadside, with this latest intersection being the highest silver yet.

“Two interesting aspects emerged in this latest drilling. Firstly, hole Fi0777 (**8m @ 5.11 g/t Au & 80g/t Ag**) is on the western margin of the Roadside lens, and whilst shallow at 7m, still does not daylight to surface. The only data point we have further west, is our strongest soil sample result at Sorpresa, namely 144ppb Au (in 2010), 150m away. We will be checking the possibility of a continuation of the high grade shoot.

“Secondly, the southern drill line at Roadside has produced results (Hole Fi0778) exceeding expectations, and opens the possibility of a previously unseen high grade organised trend that may continue to the south east. We will be chasing this with additional drilling and looking to expand the potential for more high grades.

“The Trench31 high grade lens at Sorpresa (1km to the South west) has also yielded some excellent gold grades, so the 2 areas combined could represent sufficient scale, given they both have good oxide components in the resource. We will continue the economic assessment accordingly.

“We are working towards a feasibility understanding of the higher grade areas within the known Sorpresa gold and silver resource, with the aggregate results enhancing our detailed knowledge of the controls and orientation of the gold and silver system. The overall objective is to increase the gold and silver resource that is suited to shallow open-cut mining from these high grade lenses. We plan to incorporate the Boundary Gate high grade area also in this program.”

Regional discovery opportunities within 6km radius of Sorpresa

Extensive work continued in parallel with the Sorpresa assessment advancing the regional discovery opportunities. New areas of potential gold mineralisation are being identified and next stage plans for assessment are under development, including drilling priorities with permitting largely established.

The Potential of the Sorpresa Gold 7km Corridor – A new integrated understanding

The Company has spent extensive time formulating an updated mineralisation concept model operating in the Sorpresa North-South Corridor, providing a refinement of the understanding of the potential for gold (and silver) occurring in the Sorpresa basin style geology. Outcomes have included:

- ✓ **Sorpresa basin style geology has been expanded to 18km²** with less than 10% drill tested (**Figures 2 page 7**).
- ✓ **A prominent North-South corridor 7km x 2km has emerged with multiple gold and silver targets**
- ✓ **Additional gold targets have been identified**, based on geochemistry, geology & geophysics
- ✓ **Multimillion ounce gold discovery potential is seen within this area**

The integration of the recent intensive field work, with historic knowledge generated by the Company now creates a highly prospective series of targets within this 7km x 2km zone.

The following targets are priorities for testing (*numbers refer to Map, Figure 1, page 6*):

1. **Extensions to Sorpresa** Gold and Silver resource
2. **Fortuna gold prospect** (structural, intrusive driven breccia target)
5. **Golden Chrome** prospect with intense gravity low alteration, surrounding a quartz porphyry/quartz centre, gravity high, 700m diameter (porphyry gold target)
7. **Southern Gravity** (gold & silver target similar strike (2km), intensity and length to Sorpresa)

Sorpresa was a greenfields discovery with some spectacular gold and silver grades. It had a low level surface gold expression of the order 10~50ppb Au and as the first discovery, provides proof of concept for the Fifield area to host multi-million ounces of gold equivalent mineralisation.

Having examined the geological and mineralising context closely in the Fifield district around Sorpresa, it is believed that additional discoveries are likely.

A comparison between Sorpresa and the Fortuna anomaly, places Fortuna ahead in terms of gold surface geochemistry and scale, at an equivalent early stage of assessment to that of Sorpresa.

The Fortuna Gold Prospect Details

The Fortuna prospect is characterized as follows:

- ✓ **Surface geochemistry that confirms a 1.2km x 400m (open) gold anomaly, 3km north of Sorpresa**
- ✓ **The geological context is similar to the Sorpresa discovery area**
 - sheared & brecciated carbonaceous sediment host rocks
- ✓ **The magnitude and extent of the surface gold geochemistry exceeds Sorpresa** for equivalent early stage
 - There is also silver, arsenic and lead anomalism zoned in places (also found at Sorpresa)
 - The intersecting **structural setting and arcuate shape strongly suggests an intrusion influence** and supports the potential for a large gold system that may be operating
- ✓ **Percussion drilling is scheduled to commence August** (weather and access permitting)
 - A series of stratigraphic holes to test subsurface conditions (the area has no prior drilling)
 - 7 drill traverses (5 line km), 100m spaced holes, depth to ~50m, giving approx. 50 holes, for 2,500m

Mr Kaminsky continued:

“Whilst this area, like much of Fifield, is very poorly exposed terrain, we are encouraged by the potential of what this new untested area could yield in discovery as the Company prepares the first reconnaissance drilling at Fortuna.

“The Fortuna mineralising conceptual model provides the potential for a larger upside on the gold mineralisation at this location. At Fortuna, the model may have a closer affinity to a collapsed breccia component surrounding an intrusive at depth. The anomalous gold could be associated with Sorpresa-like black carbonaceous silica incorporated into the broad brecciated margin of a collapsed caldera, based on evidence to date.

“Whilst the Sorpresa gold and silver resource still has growth potential, the Sorpresa mineralisation appears to be more stratigraphically controlled overall, which contrasts to the mineralising concept model at Fortuna.

“The 2,500m drill program proposed, would not be testing the gold potential at depth in the first instance, but the shallow holes would be demonstrating proof of auriferous concept including the disseminated nature of the gold potential on a large scale. This is not an expensive program for a solid first phase test.

“Based on the current early stage facts, Fortuna offers a conceptually larger gold opportunity than Sorpresa. The proposed work program at Fortuna will help resolve this potential.

“Video Hyperlink: [Discussion on recent Fortuna surface sampling, Sorpresa gold corridor, Fifield NSW](#)



Capital and Share Market Performance Outlook

“In the quarter the markets have continued to improve, buoyed by further increases in precious metal prices. There is a greater investor appetite for risk which is seeing the predevelopment exploration space attract more capital now, including joint venture opportunities.

“The Company is continuing to achieve positive outcomes in its field work. The existence of a healthier investor sentiment towards the junior exploration sector, means that these combined factors are now being reflected in a better Company share price, although volatility still remains, shareholders should be encouraged by this overall trend.

“Discussions for a potential joint venture continue with the goal being to assist the Company’s ability to accelerate the delivery of discovery and development growth opportunities in the project areas for shareholders.

Advances in discovery opportunities update within 6km radius of Sorpresa Resource

“We are still uncovering new opportunities at Fifield, typically with subtle surface expressions for the mineralisation. The surface prospecting, mapping and sampling conducted in 2016 has successfully extended the discovery knowledge, assisting the integrated understanding of the district around Sorpresa and is extremely valuable work. This has led to

better interpretation of the geology and mineralisation thereby creating additional discovery opportunities. The area around Sorpresa remains highly prospective.

“Each of these areas will be pursued in the coming periods for additional discovery growth opportunities, at Fifield. We are awaiting the award of the NSW Drilling application, as a number of the drill program initiatives would be subsidised through these funds.

“The Company remains active, looking forward to generating regular newsflow and reporting further results and milestones as they occur. We are enhancing our project areas to the benefit of shareholders, and believe that the market is beginning to recognise this in the improved climate for junior companies.”

Field programs – Summary and Key Initiatives

The Company strategy continues to focus on building its regional discovery inventory within a 6km radius of Sorpresa over the next 12 months. Priorities continue to emerge from a combination of ongoing geochemical sampling (creeks, soils, pebble lags and auger bedrock geochemistry), as extensions to current anomalous trends, or new additions, as well as promising geophysical targets.

Summary of the extensive work done in the June 2016 Quarter (Sorpresa and Regional) was as follows:

Activity	No. of samples	No. of Holes	Metres
Soil Sampling	267	-	NA
Creek Sampling	-	-	NA
Lag Pebble Sampling	127	-	NA
RC drilling (Sorpresa)	-	53	2593
Auger drilling	-	240	166

Soil and lag pebble sampling were conducted within 6km radius of Sorpresa , with these infill programs providing better targeting of prospective areas for gold, silver and copper.

Regional Metal Diversity Emerging

“The district within 6km radius of Sorpresa remains highly prospective for diverse mineralisation. Prospects will be pursued in the coming periods for additional discovery growth opportunities at Fifield for the Company.

“In addition, the regional picture incorporating our northern neighbours, CleanTeq (CLQ) and Platina Resources (PGM) adds further diversity in the mineralisation, with Scandium, Cobalt, Nickel and Platinum which are included in their respective resources. See Figure 3 page 8 for details.”

Figure 1: Geological & Structural Setting for Sorpresa Corridor – Discovery Growth & Gold Targets

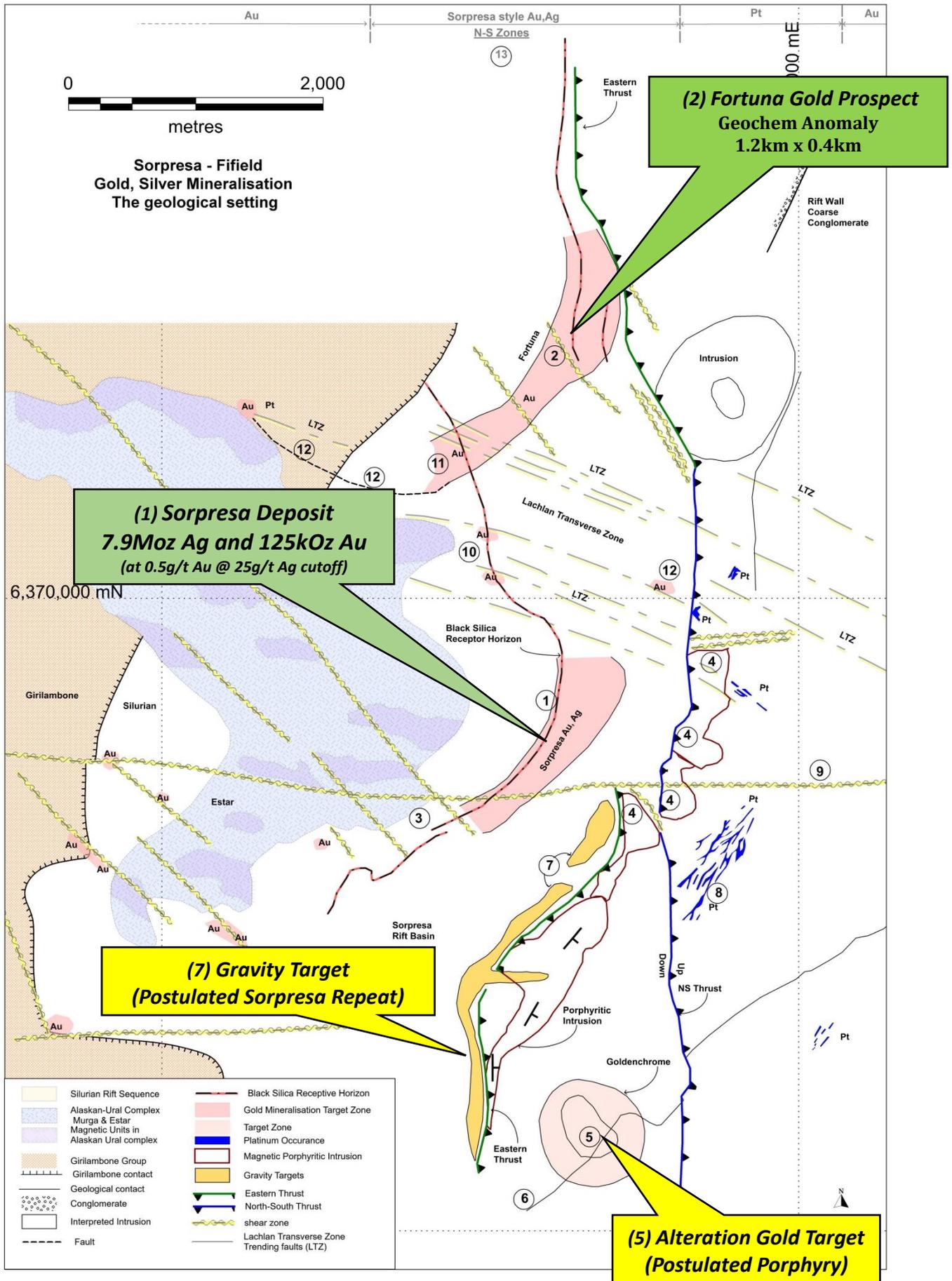
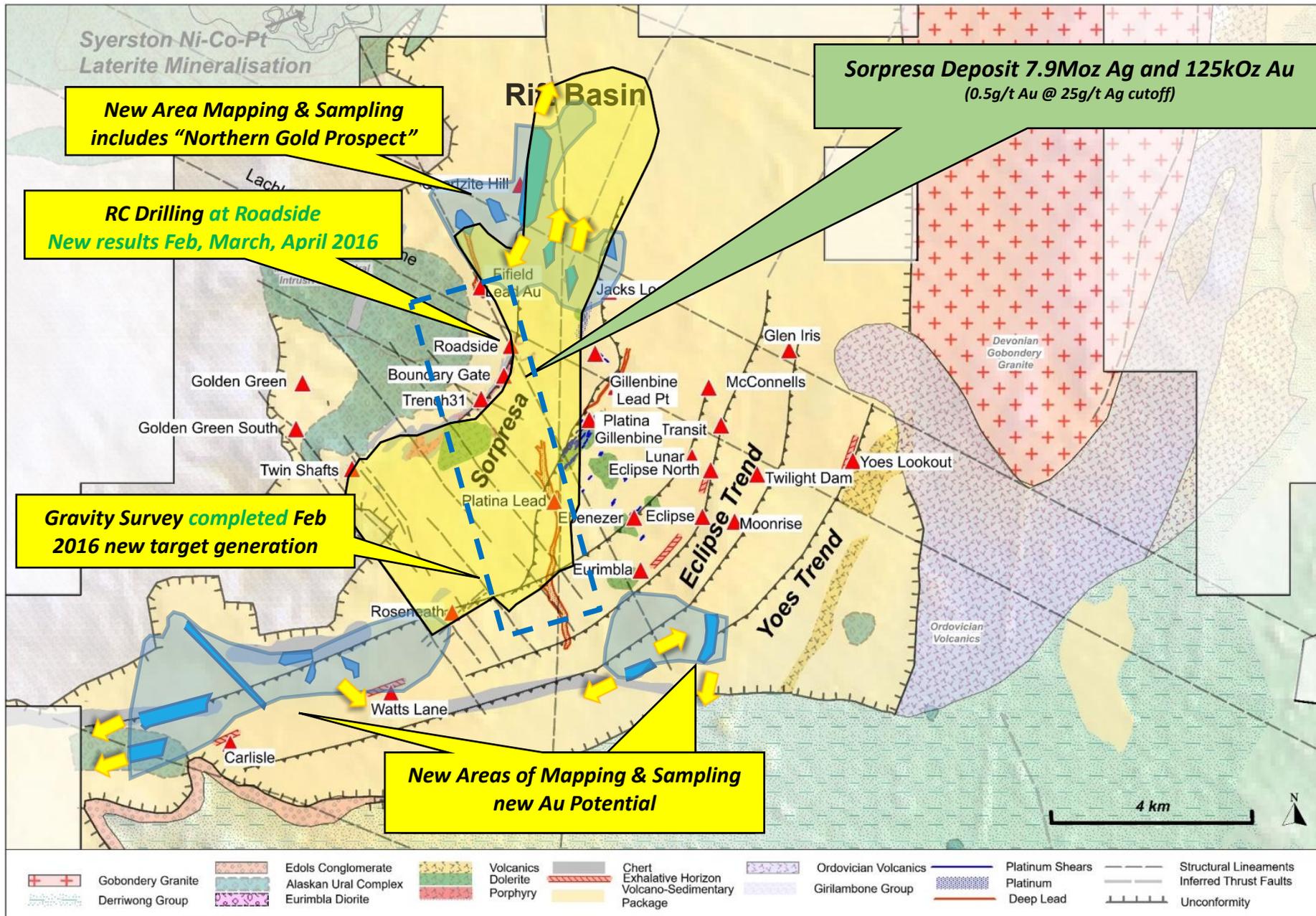


Figure 2: Fifield Prospect and Concept Map with location of the expanded Sorpresa Basin footprint and New Prospective Au anomaly areas – as at July 2016



Recently prospected areas, highlighting zones of interest which includes newly identified Au areas and geology

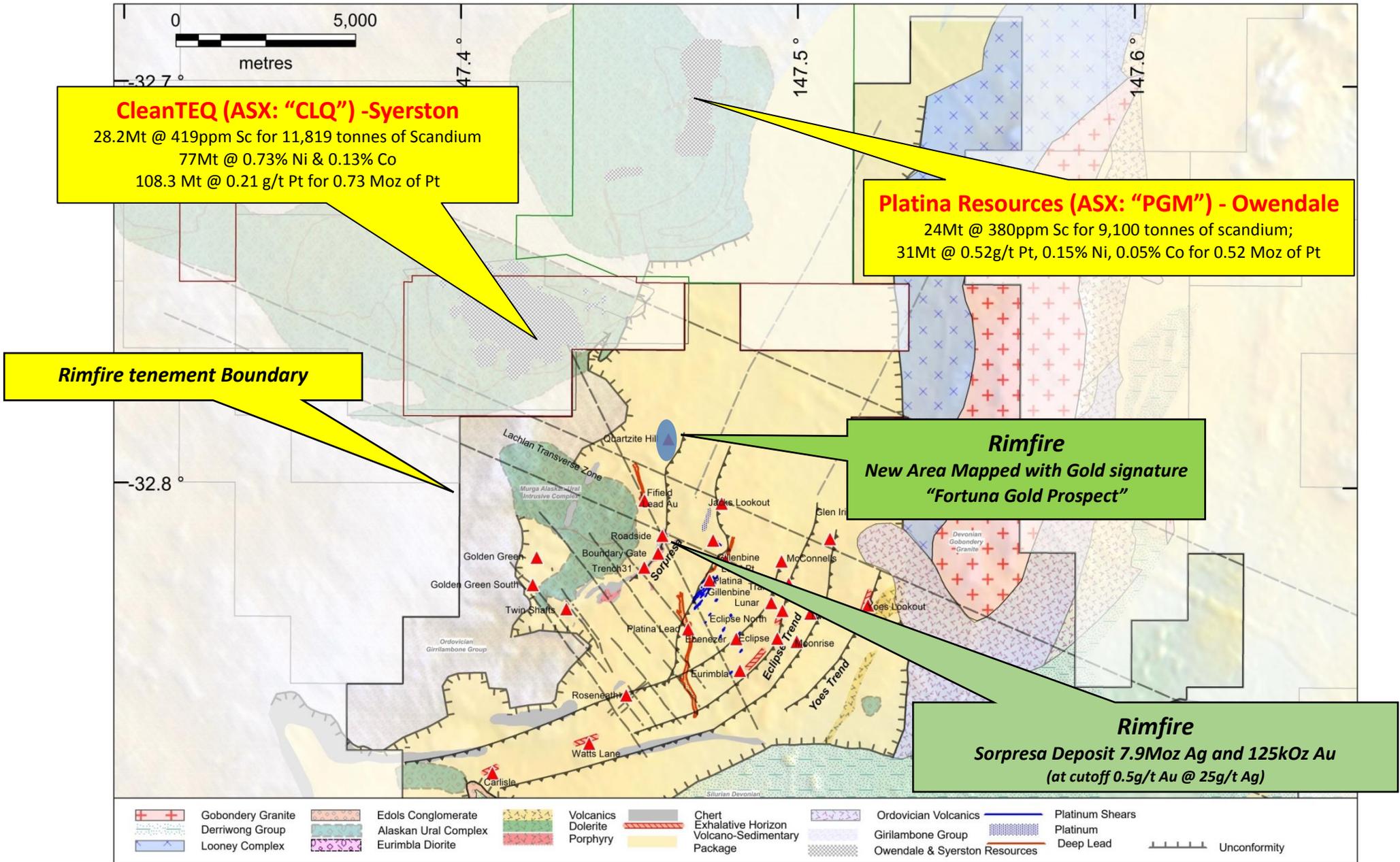


Expanded known area of 18km² of Sorpresa style carbonaceous sediments, of which less than 10% is currently drill tested for Au



Gravity Survey – drill targets identified for repeats of Sorpresa Au & Ag

Figure 3: Fifield Concept Map – Rimfire Mineralisation Prospects - Regional Diversity as at July 2016



Sorpresa RC Drill Program Background Comments – assessing high grade lenses

Currently the Sorpresa Deposit comprises 6.4Mt for 7.9Moz of silver and 125kOz of gold (with a cut-off at 0.5g/t Au & 25g/t Ag) as an Inferred and Indicated Mineral Resource, equating to approximately 250,000oz gold equivalent. (Table 4 appendix)

The Company believes that potential upside exists at Sorpresa by defining additional resources in under explored areas along strike to the south and at depth, down dip to the east and also in gap areas between mineralised domains. New areas to the north (such as **Fortuna**) and South are currently being investigated.

The RC drilling is part of an ongoing assessment of the structural controls and orientation of high grade lens areas such as Trench 31 and Roadside areas within Sorpresa. The Company continues to encounter a significant proportion of high grade results in the program, providing further encouragement for economic feasibility assessment.

The drilling programs have provided a better understanding of the 3D gold lens shapes. This has required drilling at 5 to 10m spacing along lines that are 10 to 20m apart in the potentially higher grade parts of the resource and more accurate 3D shapes are now emerging.

This approach has been conducted at the Roadside and Trench 31 areas. For context, the intersection highlight results in 2016 at Roadside are provided (**highlights shown above 60 gram-metres Au eq**) below in Tables 1. For all results, refer to the Hyperlinks in the **Appendix** to this report.

Table 1: Sorpresa Gold and Silver (Roadside area) “Top holes” reported Jan~July 2016

High grade gold and silver results at shallow depths (typically 0~50m) in ranked order

Hole (location)	Main Intersection(s)	Including Intersection(s)
Fi0751 (Roadside)	2m @ 0.2g/t Au & 55 g/t Ag from 28m AND 3m @ 0.38g/t Au & 112 g/t Ag from 40m AND 9m @ 16.1g/t Au & 297 g/t Ag from 43m	1m @ 6.15g/t Au & 765 g/t Ag from 43m 1m @ 27.8g/t Au & 885 g/t Ag from 46m 1m @ 17.05g/t Au & 244 g/t Ag from 47m 1m @ 70.2g/t Au & 248 g/t Ag from 49m 1m @ 13.6g/t Au & 74 g/t Ag from 50m
Fi 0716 (Roadside)	9m @ 0.25g/t Au & 57g/t Ag from 10m AND 7m @ 13.41g/t Au & 751g/t Ag from 19m AND 8m @ 0.83g/t Au & 25g/t Ag from 26m	1m @ 5.06g/t Au & 555g/t Ag from 19m 1m @ 76.70g/t Au & 2490g/t Ag from 22m 1m @ 1.74g/t Au & 1410g/t Ag from 23m 1m @ 5.80g/t Au & 135g/t Ag from 25m
Fi 0718 (Roadside)	5m @ 0.19g/t Au & 223g/t Ag from 22m AND 7m @ 8.83g/t Au & 243g/t Ag from 27m	2m @ 0.25g/t Au & 425g/t Ag from 22m 1m @ 23.90g/t Au & 163g/t Ag from 27m 1m @ 5.10g/t Au & 594g/t Ag from 32m 1m @ 26.30g/t Au & 328g/t Ag from 33m
Fi 0717 (Roadside)	8m @ 0.40g/t Au & 83g/t Ag from 12m AND 11m @ 2.59g/t Au & 503g/t Ag from 20m	1m @ 6.68g/t Au & 1850g/t Ag from 25m 1m @ 5.09g/t Au & 2550g/t Ag from 26m 1m @ 5.14g/t Au & 250g/t Ag from 27m
Fi 0713 (Roadside)	15m @ 3.91g/t Au & 223g/t Ag from 34m	1m @ 12.85g/t Au & 1200g/t Ag from 38m 1m @ 0.42g/t Au & 1140g/t Ag from 39m 1m @ 40.40g/t Au & 94g/t Ag from 48m
Fi0750 (Roadside)	4m @ 0.41g/t Au & 36 g/t Ag from 34m AND 7m @ 3.69g/t Au & 569 g/t Ag from 38m AND 5m @ 0.49g/t Au & 38 g/t Ag from 45m	1m @ 0.48g/t Au & 656 g/t Ag from 38m 1m @ 2.9g/t Au & 676 g/t Ag from 40m 1m @ 13.85g/t Au & 1700 g/t Ag from 41m 1m @ 4.6g/t Au & 333 g/t Ag from 42m

Hole (location)	Main Intersection(s)	Including Intersection(s)
Fi0752 (Roadside)	4m @ 0.21g/t Au & 63 g/t Ag from 43m AND 9m @ 3.55g/t Au & 358 g/t Ag from 47m	1m @ 3.81g/t Au & 271 g/t Ag from 48m 1m @ 10.0g/t Au & 377 g/t Ag from 50m 1m @ 5.91g/t Au & 1620 g/t Ag from 51m 1m @ 8.19g/t Au & 85 g/t Ag from 55m
Fi 0711 (Roadside)	15m @ 3.00g/t Au & 162g/t Ag from 31m	1m @ 2.32g/t Au & 492g/t Ag from 33m 1m @ 14.05g/t Au & 198g/t Ag from 34m 1m @ 20.20g/t Au & 430g/t Ag from 35m 1m @ 1.04g/t Au & 356g/t Ag from 43m 1m @ 4.00g/t Au & 47g/t Ag from 45m
Fi 0715 (Roadside)	17m @ 2.50g/t Au & 145g/t Ag from 12m AND	1m @ 2.65g/t Au & 236g/t Ag from 17m 1m @ 23.90g/t Au & 649g/t Ag from 20m 1m @ 2.48g/t Au & 482g/t Ag from 24m
Fi 0778 (Roadside)	2m @ 3.50g/t Au & 2360g/t Ag from 35m	1m @ 6.24g/t Au & 3170 g/t Ag from 35m 1m @ 0.76g/t Au & 1550 g/t Ag from 36m
Fi 0738 (Roadside)	10m @ 2.1g/t Au & 313g/t Ag from 25m	1m @ 0.64g/t Au & 1240 g/t Ag from 26m 5m @ 3.84g/t Au & 261 g/t Ag from 30m <u>Which includes:</u> 1m @ 4.03 g/t Au & 406 g/t Ag from 31m 1m @ 5.74 g/t Au & 253 g/t Ag from 32m 1m @ 5.44 g/t Au & 231 g/t Ag from 34m
Fi 0729 (Roadside)	7m @ 4.60g/t Au & 199g/t Ag from 39m and 7m @ 0.42g/t Au & 43g/t Ag from 53m	1m @ 2.13g/t Au & 463 g/t Ag from 41m 1m @ 7.21g/t Au & 136 g/t Ag from 43m 1m @ 16.2g/t Au & 448 g/t Ag from 44m
Fi 0714 (Roadside)	10m @ 0.32g/t Au & 37g/t Ag from 10m AND 8m @ 5.33g/t Au & 181g/t Ag from 20m	1m @ 3.11g/t Au & 395g/t Ag from 20m 1m @ 6.43g/t Au & 454g/t Ag from 23m 1m @ 26.40g/t Au & 26g/t Ag from 26m
Fi 0749 (Roadside)	4m @ 0.25g/t Au & 53g/t Ag from 31m and 7m @ 2.44g/t Au & 461g/t Ag from 35m and 7m @ 0.49g/t Au & 33g/t Ag from 42m	1m @ 0.48g/t Au & 141 g/t Ag from 32m 1m @ 6.00g/t Au & 1610 g/t Ag from 38m 1m @ 3.97 g/t Au & 1120 g/t Ag from 39m
Fi 0712 (Roadside)	14m @ 2.24g/t Au & 162g/t Ag from 33m	1m @ 14.55g/t Au & 302g/t Ag from 33m 1m @ 1.98g/t Au & 174g/t Ag from 34m 1m @ 2.40g/t Au & 323g/t Ag from 35m 1m @ 6.87g/t Au & 356g/t Ag from 36m 1m @ 3.62g/t Au & 790g/t Ag from 37m

Intervals greater than 10g/t Au or greater than 1,000g/t Ag highlighted

Key Gravity Targets in the Sorpresa Basin - Background

The most useful geophysical method on Sorpresa has been gravity. The Company has an excellent detailed gravity coverage over the Sorpresa Basin (rift), with the newly completed survey in the previous quarter. This data is combined with detailed low level magnetics to produce exploration target zones.

The magnetic intrusive structure dilational jog south of Sorpresa has a **1,200m long geophysical gravity anomaly**. The new target is similar to the known Sorpresa mineralisation position for the following reasons:

- Similar size, orientation and gravity intensity
- It is directly south of Sorpresa. (Nth-Sth direction is considered important to the position of mineralisation)
- This anomaly has an east dipping magnetic porphyritic cap (same as Sorpresa)

This large gravity target has remained untested due to a veneer of alluvium covering most of it. The recent addition to the gravity data has brought this anomaly into a much clearer focus. It also demonstrates a splay off the main gravity trend, which is East-West and is similar to Roadside.

This anomaly has the capacity to be a combination of a thrust fault and a dilational jog. The Gravity dataset, with the Sorpresa knowledge offers opportunity for additional discovery in the 18km² basin area.

COMMODITY PRICING FOR THE JUNE 2016 QUARTER

As at 27th July 2016, precious metal prices had improved in the quarter and show substantial gains for the year to date. Silver has performed very strongly. Prices quoted www.kitco.com, in New York based on closing Ask in USD).

	Price 27 Jan 2016	Price 27 July 2016	Increase %
Gold	USD\$1115/oz	USD\$1342/oz	20%
Silver	USD\$14.35/oz	USD\$20.42/oz	42%
Platinum	USD875/oz	USD\$1141/oz	30%

CORPORATE ACTIVITIES

Cash, Funding, Facilities and Investments

As at 30th June 2016 the Company had \$0.770m in cash.

Application for NSW Government Drilling Grant

The Company has applied for non-dilutionary grant funds, up to \$200,000 used towards its drilling proposals at Fifield for use in the period July 2016 to June 2017. The grants are due to be awarded early August 2016. In 2014 the Company was awarded \$175,000 in a similar scheme from the NSW State Government.

Application for Ausindustry R & D Incentive

The Company is preparing for submission its AusIndustry R&D incentive application, which could yield upto \$600,000 in Non-dilutive funding in September 2016.

Capital structure

As at 30th June 2016 the capital structure of the Company was:

Fully Paid Ordinary Shares	798,659,607
Options, expiry May 15 th 2017, exercisable at 3.5 cents	52,385,951

Mines & Money Hong Kong Resources conference, exhibition and presentation

The Company successfully participated in a 3 day international resources conference and exhibition during first week in April 2016 enabling a positive interaction with investors and industry participants. The Company and its project areas were well received.

Hong Kong Presentation Hyperlink:

Title: ***CEO Presentation on Sorpresa Gold and Silver area and District Surrounds at Fifield NSW:*** [Click here](#) to view this announcement.



JOHN KAMINSKY
CEO and Managing Director

Figure 4a: RC Drilling at Sorpresa – Roadside Area – Oxide Zone 0~60m – showing gram-metre in plan view Au Eq (1gm Au = 70gm Ag conversion)

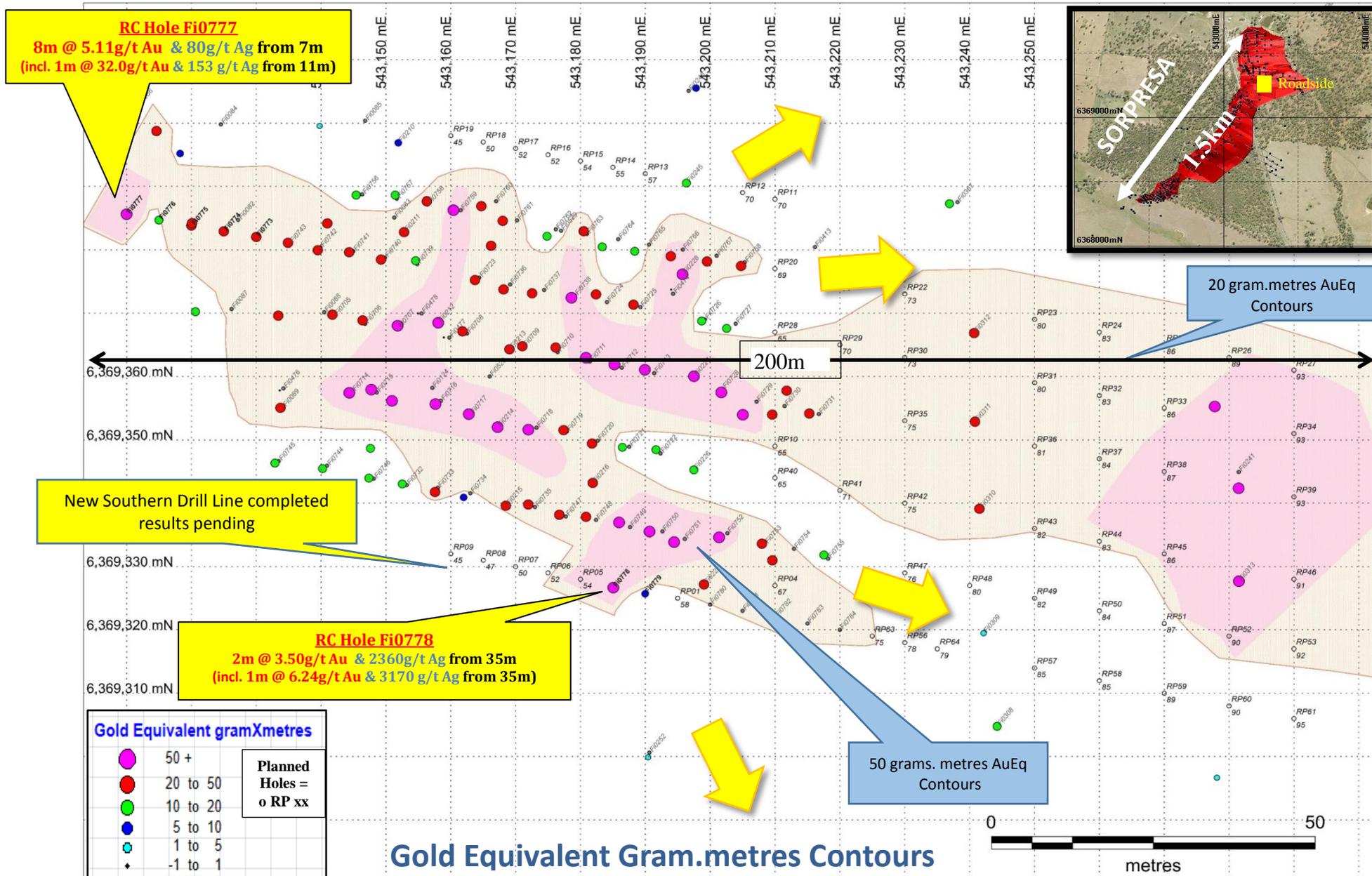


Figure 4b: RC Drilling at Sorpresa –Roadside Area – Oxide Zone 0~60m – showing gram-metre in plan view Au only

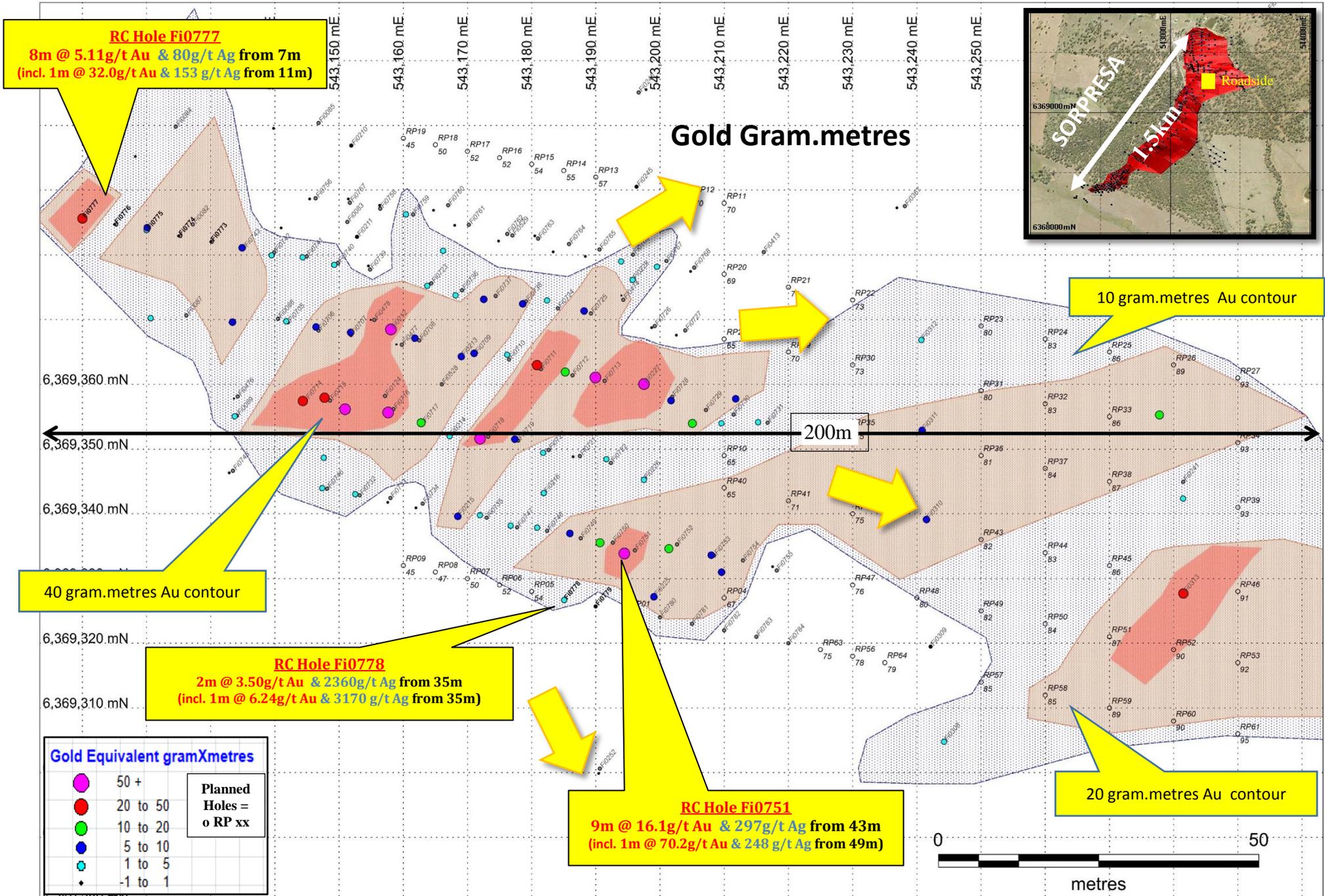
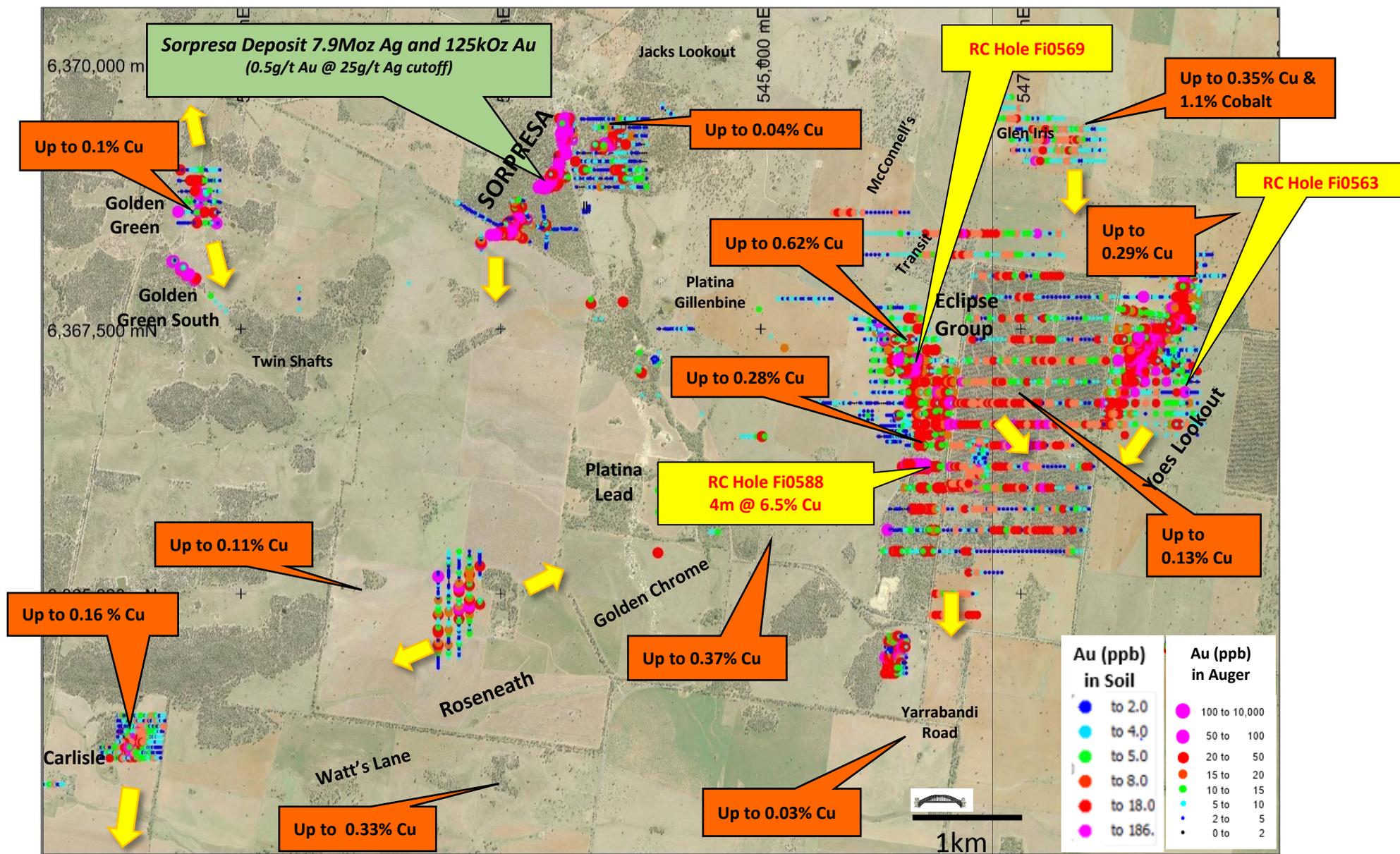


Figure 5: Wider Sorpresa area Map, shows the underlying gold signature, with best Copper Rock Chips overlaid. RC drilling (May~July 2015) has confirmed Copper (Chalcopyrite

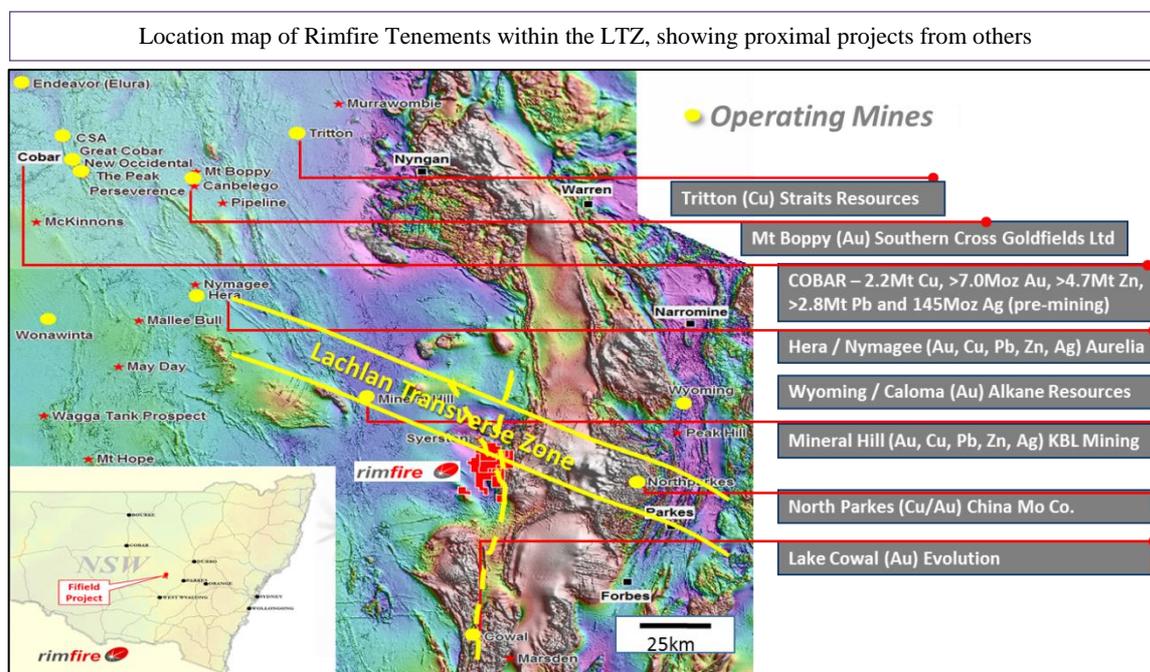


The Eclipse Trend is in a structurally complex area which is associated with a strong geochemical corridor which extends from the South for 3.0km through the Eclipse North drilling area and is open along strike to the north and south. Significant high grade Cu and Au drill intersections in both areas has indicated the potential for ore grade mineralisation relatively close to surface, open down dip and along strike.

ABOUT RIMFIRE PACIFIC MINING AND COMPETENT PERSON DECLARATION

Rimfire Pacific Mining is an ASX listed (code: RIM) resources exploration company that has its major emphasis focused at Fifield in central NSW, located within the Lachlan Transverse Zone (LTZ).

In 2010 the Company delivered a greenfields gold and silver discovery, named “Sorpresa”, in the Fifield district. Subsequent exploration has provided evidence that the “Wider Sorpresa Area” is now considered a significant gold mineralised system of some promise. More recently a copper signature has been established to the East. The gold is predominantly native gold at Sorpresa.



The best gold and silver intersections achieved from the period mid-2012 to the current date on the **Sorpresa** Project area with locations shown include (note Table 4: *Dates and Hyperlinks for previously referred to results in this report*):

14m @ 21.9g/t Au plus 6m @ 93g/t Ag	Trench 31
13m @ 8.46g/t Au	Trench 31
9m @ 18.1g/t Au plus 3m @ 280g/t Ag	Trench 31
14m @ 24.4g/t Au plus 26m @ 155g/t Ag	Roadside
9m @ 16.10g/t Au plus 297 g/t Ag	Roadside
7m @ 13.41g/t Au plus 751g/t Ag	Roadside
10m @ 535g/t Ag plus 1.0g/t Au	Roadside
20m @ 230g/t Ag	Roadside North
16m @ 5.32g/t Au plus 20m @ 81g/t Ag	Roadside
1m @ 114g/t Au plus 1m @ 33g/t Ag	Boundary Gate East (BGE)
4m @ 21.9g/t Au	Join Up

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 extension drilling.

The Company announced a JORC 2012 Compliant Inferred & Indicated Maiden resource for Sorpresa in December 2014, which comprises 6.4Mt for 7.9Moz of silver and 125kOz of gold (at 0.5g/t Au & 25g/t Ag cutoff).

The Company has now established multiple project areas of importance involving hard rock Gold (Au), Silver (Ag), Copper (Cu) and Platinum (Pt) within a 6km radius of the Sorpresa discovery covering an extensive prospective 35km² area at Fifield, which is part of the contiguous 566km² tenement position held.

The latest presentations on the Company are at hyperlinks:

[Rimfire CEO Presentation – Mines and Money Hong Kong April 2016 – John Kaminsky](#)

[Benchmarking – AGM 27 November 2015 – Richard Schodde](#)

[Resources Industry Presentation trends in Investment – AGM 27 November 2015 – Hedley Widdup](#)

A 3D Exploration Model, as at May 2014, depicting gold mineralisation at Sorpresa with a description of the RC drill program goals at that time is available as a [video by hyperlink: Click Here](#).

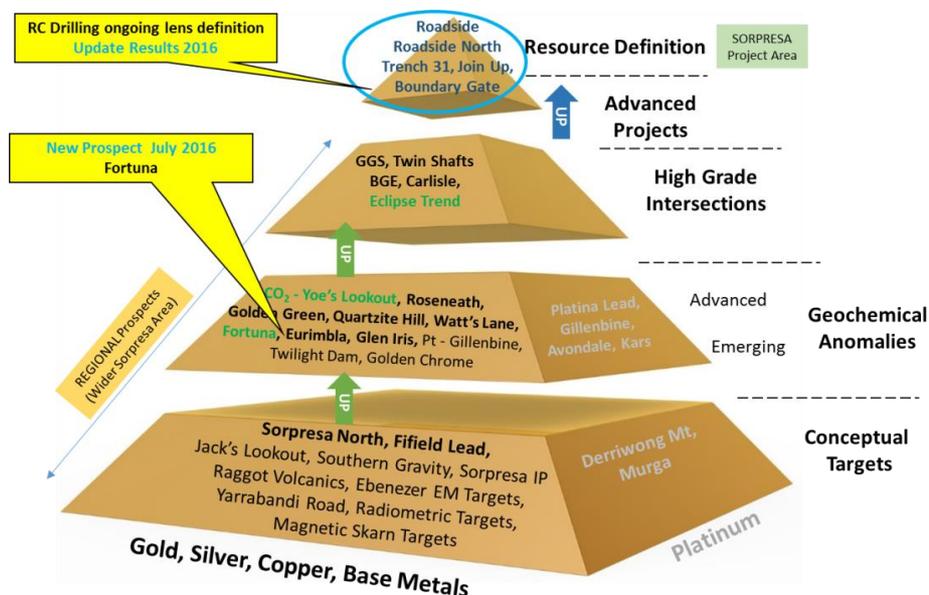
Other videos available on Rimfire Website [Hyperlink](#)

Video hyperlinks: (1) [Roadside Drilling West End Discussion](#) ; (2) [Roadside Drilling South Direction](#)

Video Hyperlink: [Discussion on recent Fortuna surface sampling, Sorpresa gold corridor, Fifield NSW](#)

Regional Prospects within 6km Radius of Sorpresa Project Area at Fifield

Prioritized current prospects and targets within 6kms of Sorpresa are being systematically assessed. Rimfire interprets a rift basin setting at Fifield, Back Arc to the World Class Macquarie Arc, and traversed by the crustal scale Lachlan Transverse Zone (LTZ) and cross cut by other major crustal structures, which is host to multiple styles of significant mineralisation, with combined multimillion ounce gold equivalent potential. To date more than **30 targets** are revealed at Fifield.



The prospect pyramid below ranks these prospects which are grouped into 7 manageable “Target Domains”, for gold and base metals, in terms of their logistical, spatial, deposit style and exploration stage;

Rimfire Prospect Pyramid illustrated at increasing stages of advancement from Conceptual targets, Emerging and Advanced Geochemical Anomalies, Prospects with High Grade intersections, and Advanced Targets, Resource at Sorpresa.

1. **Sorpresa (Carbonate Base Metal Epithermal Au/Ag)** – Roadside North, Roadside, Original Sorpresa
2. **Sorpresa (Carbonate Base Metal Epithermal Au)** – Join-Up, Boundary Gate, Boundary Gate East, Trench 31
3. **Eclipse Trend (Au-Copper, VMS / Epithermal)** – McConnell’s, Transit, Eclipse North, Eclipse, Eurimbla, Golden Chrome, Roseneath, Watt’s Lane, Carlisle.
4. **Yoes Lookout (Skarn style and Structurally controlled Greenstone and Sediment hosted Au, possible Porphyry Cu-Au target style)**
5. **Orogenics (Structurally controlled Greenstone and Sediment hosted Au)**- Golden Green, Golden Green South, Twin Shafts, Rabbit Hill, Golden Green East.
6. **Sorpresa Extensions** – Sorpresa North, Quartzite Hill, Fifield Lead, Southern Gravity, Red Mist

7. Conceptual – Jack’s Lookout, Gravity Gradient, Raggatt Volcanics, Glen Iris,

Work programs are at various stages of development on the prospects.

Table 2: Ranked Prospect Portfolio at Fifield NSW

Table of Comparison of more Advanced Prospects within 6km Radius of Sorpresa Projects								
Location	Rock Chip g/t Au	Typical Soil ppb Au	Typical Auger ppb Au	Anomaly Length	RC Drill	Open	Other	Historic Workings
Sorpresa Resource	8.8	10~50	20~1,000	1.5km	14 @ 24.4 g/t Au 26m @ 155g/t Ag	yes	IP/Gravity	Minor
Yoes Lookout	3.4	10~300	20~1,000	1.7km	Au, Cu anomalous	yes	Magnetic Radiometric	No
Eclipse Trend	18.7	N/A	20~700	2.7km	4m @ 6.5% Cu 4m @ 2.3g/t Au	yes	Ag, Cu	Minor
Golden Green Group	8.1	N/A	10~100	0.5km	2m @ 9.11g/t Au	yes	Mafic host?	Yes
Roseneath	3.7	8~300	15~80	0.8km	N/A	yes	Sorpresa Style?	No
Carlisle	23.0	9~50	N/A	0.35km	7m @ 1.47g/t Au	yes	Magnetic Feature	Minor

Company Strategy

The Company has committed to pursue a **prospect portfolio strategy** of developing the regional prospects at Fifield to suitable stages, in parallel with the Sorpresa project area to achieve outcomes as follows:

- Enhance and highlight the Fifield district’s appeal to deliver more discoveries within 6km radius of Sorpresa
- Metals being pursued include Gold, Silver, Copper and Platinum
- Ensure the Company has the opportunity to make the best discoveries possible in its prospect portfolio
- Continue discovery growth at Sorpresa, looking for important contributions in the next phases of drilling
- Grow the maiden resource at Sorpresa (23 Dec 2014), currently published as inferred and indicated comprising **6.4Mt for 7.9Moz of silver and 125kOz of gold (at 0.5g/t Au & 25g/t Ag cutoff)**
- Examine economic potential, as appropriate to the stage of the project area

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 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 deposit 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 in “About Rimfire Pacific Mining” is extracted from the reports entitled and listed in the table below created on the dates shown and is available to view additionally 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 3 Dates and Hyperlinks for previously referred to results in this report

ASX July 25 th 2008 Quarterly Report For the period April 1st to June 30th 2008
ASX March 30 th 2012 Coherent Gold geochemistry at Yoes Lookout Confirmed – Fifield NSW
ASX September 17 th 2012 First Gold Sections Created at Sorpresa Project, Fifield NSW
ASX June 13 th 2012 High Grade Gold Intersection Sorpresa Project – Fifield NSW
ASX July 26 th 2012 Successful Intersections at Sorpresa Gold Project
ASX October 10 th 2012 Highest Gold and Silver Grades seen to date at Sorpresa Project
ASX December 18 th 2012 Sorpresa Project Produces More Encouraging Results
ASX March 27 th 2013 Additional Assays at Sorpresa Gold Project
ASX June 13 th 2013 Further Positive RC Drilling Results at Sorpresa Project
ASX July 17 th 2013 Diamond Drilling Reveals Bonanza Grade of 1m @ 114g/t Au
ASX October 21 st 2013 Results Confirm Extensions of Gold and Silver at Sorpresa Project
ASX December 20 th 2013 High Grade Silver extensions continue at Roadside
ASX February 14 th 2014 Gold Intersections Confirm New Intersections at Sorpresa
ASX May 16 th May 2014 4,000m RC Drilling Program at Sorpresa Project – Regional Intersection 2m @ 9.11g/t Gold
ASX May 30 th May 2014 Drilling Update and 3D Exploration Model for Sorpresa Project – 2m @ 7.49g/t Gold intersected
ASX July 23 rd 2014 Encouraging Regional Rock Chip Results up to 13.7g/t Gold, Fifield NSW
ASX August 18 th 2014 New High Grade Rock Chip Results up to 23g/t Au at Fifield NSW
ASX August 26 th 2014 Sorpresa Gold and Silver Mineralisation Extended at Fifield, NSW
ASX November 28 th 2014 Encouraging Gold Results Intersected in New Shallow Oxide Position at Sorpresa
ASX December 8 th 2014 High Grades Intersected in Sorpresa Resource Definition Drilling
ASX December 23 rd 2014 Sorpresa Maiden Resource Fifield NSW – 6.4Mt for 125kOz of gold and 7.9Moz of silver
ASX January 30 th 2015 December Quarter Exploration Report
ASX February 20 th 2015 Sorpresa RC Drilling Assays Finalised, New RC Drilling underway to extend mineralisation
ASX February 23 rd 2015 Gold Intersections confirmed from Surface at Carlisle, Fifield NSW
ASX 23 rd March 2015 Encouraging Results including 2m @ 10.09g/t Gold Intersected at Sorpresa
ASX 13 th April 2015 Skarn style mineralisation intersected with Copper Anomalism at Yoes Lookout Prospect
ASX 20 th May 2015 Yoes Area Assays confirm Copper Anomalism with Gold Present
ASX 16 th June 2015 RC Drill Assays Confirm Copper Anomalism and Gold at Eclipse Trend
ASX 23 rd July 2015 4m @ 6.5% Cu and 2.3g/t Au Massive Chalcopyrite at Eclipse
ASX 26 th August 2015 Sorpresa Drilling Continues best intersection of 14m @ 5.24g/t gold & 156g/t silver from 21m
ASX 20 th October 2015 Sorpresa Drilling - Best Intersection of 3m @ 20.42g/t Au AND 4m @ 5.34g/t Au
ASX 20 th November 2015 Sorpresa Drilling gives 13m @ 8.46g/t gold (incl. 2m @ 31.35g/t) at shallow depths
ASX 27 th November 2015 CEO Presentation Corporate and Exploration AGM 2015
ASX 4 th December 2015 New Drilling Results Include 9m @ 18.15g/t gold at Sorpresa, Fifield NSW
ASX 27 th January 2016 Activities Report December Quarter 2015
ASX 8 th February 2016 Drilling results give 15m @3.91g/t Au & 223g/t Ag. Incl. 1m @ 40.40g/t Au and 1m @ 1200g/t Ag
ASX 19 th February 2016 7m @ 13.41g/t Au & 751g/t Ag from 19m at Sorpresa, incl. 1m @ 76.70g/t Au & 2490/t Ag
ASX 21 st March 2016 Sorpresa Drilling Results at Roadside Area and Regional Sampling Programs
ASX 7 th April 2016 Presentation to Mines and Money Asia Forum
ASX 21 st April 2016 RC Drilling results include 7m at 4.60g/t Gold with 199g/t Silver at Sorpresa

ASX 16 th May 2016 7m at 2.44g/t Gold and 461g/t Silver at Sorpresa Fifield NSW
ASX 31 st May 2016 9m at 16.10g/t Gold and 297g/t Silver (incl. 1m @70.2g/t Au)
ASX 6 th July 2016 High Grades at Sorpresa incl. 1m @ 6.24g/t Gold and 3170 g/t Silver

Table 4: Sorpresa Mineral Resource estimate reported under JORC 2012

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.