

## JMEI Tax Credits for Shareholders Participating in Rights Issue

### Highlights

- Eligible Australian Rimfire shareholders participating in the Non-Renounceable Rights Issue (Rights Issue) may be entitled to receive a pro-rata distribution of Junior Mineral Exploration Incentive (JMEI) credits.
- On completion of exploration activities for the 2019/20 Income Tax year, and lodgement of its income tax return, Rimfire will notify shareholders of their entitlement.
- The JMEI is an Australian Federal Government tax incentive scheme managed by the Australian Taxation Office (ATO) to encourage greenfields mineral exploration in Australia.
- Proceeds from the Rights Issue will contribute to greenfield exploration work.

Rimfire Pacific Mining NL (ASX: RIM, “the Company” or “Rimfire”) is pleased to announce that shareholders who elect to participate in the current non-renounceable rights issue (Rights Issue) to raise approximately **\$1.1 million** (before costs) from the issue of **356,539,358** New Ordinary Shares (New Shares) [ASX Announcement 26 June 2019: Non-Renounceable Rights Issue to Raise up to \\$1.1m](#) and [ASX Announcement 26 June 2019: Rights Issue Prospectus](#), may be eligible to receive a pro-rata distribution of JMEI credits for the Income Tax year 2019/20. The JMEI credits will only be available to ordinary shares issued between 1 July 2019 and 30 June 2020. This includes the New Shares to be issued under the current Rights Issue.

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 shares offered are attractively priced at 30% discount to the 30 day VWAP of 0.42 cents, as at 21st June 2019. The Rights Issue is open to all Eligible Shareholders who have a resident Australian or New Zealand address, and who hold Rimfire shares at 7.00pm (AEST) 1st July 2019 (the “Record Date”). The offer closes on 18th July 2019.

Rimfire has been notified by the ATO that its application for a JMEI credit allocation was successful and the ATO granted an allocation of \$550,000 in JMEI credits for the 2019/20 income tax year. A participating shareholder’s final JMEI credit entitlement amount will be determined after lodgement of the Company’s 2019/20 tax return.

Assuming the Rights Issue is fully subscribed and raises up to approximately \$1.1 million (before costs), shareholders participating in the Rights Issue may be entitled to a credit of up to 0.05 cents (~15%) per New Share issued to them<sup>1</sup>. **The purchase price for new shares for Australian resident shareholders participating in the Rights Issue may be approximately 0.25 cents per share.** Receiving a JMEI credit could have tax consequences and shareholders who are issued JMEI credits by the Company should obtain independent tax advice specific to their personal circumstances.

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](#)).

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 (Figure 1). The greenfields exploration work program will focus on aircore drilling in the Southern and Northern areas to obtain bedrock samples. An RC drilling program will be done to test Northern Gold anomaly which is 2km north of the Sorpresa resource. The results at Northern Gold could have a significant impact on options for the monetisation of Sorpresa.

Craig Riley, Managing Director at Rimfire states:

*"This is a great opportunity for shareholders to support the company in its endeavours to accelerate the field exploration work on the highly prospective Northern and Southern Areas as well as the Northern Gold Prospect where success could have significant impact on monetisation options for Sorpresa . The company appreciates the support of the Australian Federal Government through its JMEI scheme to provide greater economic incentives for investors to participate in providing funding support to small exploration companies seeking to create wealth and opportunity."*

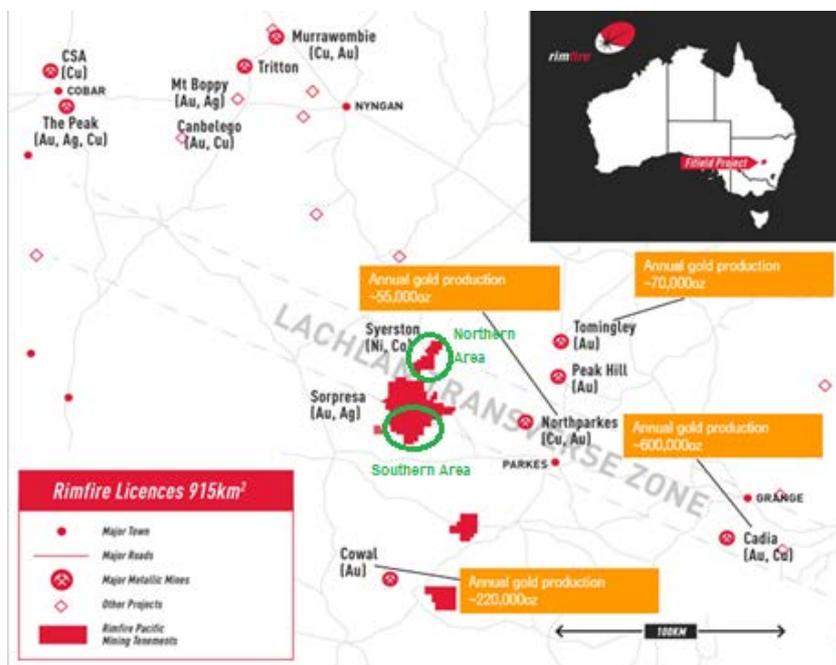
**Craig Riley**  
**Managing Director**

<sup>1</sup>The estimated eligible JMEI credit entitlement of 0.05 cents per New Share assumes that the Company issues 356,539,538 New Shares to shareholders at 0.3 cents per share to raise up to approximately \$1.1m (before costs) and that total eligible greenfields exploration expenditure is approximately \$0.6m for the income tax year 2019/20 (with an equivalent tax loss being incurred). This equates to total JMEI credits of approximately \$0.17m being available for distribution and when divided by 356,539,538 New Shares, equates to a JMEI credit of 0.05 cents per New Share. Remaining JMEI credits available for use for the rest of Income Tax year 2019/20 would be up to approximately \$380,000 and will also be available for further distribution as eligible greenfields mineral exploration expenditure is incurred during the 2019/20 Income Tax year.

## 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](http://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.