

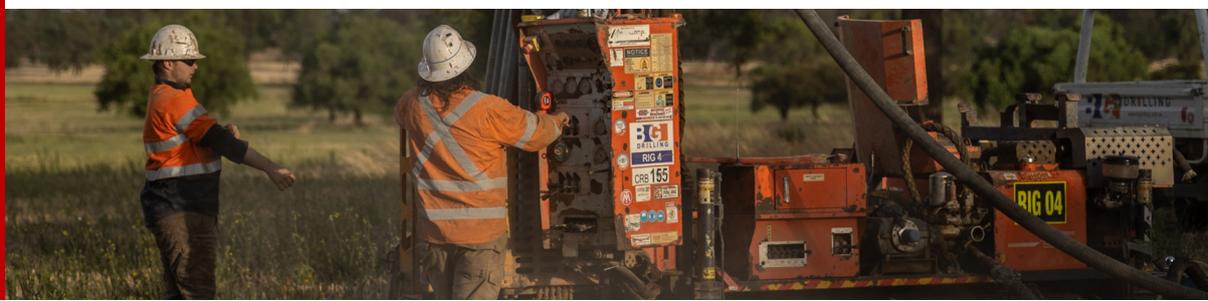
Unsolicited Funding Proposal Update

Rimfire Pacific Mining (**ASX: RIM**, “Rimfire” or “the Company”) advises that it has received an unsolicited funding proposal from Lake Grace Exploration Pty Ltd (Lake) an associated entity of Mr Anthony Billis. In summary the proposal is:

1. Lake to subscribe by way of a placement for ordinary shares in Rimfire so as to increase its interest from the current approximately 11.53% of the Company’s shares on issue to 19.99% of the Company’s shares on issue at \$0.008 per share to raise approximately \$1.67 million;
2. Rimfire to conduct a 1 for 6 entitlement offer at \$0.007. Lake and other Billis entities (other than Great Plains Holding Pty Ltd (GPR) which remains subject to a dispute referred to below) would commit to taking up their full entitlement;
3. Lake could underwrite the entitlement offer (at no cost), meaning the entitlement offer would raise a further approximately \$2.55 million less any administrative costs;
4. The Board of Rimfire appointing as directors Mr Anton Billis, Oliver Douglas and Roland Berzins;
5. Ian McCubbing, David Hutton and Andrew Knox resigning as directors of Rimfire (and Mr Hutton also resigning as an employee); and
6. The funding proposal must be accepted by 31 May 2023 unless Lake decides to extend that date.

Given the significant amount of potential funding, Rimfire is considering the funding proposal, in particular whether shareholder approval should be sought. Rimfire notes the following:

1. Rimfire is in the process of holding two shareholder meetings for shareholders to determine the composition of the Board following shareholder requisitions to do so. Mr Billis is asking the RIM Board to ignore whatever the vote of shareholders may be on those resolutions and instead install his chosen representatives;
2. It is arguable that the funding proposal gives Mr Billis effective operational control of Rimfire without shareholder approval in that he will become a director and will have nominated all other directors, in circumstances where he has neither paid a significant premium for that control, nor made a takeover offer;



RIMFIRE PACIFIC MINING LTD

ASX: RIM

“Critical Minerals Explorer”

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3. Rimfire's current funding partner Great Plains Resources (GPR) requested Rimfire to appoint Mr Misha Collins (who under Mr Billis' funding proposal will remain a director of Rimfire) as a director. In light of the earn in agreements, Rimfire agreed to that request. Mr Billis has claimed in substantial shareholder notices lodged with ASX to be an associate and controller of GPR, but notes that this is subject to a legal dispute;
4. If shareholder approval is required, the funding proposal cannot be accepted by the deadline, meaning Lake could walk away from it at any time.

Rimfire notes that following receipt of the funding proposal, it was advised that representatives of Lake/Mr Billis had publicised the funding proposal to selected persons. In that circumstance Rimfire was obliged to, and did, seek a trading halt pending its review of the proposal and this announcement.

There is no need for existing Rimfire shareholders to take any action at this time. Rimfire will keep the market updated once it has come to a final conclusion concerning the above.

ENDS

This announcement is authorised for release to the market by the Board of Directors of Rimfire Pacific Mining Limited.

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About Rimfire

Rimfire Pacific Mining (**ASX: RIM**, “Rimfire” or the “Company”) is an ASX-listed Critical Minerals exploration company which is advancing a portfolio of projects within the highly prospective Lachlan Orogen and Broken Hill districts of New South Wales.

The Company has two 100% - owned copper – gold prospective projects that are located west of Parkes and Orange in central New South Wales:

- The Valley Project - located 5km west of Kincora Copper’s Mordialloc porphyry copper gold discovery (KCC.ASX), and
- The Cowal Project - located to the east of Evolution’s Lake Cowal Copper / Gold mine (EVN: ASX).

Rimfire also has the 100% - owned Broken Hill Cobalt (Green View) Project which is located immediately west and northwest of Broken Hill and covers several targets including the interpreted along strike extension to Cobalt Blue Holdings’ Railway Cobalt Deposit (COB: ASX).

Rimfire has two additional projects in the Lachlan Orogen which are being funded by Rimfire’s exploration partner - Golden Plains Resources (GPR):

- Avondale Project (GPR earning up to 75%) & Fifield Project (GPR earning up to 60%)
- ✓ Both projects are prospective for high-value critical minerals – nickel, cobalt, scandium, gold and PGEs - which are essential for renewable energy, electrification, and green technologies.
- ✓ The development ready Sunrise Energy Metals Nickel Cobalt Scandium Project (ASX: SRL) is adjacent to both projects.
- ✓ The Fifield Project hosts the historical Platina Lead mine, the largest producer of Platinum in Australia.

For more information on the Avondale and Fifield Earn In and Joint Venture Agreements see:

[ASX Announcement: 4 May 2020 - Rimfire enters into \\$4.5m Earn-in Agreement](#)

[ASX Announcement: 25 June 2021 - RIM Secures \\$7.5m Avondale Farm Out](#)

[ASX Announcement: 30 June 2022 - Rimfire to receive \\$1.5M cash to vary Fifield Project Earn In](#)

[ASX Announcement: 4 August 2022 – Exploration Partner funding update](#)

[ASX Announcement: 3 April 2023 - Fifield Earn In Funding Update](#)

[ASX Announcement: 27 April 2023: Exploration Partner Funding Update](#)

[ASX Announcement: 16 May 2023: Fifield Earn-in Project Funding Update](#)

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, 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”.