



Dear fellow shareholder

Our company was pleased to announce on 4th October 2018 a non-renounceable rights issue to raise approximately **\$2.1 million before costs** from the issue of 235,869,389 New Ordinary Shares (New Shares). CPS Capital Group Pty Ltd is Lead Manager to the issue.

The Rights Issue offers **one (1) new share for every four (4) shares held at an application price of 0.9 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 address, and who hold Rimfire shares at 9th October 2018 (the "Record Date"). The offer closes on 30th October 2018.

The shares offered are attractively priced at 25% discount to the 30 day VWAP of 1.2 cents, as at 26 September 2018, plus the value of the free option, which will be listed.

The funds raised will provide additional working capital and enable Rimfire to continue with its work programs at the Fifield Project area in NSW, building upon the important milestones already established in the Sorpresa gold and silver project and make further advances in the regional discovery where an emerging gold and copper signature has been established, with the strategy announced to ASX, [Dual Strategy in the pursuit of these two objectives on 25th September 2018](#).

The discovery work includes the further advancements on the exploration contributions to the Fifield Project made by New Gold Inc. during the earn-in partnership 2017/18. In this period New Gold Inc. provided approximately \$3m in funding (with Rimfire retaining 100% of the project). Regional discovery activities will also pursue the recent work in the Southern tenement area, focused on the Ordovician volcanic age rocks, newly recognised, as a potential host to Cowal and Northparkes style gold and gold/copper deposits, in the district.

Key Highlights of the Offer include:

- **Non-Renounceable rights issue to raise up to \$2.1m**
- **Offered at 0.9 cents, a discount of 25% to 30 day VWAP**
- **For every new share, shareholders will receive one free attaching option**
- **New options will have exercise price of 2.2 cents, expiry on 1 May 2020 and will be listed.**
- **Directors to participate in the offer**
- **Firm commitments have been received for more than \$500,000**
- **Shareholders may apply for additional new shares, above their entitlement**
- **Lead Manager CPS Capital Pty Ltd**

(CPS Capital Pty Ltd will receive a fee of \$25,000, plus 5 million Options for its services as Lead Manager, and a fee of 6% of any shortfall funds placed by CPS).

Offer Document and Entitlement & Acceptance Form

An offer document setting out details of the offer will be despatched to you on the 12th October 2018. and accompanied by a personalised application form with instructions how to accept your entitlement.

Work Program Intentions and Corporate Activities

During the next 12 month period the assessment of Sorpresa and discovery initiatives, with major priorities for the Company at Fifield will involve:

Strategy Component 1

- ✓ For the Sorpresa resource, a comprehensive data review, further resource definition, economic parameters assessment
 - Examine the economic potential of the resource including the high grade lens areas identified
 - Seek to extend the resource with discovery growth into new adjacent areas, based on geophysics, mineralisation projections and testing additional concepts around the known resource

Strategy Component 2

- ✓ Maintain a discovery growth focus on the regional opportunities for gold and copper which will involve the follow up of the prioritised regional prospects under appraisal:
 - This will involve a range of activities, including geophysics, geochemistry and drill testing
 - Areas of interest include the Southern and East Ordovician Volcanic areas, Transit Trend, amongst others

Partnerships to enhance dual strategy delivery

- ✓ Continue to seek potential commercial partners for the Company's project areas, aiming to:
 - Assist accelerated outcomes in regional discovery growth through additional committed expenditure
 - Look at development opportunities for the Sorpresa resource

[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 New Gold Inc. partnership recognised the potential of the Fifield Project area to yield large discoveries, and this foundation of work in 2017/18 has underpinned parts of our regional opportunities going forward.

The Company has now significantly transformed the Fifield district with a clear gold and copper association. Rimfire's Fifield Project occurs in one of the most important gold-copper corridors in the world, the LTZ (Lachlan Transverse Zone), and we are 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.

Documents lodged with ASIC	4th October 2018
Issue Announced	4th October 2018
Letter sent to option holders	4th October 2018
Form 3B notified to ASX	4th October 2018
Notice of Issue sent to eligible shareholders	5th October 2018
Ex rights Date	8th October 2018
Record Date to determine Entitlements under the Rights Issue	9th October 2018
Prospectus and Entitlement and Acceptance Form despatched – Offer opens	12th October 2018
Closing Date for acceptances	30th October 2018
Notification of shortfall to ASX	2nd November 2018
Allotment and issue of New Shares and New Options	7th November 2018
Quotation of New Shares and New Options	8th November 2018
Despatch of statements for New Shares and New Options	12th November 2018

[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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