

Discovery Strategy Outline with Work Programs Commenced

Airborne geophysics (13,000 line km) completed, 1800m RC Drilling at Sorpresa

Rimfire Pacific Mining (“The Company”, ASX: “RIM”) and New Gold Inc. held Earn-in/JV planning meetings during December and January. The discussions provided an agreed strategy and key objectives for 2017.

New Gold Inc. and Rimfire Strategic Goals outline and plan for the next 12 months at Fifield NSW

- **Rimfire and New Gold Inc. (TSX/NYSE:NGD) have a multi-million ounce discovery objective**
 - Aspiration for an aggregate 4 million plus ounce gold equivalent discovery outcome in the Fifield district in the medium term
 - Such discoveries capable of production over a 10 year or longer mine life, in the lower third of industry costs
- **The New Gold Inc. discovery methodology will provide an increased geological understanding of the district as a base to identify the best prospects for drill testing. This involves:**
 - Historic Data integration and gap analysis (underway)
 - Surface reconnaissance (including mapping, geophysics (underway) and geochemistry)
 - Reconnaissance drilling (Reverse Circulation and Diamond Drilling), including focused testing of key results
- **The discovery methodology will incorporate expertise from Rimfire funded by New Gold¹**
 - Rimfire will continue district wide prospecting, initially focused on prospecting 13 areas of interest

Consistent with Rimfire’s exploration approach to date, a core principal of our agreed strategy with New Gold will be the continuous sharing and integration of knowledge gained toward improving the geologic framework as the project advances toward the next discovery.

Accordingly, work conducted by New Gold Inc. in the first half of the year will principally be focused on developing this geological framework at district and local scales, providing more informed priority drill targeting decisions.

In parallel, Rimfire will provide district reconnaissance prospecting, continuing to feed the pipeline of new prospects and targeting concepts. Drilling will be conducted on selected areas, that are prequalified on multiple technical and commercial criteria. Work at Sorpresa will also continue, including drilling, metallurgy and modelling as appropriate.

CEO and Managing Director, John Kaminsky commented:



“The Company is pleased to have commenced the implementation of work programs within the framework established in discussions with New Gold Inc.

“Supporting this approach, field activities are underway which include concept development, greenfields prospecting, airborne geophysics, geochemistry advancement and Sorpresa infill drilling. The specific program initiatives currently underway are:

- **The airborne magnetics and radiometric survey flight lines are now completed**
 - The survey provides full coverage over the Fifield tenements and is about 13,000 line kilometres, on 50m line spacing flown at 40m heights. Data interpretation is anticipated to be available during March
 - Geophysics is expected to make an important contribution to geology framework and discovery targeting
- **A round of drilling completed within the Sorpresa resource at Roadside and Boundary Gate areas**
 - A total of 1,809m of reverse circulation drilling was conducted and is being submitted for assay
 - The objective is to advance the understanding of these areas, particularly the orientation of higher grades

¹ The New Gold Inc. funding commitment for the workplans in the first year is A\$ 2 million, from which Rimfire has direct discretionary control over \$300,000 (i.e.15%) of this expenditure. Earn-in JV terms hyperlink ([28th October 2016 ASX Announcement](#))

➤ **Additional Bedrock Auger drilling was completed at Transit gold prospect**

- Results interpretation is pending, and Reverse Circulation (RC) drill permitting is granted

➤ **More than 13 priority areas have been identified by Rimfire for prospecting assessment**

- Mapping, sampling and concept advancement is now underway. The geophysical survey will aid the review and targeting within these areas.
- This includes possible extensions of neighbouring mineralisation into the Company tenement areas to the north of Fifield.

“There is strong recognition from both Rimfire and New Gold, that the potential for large scale discoveries exists at Fifield. The Company has now established a solid foundation and the additional financial and technical resources will help accelerate the discovery work on our numerous prospects.

“New Gold’s approach is to digest the bigger picture of the mineralising systems that appear to be operating in the district and then test the priority targets that could meet the scale and commercial objectives they have set.

“The blend of field activities provided by Rimfire in the first two quarters, including developing additional prospects, and testing some established prospects, compliments the structured exploration methodology of New Gold in the first half.”

Discovery Prospects to the north of Fifield

The detailed airborne geophysics survey recently flown by the Company will provide much higher resolution information compared to the coarse regional geophysics (as seen partly in Figures 3~5, north of Fifield).



John Kaminsky further stated:

“The new survey will be of particular assistance in prospecting the northern area of the Company’s tenement holdings, where little historic work of any nature has been conducted.

“Discovery concepts have been developed by Rimfire, that include the possible extension into the Company’s tenements, of the major intrusive complex, the “**Tout Complex** 2”, which contains resources defined by other companies including Platinum, Nickel, Cobalt and Scandium.

“This potential Tout Complex extension area is one of more than 13 areas identified in the Fifield district for priority prospecting over the next 12 months. The initial prospecting work will provide relatively quick coverage at low cost.”

(Details of locations, deposits, and concepts are shown in maps, Figures 2~6 in the appendix).

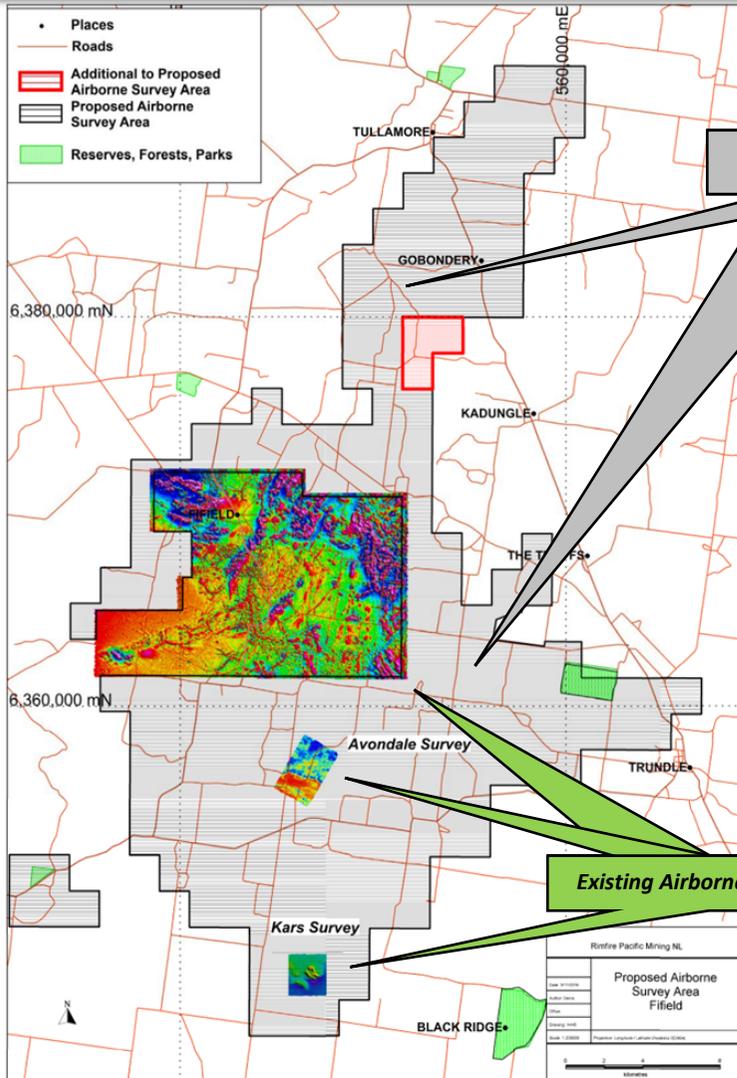
JOHN KAMINSKY
CEO and Managing Director
Exchange Tower
Suite 411, 530 Little Collins St
Melbourne Victoria
Australia. 3000

T 61 3 9620 5866
F 61 3 9620 5822
E rimfire@rimfire.com.au
W www.rimfire.com.au

² **CleanTEQ (ASX: CLQ)** has defined resources in Nickel, Cobalt, Scandium and Platinum within the Tout Intrusive Complex. See Figures 2 for more details

Figure 1: Map of Current and Applied for tenements area – Showing Airborne Geophysics Survey Area – Completed February 2017

Magnetics & Radiometrics Survey Area



- Survey due for completion February 2017
- Geophysics for improved structure & target definition
- 13,000 line km at 50m width x 40m height
- Greater resolution than the regional geophysics
- Stitch with existing high quality Rimfire surveys over Sorpresa
- Total Tenement area covered by high resolution is 669km²

Figure 2: Fifield District Prospect Map – Adjacent Deposits to the North – on geology and structure background

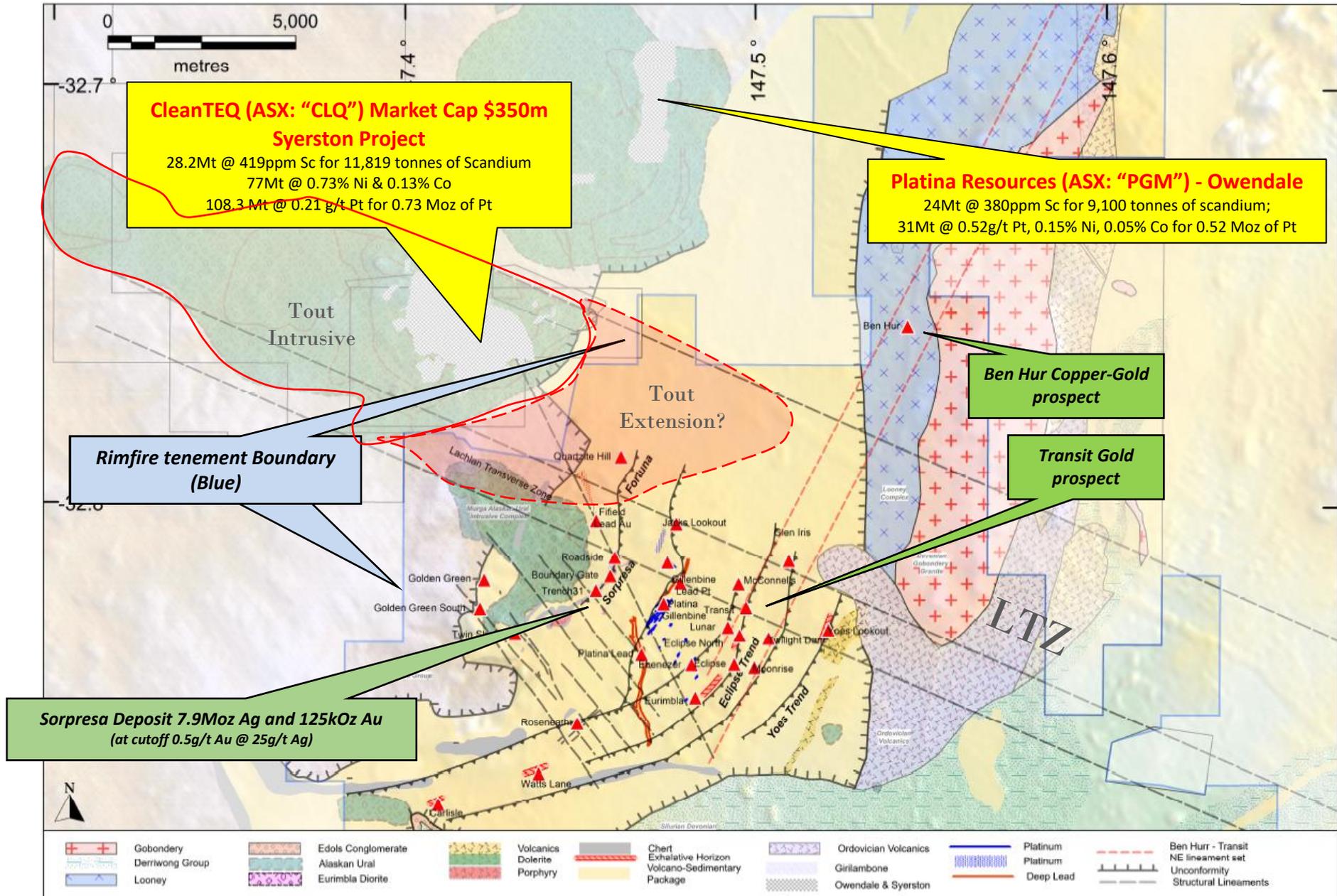


Figure 3: RTP-1VD Magnetic Image of Tout Intrusive Complex – on a backdrop of, interpreted structures, prospects and potential targets



Relationship of interpreted structures to major prospects on 1VD magnetic image

- ❑ Interpreted NNE trending 15km structural corridor
- ❑ Many prospects associated with the Eclipse Trend occur directly on these interpreted structures
- ❑ The major mineralised zone occurs where the LTZ regional structure crosses the NNE trending structural corridor
- ❑ Eclipse North could represent a possible dilational jog
- ❑ Possible Tout Intrusive extension (red outline)

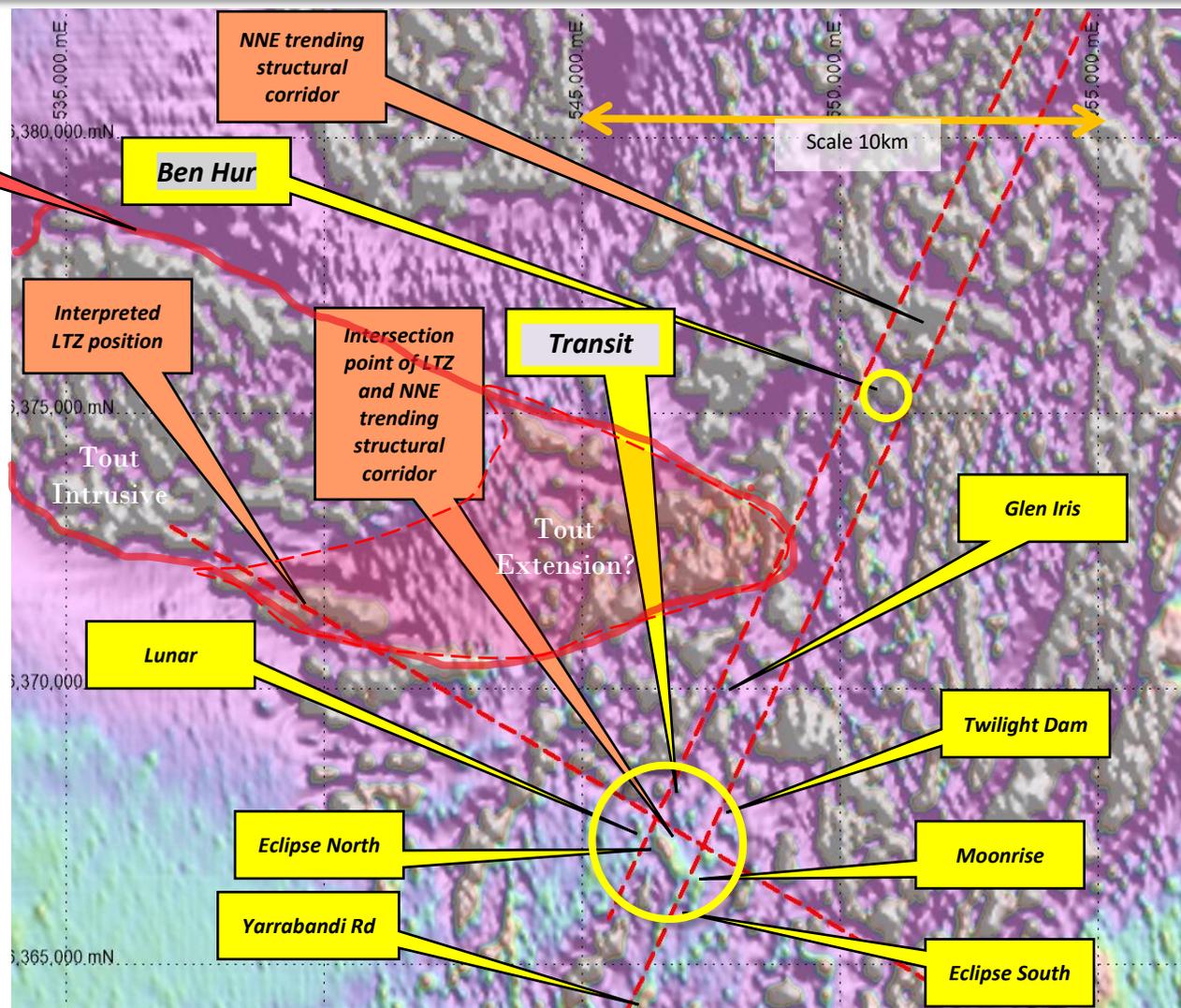
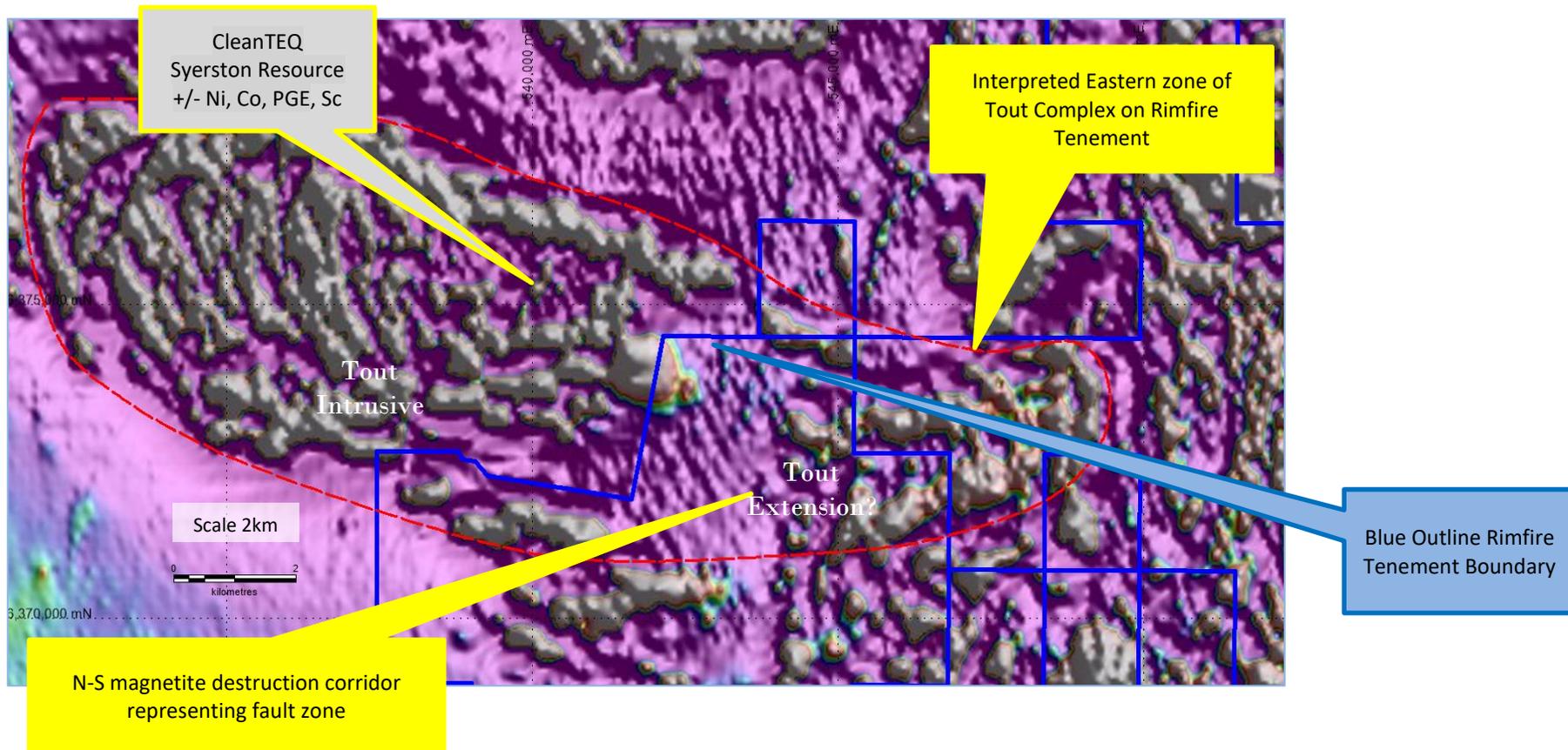


Figure 4: RTP-1VD Magnetic Image of Tout Intrusive Complex Interpreted to pass partially into Rimfire Tenements (red outline)



- ❑ Shows a strong correlation between known Syerston Scandium mineralisation (+/- Ni, Co, PGE) and magnetite destruction
- ❑ Highlights importance of magnetic dataset in identifying potential targets within Alaskan-Ural Complexes in the Fifield Region
- ❑ Magnetics displays interpreted Eastern zone of Tout Complex on Rimfire Tenement (blue lines) separated by N-S zone of magnetite destruction representing major fault
- ❑ New Airborne magnetic survey to provide greater definition for target generation in Rimfire tenement

Figure 5: Northern Area of Rimfire Tenements location – on a backdrop of magnetic image, interpreted structures and potential targets



Potential Targets – RTP 1VD Magnetics

- ❑ RTP 1VD Magnetic Images showing Tout Intrusive Complex (red line), Interpreted Eastern Zone area of interest (yellow outline), points of interest (yellow text boxes) and prospects (blue text boxes)
- ❑ Three prospective targets identified from magnetics, showing low zones that may be caused by metasomatic magnetite destruction related to mineralisation
- ❑ Quality of state magnetic dataset makes interpretation less certain. New Magnetic data will improve this.

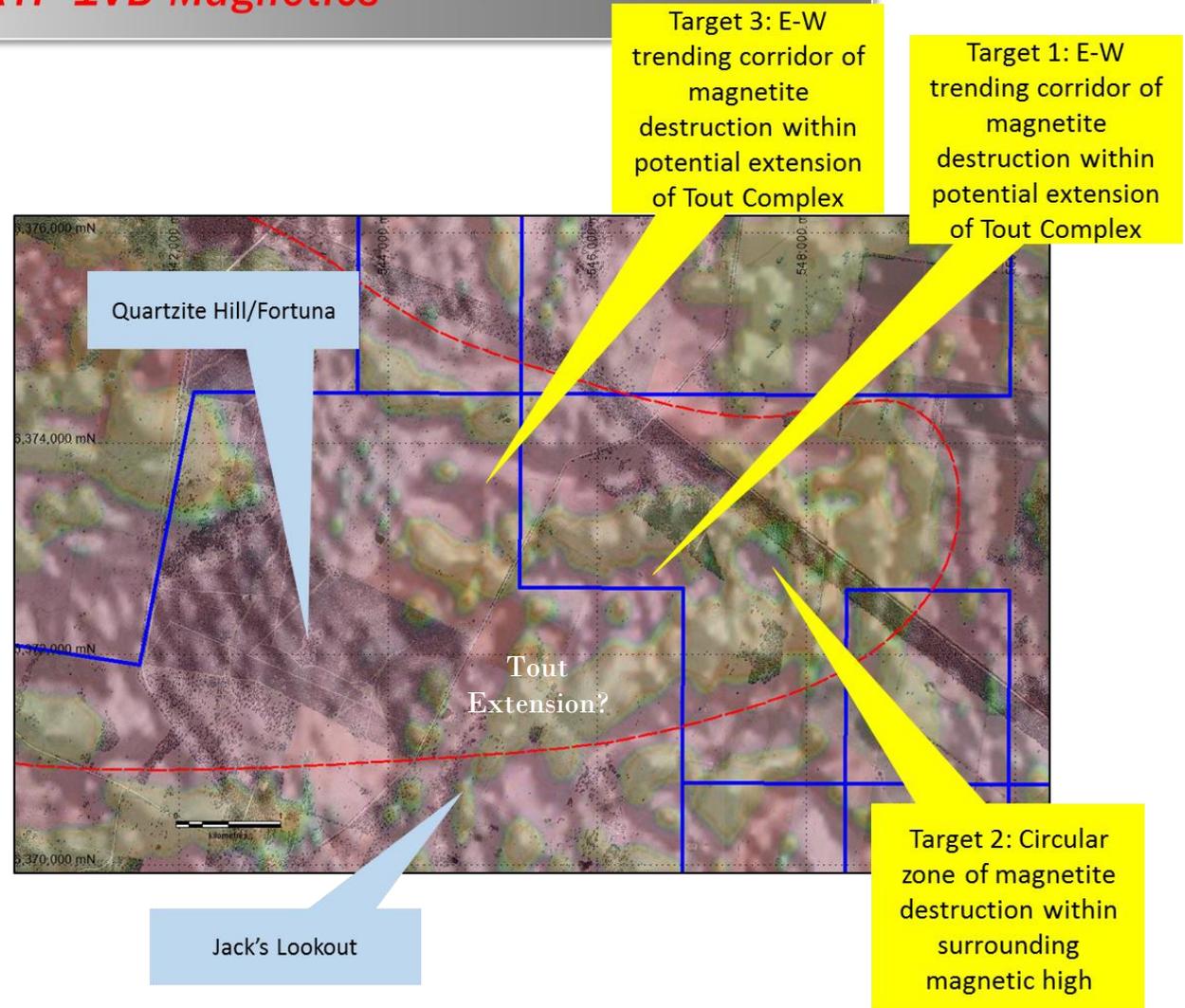
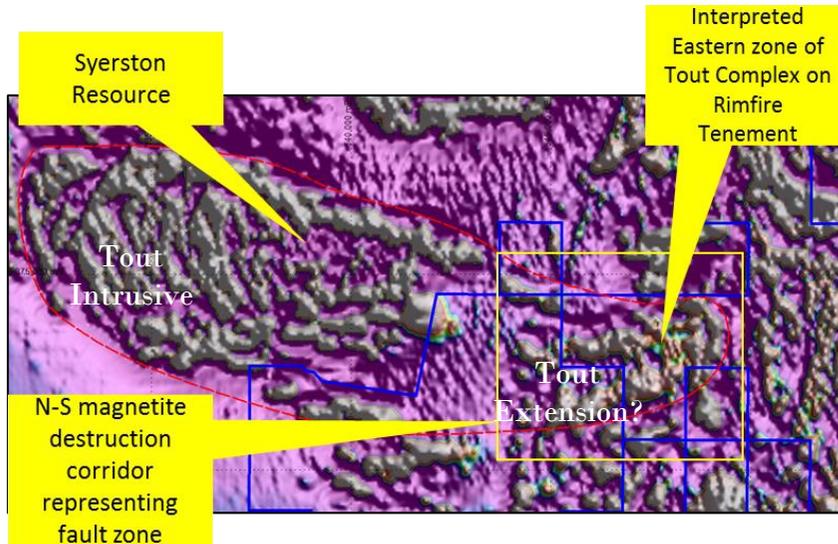
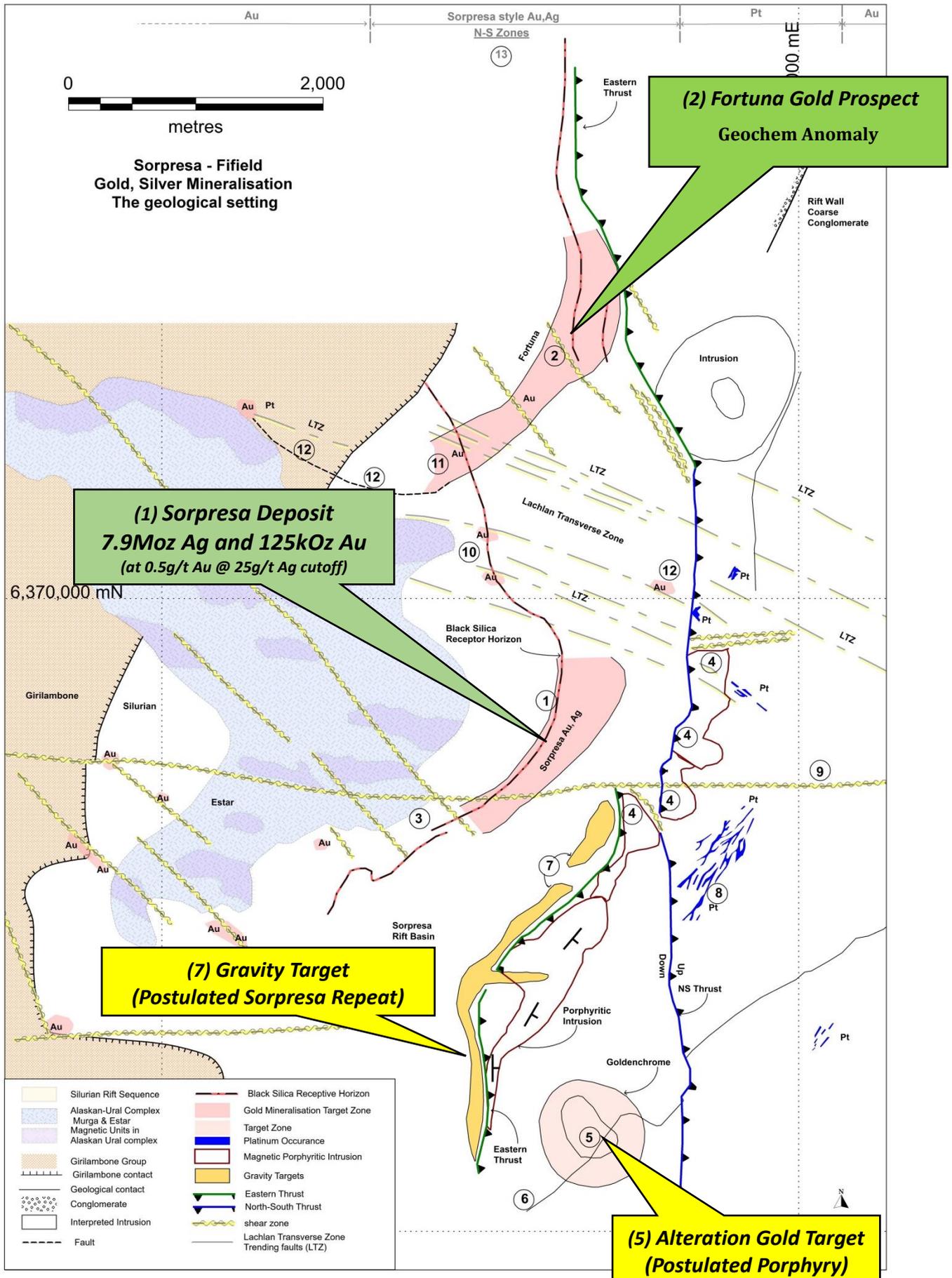


Figure 6: Geological & Structural Setting for Sorpresa Corridor – Discovery Growth & Gold Targets

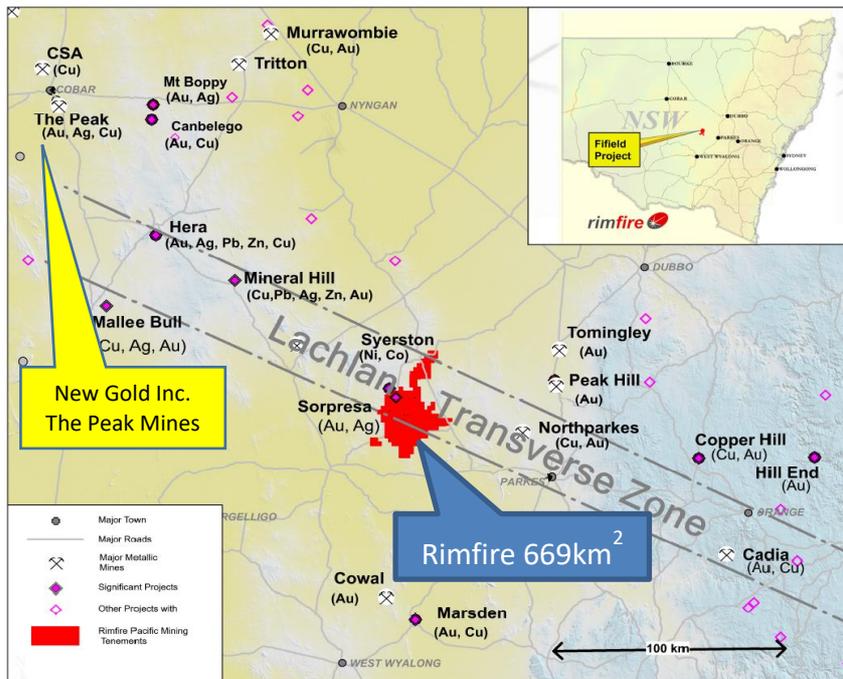


COMPETENT PERSON DECLARATION AND ABOUT RIMFIRE

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.

Location map of Rimfire Tenements within the LTZ, showing proximal projects from others



Deposit size selected NSW deposits (combined production and remaining resource)

Deposit	Current Ownership	Au Moz	Cu Kt	Other
Cadia Group	Newcrest	51.8	8446	
McPhillamy's	Regis Resources	2.9	64	
North Parkes	CMOC/Sumitomo	3.8	921	
Cowal	Evolution Mining	3.8		
Browns Creek	ANL	0.99	13	
Copper Hill	Golden Cross Res.	1.6	611	
Mineral Hill	KBL Mining	0.59	66	
Mt Boppy	Black Oak Minerals	0.60		
Peak Hill	Alkane Resources	0.55	8	
The Peak Gold Mine	New Gold Inc.	2.4	133	
Tritton	Straits Resources	0.01	218	
Hill End	Hill End Gold Ltd	0.66		
Hera	Aurelia Resources	0.28	4	
Tomingley	Alkane Resources	0.96		
Syerston	CleanTeq			56 Kt Ni, 10Kt Co, 10 Kt Sc

Source: Production data Geological Survey of NSW on July 2015 and Resources data extracted from NSW data warehouse

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 669km² tenement position held.

Earn-in by New Gold Inc.

On 28th October 2016, Rimfire and New Gold Inc. (TSX/NYSE: NGD) signed an [Earn-in Agreement](#) (ASX Release) under which New Gold has committed to spend A\$2 million during 2017 (subject to certain conditions) and may choose to spend more on the property to earn up to a 70% interest in Rimfire's tenements in the Fifield district.

The presentations on the Company are at hyperlinks:

[Progress through Partnership – AGM 22 November 2016 Presentation](#)

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](#).

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

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

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 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 1: 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.