

RIMFIRE PACIFIC MINING NL

ACN 006 911 744

FINANCIAL REPORT

**FOR THE HALF-YEAR ENDED
31 DECEMBER 2014**



DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Rimfire Pacific Mining NL and the entity it controlled at the end of, or during, the half-year ended 31 December 2014.

DIRECTORS

The names of the Directors of the Company during or since the end of the half-year and up to the date of this report are:

John Kaminsky - Director since April 2004; Managing Director since 3rd March 2015
Graham Billingham - Director since May 1999; Secretary since September 2001
Ramona Enconniere - Director since April 2005
Thomas Burrowes - Director since December 2010
John Gillett – Director since 16 July 2014

PRINCIPAL ACTIVITY

The principal activity of the group is exploration for and the development of economic mineral deposits.

RESULTS OF OPERATIONS

The net result for the half-year after applicable income tax expense was a loss of \$334,635. This compares with a loss in 2013 of \$311,063 for the corresponding period.

The Company believes the result again underscores the cost efficient nature of its operations and exploration programs, with a high ratio of in ground expenditure to administration costs being achieved consistently over an extended period of time.

DIVIDENDS

No dividends were paid during the half-year, nor are any recommended.

REVIEW OF OPERATIONS

In extremely difficult global markets for the exploration sector, the Company has delivered important milestones in the December half of 2014, including the conversion of the greenfields discovery to a maiden resource at Sorpresa, plus a strong pipeline of 25 regional prospects.

The Company focus remains at Fifield NSW, where its ground holding and exploration efforts are situated within the well-established, highly credentialed and mineralised regional corridor, the Lachlan Transverse Zone (LTZ). This corridor includes the North Parkes Copper-Au mine and the Cadia Valley Au-Copper mines amongst others and represents an excellent discovery setting for the Company.

The Company declared a JORC 2012 Compliant Inferred & Indicated Maiden resource for Sorpresa in December 2014, which comprised 6.4Mt for 7.9Moz of silver and 125kOz of gold (at 0.5g/t Au & 25g/t Ag cutoff). The system is considered open in a number of directions, with targets for growth being identified in the high grade lenses, infill locations, spatially related geophysics and extensional drilling opportunities.

In parallel, the Company continued the assessment of its substantial portfolio of more than 25 regional targets within a 6km radius of Sorpresa. The portfolio has been priority ranked and is being systematically progressed, looking to provide additional discovery growth to the Company. There are now five regional areas that have significant mineralized anomalies with early stage geochemical profiles that could be considered comparable to the early discovery stages of Sorpresa.

The progress in the period has again demonstrated that the work programs continue to yield results that re-inforce the overall potential of the Fifield area. It is anticipated the Company will maintain a regular flow of news in the coming periods.

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The Company continues to believe the Fifield district can yield multi-million ounces gold equivalent outcomes and the strategy of portfolio management is directed to this goal. A balance between higher risk discovery and development path assessment is being pursued.

Accordingly, value creation through further discovery remains an important component of the Company strategy. The Company has now established a number of project areas of importance involving potential for hard rock Gold (Au), Silver (Ag), Platinum (Pt) and Base Metals within an extensive prospective 35km² area at Fifield, which is part of the contiguous 313km² tenement position held by the Company.

The overall geological setting demonstrates that the gold and silver mineralised potential continues to show impressive scale and promise in the wider Fifield district. The Company believes that “Company Making” Au mineralization could occur in this setting. It is the Company’s considered view that the district is likely to host a range of gold discoveries, some similar in character to the Sorpresa area. Ensuring a suitable balance between regional exploration and continued assessment at Sorpresa is therefore important.

Discoveries create value for shareholders, and the Company has a track record to this effect. The Company has been committed to pursue its *prospect portfolio strategy* of developing the regional prospects at Fifield, in parallel with the *resource definition in the Sorpresa project area*.

This approach helps mitigate risk, ensuring a more sustainable business and provides a diversified platform for the Company to develop the value of the Fifield area while starting the transition to examine economic options. Key components of the underlying strategy pursued in 2014 and continuing in 2015 include a focus on outcomes as follows:

- ❑ To assess known priority targets in the Fifield area with the objective of delivering more discoveries within a 6km radius of Sorpresa.
- ❑ The pursuit of the key metals Gold, Silver, Platinum and Base Metals, all currently observed at Fifield.
- ❑ Enabling the best discoveries possible within its prospect portfolio, through regular prioritization assessment.
- ❑ Grow the maiden resource at Sorpresa using further discovery and high grade definition strategies.
- ❑ Examine the economic potential of Sorpresa, to guide the next phase of field exploration, and develop options for paths to a possible viable project in the area.

The Company continues to maintain an objective to the establishment of a potential open cut minable resource within the wider Sorpresa project area.

The global economic circumstances worsened during the period extending the difficult market conditions for junior resource companies in particular. Sharply lower gold and silver prices (in USD) alienated investor sentiment further from the higher risk exploration sector, creating a very tough environment in which to raise capital. Although the weakening Australian dollar has provided an uplift in metal prices, in local terms, investor sentiment still maintains a bias to existing producers rather than explorers. However, it is the Company belief that this will likely change, and more advanced explorers, such as Rimfire, in high quality settings will again attract more investment interest in the coming periods.

The Company has adapted reasonably well to this challenging economic and market environment, remaining in relatively healthy financial shape, with a respectable cash position. The market capitalization of the Company (approx. \$14M at 31st December 2014) compared favourably with exploration sector peers on the ASX. Additional working capital (\$1.1M in December 2014) was raised in the period. The solid support shown towards the Company by existing shareholders in the capital raisings was much appreciated by the Company.

The Board maintained a solid workrate at Fifield in the belief that the Company’s project areas and prospects are of high quality and can continue to deliver positive results with a solid ongoing newsflow. The Company acknowledges that substantial work is still required and not without risk, however, the continued positive progress achieved is seen as encouraging looking forward into 2015 and beyond.

Reporting Period Highlights

The Maiden inferred and indicated Mineral Resource for Sorpresa represents the conversion from a grassroots discovery to a Mineral Resource which will soon contain a measured component.

The resource contains approximately 6.4Mt for 7.9 million ounces of silver and 125,000 Oz of gold (at a 0.5g/t Au & 25g/t Ag cutoff). At higher cut off grades there is potential for shallow resources at surface, given that 70% of the gold ounces and 62% of the silver ounces are within 100m of surface. This includes 1.2Mt @ 1.22g/t Au (0.5g/t Au cutoff) for 47kOz Au of Oxide material.

The first stage of the resource at Sorpresa equates to approx. a quarter million ounces of gold equivalent, made up of 50:50 gold and silver. This is an excellent first stage milestone for the Company.

The Mineral Resource estimate is being examined with respect to a conceptual pit optimization, and the influence of higher grade cut-offs, which will provide management with a foundation for exploration activities for the Sorpresa deposit in 2015 and input into a broader economic appraisal.

Approximately 70% of the gold ounces and 75% of the silver ounces in the resource is in the Indicated Mineral Resource category, with a target to cost effectively convert a significant proportion of the near surface mineralization to the Measured category anticipated in the first quarter 2015.

The Company believes there is upside potential for gold within the Sorpresa resource, with further investigation required on the likely incidence of additional higher grade gold zones yet to be discovered, and currently missed due to wider spaced drilling conducted in parts. Similarly, the controls on distribution of the higher grade gold is yet to be fully understood and the Company will place emphasis on this in 2015.

The RC drilling programs conducted in the period continue to support the view that resource and discovery growth opportunities remain dynamic at Sorpresa, thus providing potential upside for the Company to go beyond the maiden resource estimate.

The establishment of an initial resource is also considered part of the ongoing process looking to grow the surrounding area with further extensions and discoveries.

In summary, for the period the Company achieved its stated key objectives as follows:

- ❑ The Maiden Resource was established at Sorpresa to inferred and indicated status
- ❑ A twin drilling program was undertaken, to migrate part of the Sorpresa resource to measured status
- ❑ Pit optimization analysis was initiated to begin assessing economic directions within Sorpresa
- ❑ A first pass RC drill program was initiated at regional prospect Carlisle – intersections were reported post period
- ❑ Discovery occurred of new gold areas through surface geochemistry and rock-chipping at various locations
- ❑ Key geophysics targets have been modelled and are now considered drill ready for Carlisle, Yoes and Sorpresa

Regional exploration utilizes aspects of the knowledge gained at Sorpresa thereby assisting the Company's endeavor to make new discoveries within the highly prospective 35km² area at Fifield.

With the emergence of the area between Yoes and Eclipse, providing some excellent geology, accompanied by encouraging rock chips, up to 6.19g/t Au, the regional context continues to grow in importance. Positive rock chip results were also achieved across an array of gold prospects within a 6km radius of Sorpresa.

The Company is aiming at further growth in milestones over the next 12 months. It is already recognised that the gold and silver mineralization encountered to date at Sorpresa is near surface and generally flat dipping. These are positive attributes towards commercial potential. Additional metallurgy will be undertaken in 2015 providing further practical insights to the commercial considerations.

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Whilst there are many practical hurdles for the Company to achieve its vision of establishing, in a reasonable time frame, an open cut mining operation at Fifield, this remains the ultimate goal, and the exploration effort is firmly focused with this in mind.

The Company recognises that hard work remains to be done, and that this is not without risk. However, at each stage of exploration, the Company continues to be encouraged and remains of the view that at Fifield, within the greater Sorpresa 35km² area, there is a capacity to host multimillion ounces of gold equivalent metal. The district looks capable to yield the discovery of world class deposits leading to a “Company Making” opportunity.

The Company is striving to deliver its strategy, and maintain its momentum by applying intelligent effort to its range of quality prospects and project areas located at Fifield, attempting to increase value to shareholders in 2015 and beyond. The Company and Board are most grateful for the ongoing support provided by shareholders during the last period.

Company Annual General Meeting (AGM) and Presentations

The AGM was held on 14th November 2014 in Melbourne, attended by more than 30 people, where detailed presentations on the Company and its exploration progress and priorities were provided. The presentations are available by clicking the hyperlinks below at:

[**Rimfire Exploration Presentation - AGM 14 November 2014**](#)
[**Exploration Industry Presentation and Rimfire Benchmarking - AGM 14 November 2014**](#)

These materials provide a key summary of the Company, its views and strategic direction. The independently produced Industry Presentation and Benchmarking Study by Richard Schodde placed the Company performance in a global industry context and highlighted the superior performance of the Company to many of its industry peers.

Cash, Funding, Facilities and Investments

There were a number of initiatives in the period aimed at providing ongoing capital to the Company.

Rights Issue

A partially underwritten non-renounceable rights issue (Rights Issue) offering one (1) new share for every six (6) shares held at an application price of 2.0 cents per share, with one free attached option for every new share, closed on 12 December 2014.

The Company advised that it has received valid acceptances for 54,643,681 new shares and 54,643,681 attaching free new options, raising approximately \$1.1M before costs. In total, the Directors subscribed to approx. \$220,000 in combined entitlements and underwriting.

AusIndustry R&D funds

An AusIndustry R & D Application for the year to June 2014 was submitted in December 2014 and funds were received subsequent to the half year close, providing approx. \$1.2M additional funding, before costs, to the Company.

Available draw down of \$175,000 Drilling Grant

The Company was awarded an approximately \$175,000 grant from the NSW Government Department of Trade & Investment, under its ‘[New Frontiers Co-operative Drilling Program](#)’ initiative. The drilling funds will be used to make further progress of the wider Sorpresa Project area, at Fifield, NSW, and will be deployed accordingly. The 516m drilling at Carlisle will represent the first draw down on the funding in Q1 2015.

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The short term major acceleration of work programs has been completed, particularly the expenditure related to the establishment of the Company's maiden resource. In addition, the Company has made adjustments in its personnel commitments, expected to provide lower expenditure in subsequent quarters.

Near Term Operational Focus

During the next period the Company will be commencing important work programs at Fifield, with the following focus:

- Further resource reclassification and discovery expansion review of the Sorpresa gold and silver resource
- Assessment of the higher grade lens areas within Sorpresa, and a preliminary economic review
- Regional target testing of the high priority prospects at Eclipse Trend and Yoes Lookout.
- Drill testing of geophysical features, which includes the potential to achieve "company making" outcomes

Exciting upside exists in components of these programs.

Commodity Pricing for the Period

The price (www.kitco.com) for gold had shown renewed weakness during February 2015. Platinum pricing had lost its premium to gold in the period, trading down USD\$350/ounce on its mid 2014 high. As at 9th March 2015, the prices for metals in New York based on closing Ask in USD were as follows:

Gold	\$1,168/oz
Platinum	\$1,145/oz
Silver	\$15.73/oz

Changes in Board Positions

The Company had previously announced the transition intention at the 14th November AGM, for Mr Gillett to assume to role of Chairman and Mr Kaminsky to become the Managing Director of the Company. Accordingly, in a post period announcement, the Board confirmed the appointment of Mr John Gillett as the new Non-executive Chairman of the Company Board, effective 3rd March 2015.

Mr Gillett has been involved with the Company since 2013, initially as a consultant to the Board, then as a Non-executive Director appointed in mid 2014.

The announced changes allow the Company to simplify its organization to focus on additional cost effective programs, building on the solid foundation established in the prior periods. This will provide greater opportunity for a wider interaction with the investment community.

The Company currently has several technical information exchange agreements in place, and will pursue the opportunities to create appropriate partnerships as it sees fit to do so.

Competent Person 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 40 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.

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EVENTS SUBSEQUENT TO THE END OF THE HALF YEAR

The Directors are not aware of any material events subsequent to the half year ended 31 December 2014 which may significantly affect the operations of the consolidated entity, the results of that operation or stated affairs of the consolidated entity.

The AusIndustry Research and Development Grant recorded as a \$1.213 million receivable as at 31 December 2014 has subsequently been received in full from the Australian Taxation Office.

A new Non-Executive Chairman, Mr John Gillett, was appointed 3rd March 2015, with Mr John Kaminsky relinquishing the Chairman role and now assuming the role of Managing Director. Both position changes were foreshadowed at the 14th November 2014 AGM.

AUDITOR'S INDEPENDENCE DECLARATION

We confirm that we have obtained a declaration of independence from our auditors, in accordance with Section 307C of the Corporations Act 2001, as set out on page 7.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'John Gillett', written in a cursive style.

**JOHN GILLETT
CHAIRMAN**

Dated in Melbourne this 13th day of March 2015.



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DECLARATION OF INDEPENDENCE BY SIMON SCALZO TO THE DIRECTORS OF RIMFIRE PACIFIC MINING NL

As lead auditor for the review of Rimfire Pacific Mining NL for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Rimfire Pacific Mining NL and the entity it controlled during the period.

A handwritten signature in black ink, appearing to read 'S. Scalzo', written over a faint horizontal line.

Simon Scalzo
Partner

BDO East Coast Partnership

Melbourne, 13 March 2015

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Note	Half-Year Ended 31 Dec 14 \$	Half-Year Ended 31 Dec 13 \$
Revenue from continuing operations			
Interest revenue		21,522	31,371
Research and development tax offset income	2	185,527	-
Expenses from continuing operations			
Professional costs		(106,135)	(23,120)
Employee benefits		(188,320)	(122,245)
Non-Executive Directors' benefits		(57,500)	(41,818)
Occupancy costs		(16,428)	(17,311)
Depreciation		(24,501)	(22,164)
Administration costs		(148,800)	(115,776)
		<u>(541,684)</u>	<u>(342,434)</u>
Loss from continuing operations before income tax		<u>(334,635)</u>	<u>(311,063)</u>
Income tax expense		-	-
Loss from continuing operations after income tax		<u>(334,635)</u>	<u>(311,063)</u>
Other comprehensive income		-	-
Total comprehensive loss for the half year		<u><u>(334,635)</u></u>	<u><u>(311,063)</u></u>
Loss per share for the period attributable to members of Rimfire Pacific Mining NL			
Basic loss per share (cents per share)		(0.05)	(0.05)
Diluted loss per share (cents per share)		(0.05)	(0.05)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the half-year financial report set out on pages 12 to 13.

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Note	31 Dec 14 \$	30 Jun 14 \$
CURRENT ASSETS			
Cash and cash equivalents		1,285,455	2,355,073
Trade and other receivables		168,155	84,080
Research and development tax offset receivable		1,213,625	-
Other current assets		28,934	23,915
TOTAL CURRENT ASSETS		<u>2,696,169</u>	<u>2,463,068</u>
NON-CURRENT ASSETS			
Trade and other receivables		150,000	150,000
Property, plant & equipment		563,895	558,921
Exploration & evaluation costs		9,783,107	9,543,362
TOTAL NON-CURRENT ASSETS		<u>10,497,002</u>	<u>10,252,283</u>
TOTAL ASSETS		<u>13,193,171</u>	<u>12,715,351</u>
CURRENT LIABILITIES			
Trade and other payables		368,387	615,314
Provisions		31,838	22,875
TOTAL CURRENT LIABILITIES		<u>400,225</u>	<u>638,189</u>
TOTAL LIABILITIES		<u>400,225</u>	<u>638,189</u>
NET ASSETS		<u>12,792,946</u>	<u>12,077,162</u>
EQUITY			
Contributed equity	3	26,155,233	25,104,814
Accumulated losses		(13,362,287)	(13,027,652)
TOTAL EQUITY		<u>12,792,946</u>	<u>12,077,162</u>

The consolidated statement of financial position is to be read in conjunction with the notes to the half year financial report set out on pages 12 to 13.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Contributed Equity \$	Accumulated Losses \$	Total \$
Balance at 1 July 2014	25,104,814	(13,027,652)	12,077,162
Total comprehensive loss for the period, net of tax	-	(334,635)	(334,635)
Transaction with owners in their capacity as owners			
Shares issued	1,092,874	-	1,092,874
Share issue costs	(42,455)	-	(42,455)
Balance at 31 December 2014	26,155,233	(13,362,287)	12,792,946

	Contributed Equity \$	Accumulated Losses \$	Total \$
Balance at 1 July 2013	21,861,063	(10,810,822)	11,050,241
Total comprehensive loss for the period, net of tax	-	(311,063)	(311,063)
Transaction with owners in their capacity as owners			
Shares issued	3,284,535	-	3,284,535
Share issue costs	(77,033)	-	(77,033)
Balance at 31 December 2013	25,068,565	(11,121,885)	13,946,680

The consolidated statement of changes in equity is to be read in conjunction with the notes to the half year financial report set out on pages 12 to 13.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Half-Year Ended 31 Dec 14 \$ Inflows (Outflows)	Half-Year Ended 31 Dec 13 \$ Inflows (Outflows)
CASH FLOW FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(436,820)	(144,506)
Interest received	28,668	23,590
Net cash used in operating activities	<u>(408,152)</u>	<u>(120,916)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from property, plant and equipment	-	3,154
Purchase of property, plant and equipment	(35,540)	(52,316)
Payments for mining tenement exploration	(1,596,069)	(1,245,258)
Net cash used in investing activities	<u>(1,631,609)</u>	<u>(1,294,420)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	992,874	3,283,218
Costs associated with share issue	(22,731)	(77,033)
Net cash provided by financing activities	<u>970,143</u>	<u>3,206,185</u>
Net (decrease) / increase in cash and cash equivalents	(1,069,618)	1,790,849
Cash and cash equivalents at beginning of the half-year	2,355,073	909,465
Cash and cash equivalents at the end of the half-year	<u>1,285,455</u>	<u>2,700,314</u>

The consolidated statement of cash flows is to be read in conjunction with the notes to the half year financial report set out on pages 12 to 13.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

1. SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

The half-year financial report is a general purpose financial report prepared in accordance with AASB 134 'Interim Financial Reporting' and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity. The half-year financial report should be read in conjunction with the annual financial report of Rimfire Pacific Mining NL as at 30 June 2014 which was prepared in accordance with the requirements of the Corporations Act 2001 and applicable Australian Accounting Standards. It is also recommended that the half-year financial report be considered together with any public announcements made by the parent entity during the period 1 July 2014 to the date of this report in accordance with the continuous disclosure obligations of the ASX listing rules.

(a) Basis of accounting

The half-year financial report has been prepared on the basis of historical cost, except where stated. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The half-year financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

(b) Accounting policies

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the group's 2014 annual financial report for the financial year ended 30 June 2014.

(c) Fair value of financial instruments

The company has a number of financial instruments which are not measured at fair value in the statement of financial position. Due to their short term nature, the carrying amount of the receivables and payables approximates their fair value.

(d) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with the current period's disclosures.

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2. RESEARCH AND DEVELOPMENT TAX OFFSET INCOME

	Half-Year Ended 31 Dec 14 \$	Half-Year Ended 31 Dec 13 \$
Research and development tax offset	185,527	-

An additional \$1,028,098 received during the half year ended 31 December 2014 (2013 - \$nil during the half year ended 31 December 2013) as part of the R&D tax offset has been applied against the Exploration Expenditure asset.

3. CONTRIBUTED EQUITY

	31-12-2014	31-12-2013	31-12-2014	31-12-2013
	Number of Securities		Value of Securities \$	
<u>Issued Shares</u>				
Fully paid ordinary shares	742,401,176	686,914,495	26,155,233	21,861,063
Ordinary shares on issue at beginning of period	687,757,495	610,529,976	25,104,814	21,861,063
<u>Movements during the period:</u>				
Shares issued:				
In the previous period	-	76,384,519	-	3,284,535
18 December 2014	54,643,681	-	1,092,874	-
Transaction costs relating to issues	-	-	(42,455)	(77,033)
Shares on issue at end of period	742,401,176	686,914,495	26,155,233	25,068,565

Listed Options

On 18 December 2014 in accordance with the terms of the non-renounceable share rights issue, 54,643,681 listed options were issued with an exercise price of 5 cents and an expiry date of 14 December 2015.

4. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any contingent liabilities or contingent assets which have arisen during or since the half-year which may significantly affect the operation of the consolidated entity, the results of operations or the state of affairs of the consolidated entity in future financial periods.

5. SEGMENT REVENUES AND RESULTS

The consolidated entity operated predominantly in one industry being mining, exploration and prospecting, and one geographical area, being Australia. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ("CODM")) in assessing performance and determining the allocation of resources. There is no aggregation of operating segments. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the annual report.

6. EVENTS SUBSEQUENT TO THE END OF THE HALF YEAR

The Directors are not aware of any material events subsequent to the half year ended 31 December 2014 which may significantly affect the operations of the consolidated entity, the results of that operation or the state of affairs of the consolidated entity.

The AusIndustry Research and Development Grant recorded as a \$1.213 million receivable as at 31 December 2014 has subsequently been received in full from the Australian Taxation Office.

A new Non-Executive Chairman, Mr John Gillett, was appointed 3rd March 2015, with Mr John Kaminsky relinquishing the Chairman role and now assuming the role of Managing Director. Both position changes were foreshadowed at the 14th November 2014 AGM.

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DIRECTORS' DECLARATION

In the opinion of the Directors of Rimfire Pacific Mining NL:

- (a) The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the financial position as at 31 December 2014 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors



JOHN GILLETT
CHAIRMAN

Dated in Melbourne this 13th day of March 2015.



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Rimfire Pacific Mining NL

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Rimfire Pacific Mining NL, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Rimfire Pacific Mining NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Rimfire Pacific Mining NL, would be in the same terms if given to the directors as at the time of this auditor's review report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Rimfire Pacific Mining NL is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'S. Scalzo'. Above the signature, the letters 'BDO' are written in a stylized, cursive script.

Simon Scalzo
Partner

Melbourne, 13 March 2015