



QUARTERLY EXPLORATION AND ACTIVITIES REPORT

(For the period 1st October 2012 to 31st December 2012)

Intersections at Sorpresa Project Provide the Highest Gold and Silver Grades seen at Fifield

Excellent progress and results were achieved in the quarter at the Sorpresa Project located at Fifield NSW. Drilling focussed mainly on the Roadside Area and Trench 31 Area at Sorpresa. An important positive connection to the IP anomaly has now been established through the percussion drilling conducted in the quarter at Roadside Area and this has implications for the next phase of contractor drilling work being planned.

Operations recommenced on the 15th of January 2013, in hot and difficult weather conditions. The Company inhouse percussion rig has begun further scout drilling already this year. In addition, assays are expected to be reported within the next 10 days on **holes drilled late in 2012**, including an important connecting drill traverse at Roadside Area, as well as scout holes north and south of Sorpresa.

Highlights for the December Quarter

Summary of Key Activities and Results at Fifield

- **During the Quarter the highest grade intersections to date for both Gold and Silver were recorded within the Sorpresa Project – both holes were at “Roadside location”**
 - **Hole Fi 212 in the oxide zone intersected 14m @ 24.4g/t Au from 26m, including 2m @ 118g/t Au and 26m @ 154.6g/t silver(Ag) from 14m, including 4m @ 592g/t silver(Ag)**
 - **Hole Fi 241 in the fresh rock zone intersected 10m @535g/t Ag from 70m, including 2m @2020g/t Ag, plus a co-incident 10m @ 1.01g/t Au**
- **Coherent cross sections are established from completed drilling of the mineralization at Roadside Area**
 - Significant mineralization is now encountered in the fresh rock zone, typical thicknesses 10m to 30m
 - **The connection of mineralization to the IP anomaly is now confirmed as real and relevant**
 - Mineralization encountered to date at Roadside is silver dominant, and has regular gold credits
 - A percussion drill traverse indicates further Ag intersections (XRF), and awaits assay confirmation
 - **The current scale of the mineralization is likely 300m North and down dip East 250m, and open**
- **Total percussion drilling completed for the Quarter was approx. 4,000m**
 - Drilling was within the main Sorpresa Strike zone, and scout areas north and south of this
 - The Roadside Area was a major drilling focus examining the near surface IP anomaly
 - Assays are due very shortly for the remaining holes drilled in 2012
- **Trench 31 (TR31) Location drill assays on the SE extensions provided further gold intersections**
 - The best hole was Fi 217 with 8m @ 2.11g/t Au from 46m AND 10m @ 1.68g/t Au from 58m
- **Regional exploration at greater Sorpresa has further progressed**
 - This includes further percussion drilling, soil sampling, rock chips, structure mapping and auger drilling
 - Assays are pending
- **Samples have been submitted for petrology and mineralogy; preliminary discussions on metallurgical testing have commenced**

Appendices (1 to 5) attached provide locations, context and results relevant to this report.

The Executive Chairman, John Kaminsky, remarked on the December Quarter performance:

“The December Quarter produced a fabulous series of results at Sorpresa, and has given further strong credibility to the IP response underlying Sorpresa.

Much effort was placed on the Roadside location, which has always been recognized as a silver dominant part of the Sorpresa system. This area provided convenient low cost access to the near surface IP, and it is now clear, that the mineralization has an important relationship to the IP, although there is more to be learnt.

The Company has grown the Roadside area to a substantial size that looks to be 300m in strike and about 250m down dip to the east, of considerable mineralized thicknesses and still open. A connecting drill traverse line, with hole Fi 251 to the northern most point, has XRF indicating that this traverse will also likely confirm further mineralized intersections (assays are pending).



On November 22nd the Company held its AGM and presented a comprehensive update on the progress of the Company and the forward looking direction. More than 50 people attended the AGM, reflecting the high level of interest being generated in the Company’s activities. It was most encouraging to management to be able to present to such a genuinely supportive audience.

During 2013, the Company will be working towards the establishment of resource definitions at the various locations at Sorpresa and continuing its discovery work in the wider 8km² prospective area around Sorpresa. Drilling plans are under construction”

The Head of Exploration, Colin Plumridge, expanded:



“I concur with the Chairman’s comments, that 2012 was an excellent year for the Company, with the December quarter showing further positive development for the Company. The Roadside area demonstrates how rapidly known parts of the mineralized Sorpresa can develop in scale and grade, the more work that is done.

We will be looking at additional drilling that can further our understanding of the mineralization, its connection to the IP, the metallurgical issues and the growth of the mineralization footprint as a whole.

The Sorpresa gold and silver mineralization intersected in the December quarter has again shown the capacity to reach excellent grades, including in the fresh rock zone. Drilling at Sorpresa in the last quarter is building a better understanding of the various 3D orientations that the mineralization is taking at each location (Roadside, Boundary Gate and Trench 31), which in turn is moving us closer towards resource estimates.

In 2013, work programs will include some diamond drilling to assist the advance of our knowledge of the entire mineralizing system. We need to continue to be mindful, that the Rift Basin geological setting at Fifield is reflective of a greater underlying mineralizing system of which Sorpresa is just at the margin, so the discovery programs must also continue.”

December 2012 Quarter Summary of Exploration Undertaken – Key IP Anomaly Advancement

The latest Roadside drilling, some of the deepest drilling done to date at Sorpresa, has provided an excellent preliminary test of the IP chargeability response in these areas, where the chargeability values trend closer to surface. A clear basis for chargeability was observed, including graphite, pyrite and sulphide mineralization all associated with the key mineralization, also in the fresh rock zone. The connection of the mineralization to the IP anomaly, is now beyond any reasonable doubt.

This is very encouraging, but still requires the IP anomaly to be carefully and meticulously explored in order to locate the mineralization specifically within the IP anomaly and its area of influence. Observing how the gold and silver mineralization sits exactly within the IP anomaly on a wider scale is still required, remembering that the anomaly is substantial in size, and the IP survey has not yet exhaustively covered the prospective target area for the mineralization. However, the IP provides an important vector, and this will be factored into drill planning going forward.

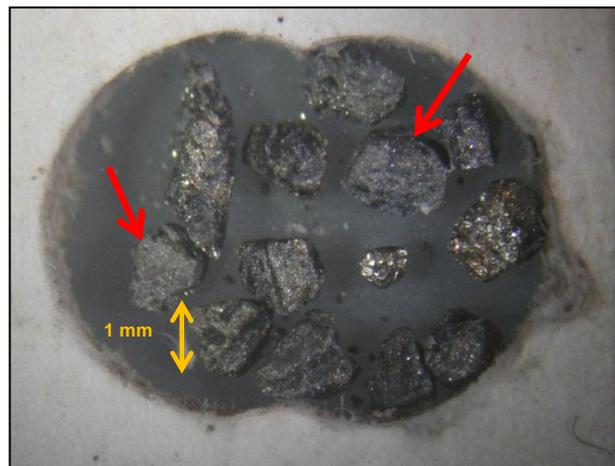
The discovery scout program at Northern Roadside in the quarter made rapid progress, producing excellent results. The drilling success was underpinned by solid preliminary field work and modeling to the known IP response in that location. The ground to the north of this new location is still considered prospective (north of Hole Fi 251), and the mineralized connection to the original Roadside location seems to be likely, based on XRF results between the two locations, on the recent drill traverse conducted there.

The results in the quarter are considered to take the Company to the next level, with the IP now validated and a good frequency of high grades of gold and silver from all drilling programs carried out so far. The cross sections on the mineralization are coherent with substantial widths, nice shape and good accessibility indicated. These shapes and orientation are in harmony with the 3D geological model, as described in recent presentations by the Company.

Geological Comments on Recent Drilling in relation to the IP Anomaly

Metasediments were encountered with high sulphide content and graphite, both of which would produce highly chargeable responses from an IP survey. The sulphides are thought to be emplaced by a large hydrothermal event (although petrological study is required to confirm field observations). The gold and silver mineralization occupies a structurally controlled position in this rock mass containing sulphides and graphite.

The mineralization can be found within or on the periphery of the highly chargeable zone as it is likely part of the same hydrothermal event. (This is relevant to understanding what the greater untested higher chargeable IP response represents with respect to gold and silver mineralization.)



Fi 244 at 101-102m– Roadside Area
Primary mineralization, Pb, Ag Sulphides in Massive Veinlets

As reported during the quarter already, extremely high grades of silver and gold were encountered in drilling the targeted Roadside locations and then the follow up mineralization extensions, that lead into the highly chargeable zone (East of Roadside). Hole **Fi 241** returned excellent silver grades of up to **2m @ 2,020 g/t of silver** in association with lower (but significant) gold grades (10m @ 1.01 g/t Au). This was identified down dip at around 250 metres from the mineralization that breaks surface at Roadside. The highest gold grades during the quarter were Holes **Fi 227** with **2m @ 38.2 g/t gold**, and is presented on a cross section between previously drilled **Fi 212** (which returned **2m @ 112 g/t gold**) and hole Fi 241.

Drilling within the Northern Roadside area encountered further strong silver and significant gold mineralization and has extended the likely strike of the Roadside mineralization to over 300 metres. The drilling was conducted to test the shallowest IP response in vicinity of obviously mineralized outcrop, which had been mapped recently and confirmed with geochemistry prior to drilling.

The two cross sections presented (**Appendix 1A and 1B**) show the position of the 14 mv/V chargeable response with respect to gold and silver mineralization. Noteworthy is that the mineralization encountered in the drilling does not occupy the central part of the peak IP response (this is not unusual), however, the dip trend of gold and silver mineralization appears to be closely associated with the dip trend of the IP response.

The excellent results returned from limited drilling undertaken to date in this very small part of the entire IP response that is known, suggests that systematic drilling will translate into more successful mineralization intersections.

Ongoing Work Programs at Fifield for 2013

Discovery programs at various locations in the wider prospective 8km² district will continue during 2013. The delineation growth on the known Sorpresa mineralization, helping establish resource definitions in the various locations is a priority, and with this, better characterization of the mineralization is required, including mineralogy and metallurgy. This will require further investment in people to deliver the outcomes in the coming year.

Sorpresa Information Thread

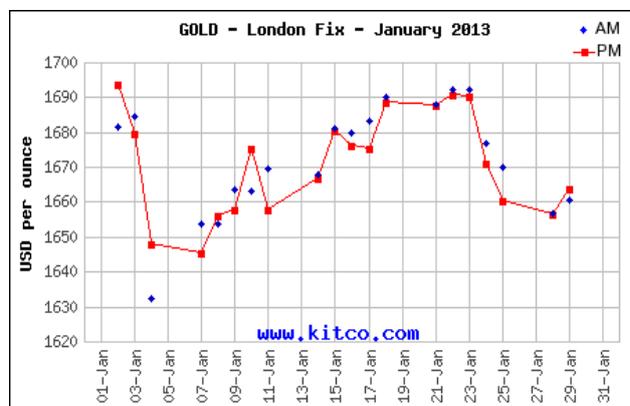
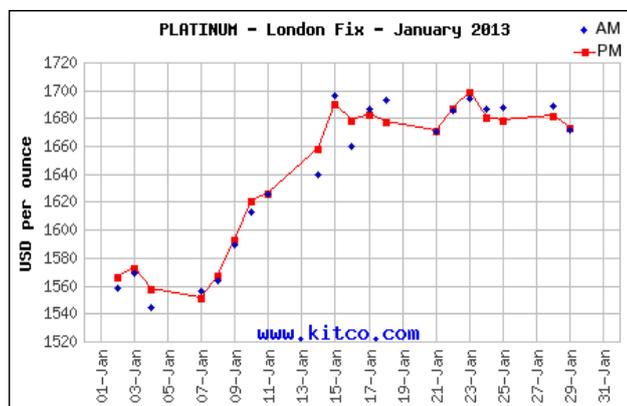
The Company provides a **hyperlink thread** of the Sorpresa Gold Mineralization area of recent ASX and video materials as follows. The thread provides important views previously expressed, that will assist the reader with understanding the Company's technical consideration and outlook for the work it is undertaking:

1. ASX December 18th 2012 [Sorpresa Project Produces More Encouraging Results](#)
2. ASX November 22nd 2012 [Presentation for 2012 AGM](#)
3. ASX November 5th 2012 [Best Silver Grades to Date Seen at Sorpresa Project Area](#)
4. ASX October 10th 2012 [Highest Gold and Silver Grades seen to date at Sorpresa Project](#)
5. ASX September 17th 2012 [First Gold Sections Created at Sorpresa Project – New Assay Results](#)
6. ASX August 31st 2012 [New Gold in Soil Zones Located 4km South of Sorpresa](#)
7. ASX July 31st 2012 [Quarterly Exploration Activities June 2012](#)
8. ASX July 26th 2012 [Successful Intersections at Sorpresa Gold Project](#)
9. ASX June 13th 2012 [High Grade Gold Intersection Sorpresa Project – Fifield NSW](#)
10. ASX May 28th 2012 [Sorpresa Gold Project has Increased Potential at Depth](#)

A video link is provided to a [3D model of the IP Anomaly at Sorpresa \(click here\)](#).

11. ASX April 30th 2012 [Quarterly Exploration Activities March 2012](#)
12. ASX January 31st 2012 ([Quarterly Exploration Activities December 2011](#))
13. A video link is provided [January 2012 Sorpresa Gold Project – Trench 31 Area Review Video](#)
14. ASX 28th November 2011 [AGM Exploration Presentation – Including Key Summary Assay results of Sorpresa](#)
15. Rimfire Website Summary [Brief history of Sorpresa Mineralisation discovery and style \(to September 2011\)](#)
16. ASX [Assays Confirm Significant Gold and Silver at Sorpresa Project 6th July 2011](#)

COMMODITY PRICING FOR THE DECEMBER 2012 QUARTER



The price of Platinum had traded at close to parity with Gold in recent times (www.kitco.com), restoring the price differences in the metals closer to the historic norm, of a premium for Platinum over Gold.

As at 29th January 2012, the prices for metals in New York based on closing Ask in USD were as follows:

Gold	\$1,665/oz
Platinum	\$1,683/oz
Silver	\$31.50/oz

CORPORATE ACTIVITIES

AGM Held 22nd November 2012

In excess of 50 people attended the Company AGM, with an updated presentation provided on the Company. The AGM presentation and Chairman's Address can be seen **at the respective hyperlinks (click the links):**

[Rimfire 2012 AGM presentation](#)
[Chairman's Address 2012 AGM](#)

Tenement Position

The tenement position remained unchanged at the end of the period. An application for a Uranium exploration licence, 4 units was made in the period, in the Fifield area.

Cash, Facilities and Investments

As at 31st December 2012 the Company had approximately \$2.493 million in cash.

Issued Capital

The issued capital remained unchanged and at the close of business on 31st December 2012 there were 610,529,976 ordinary shares.

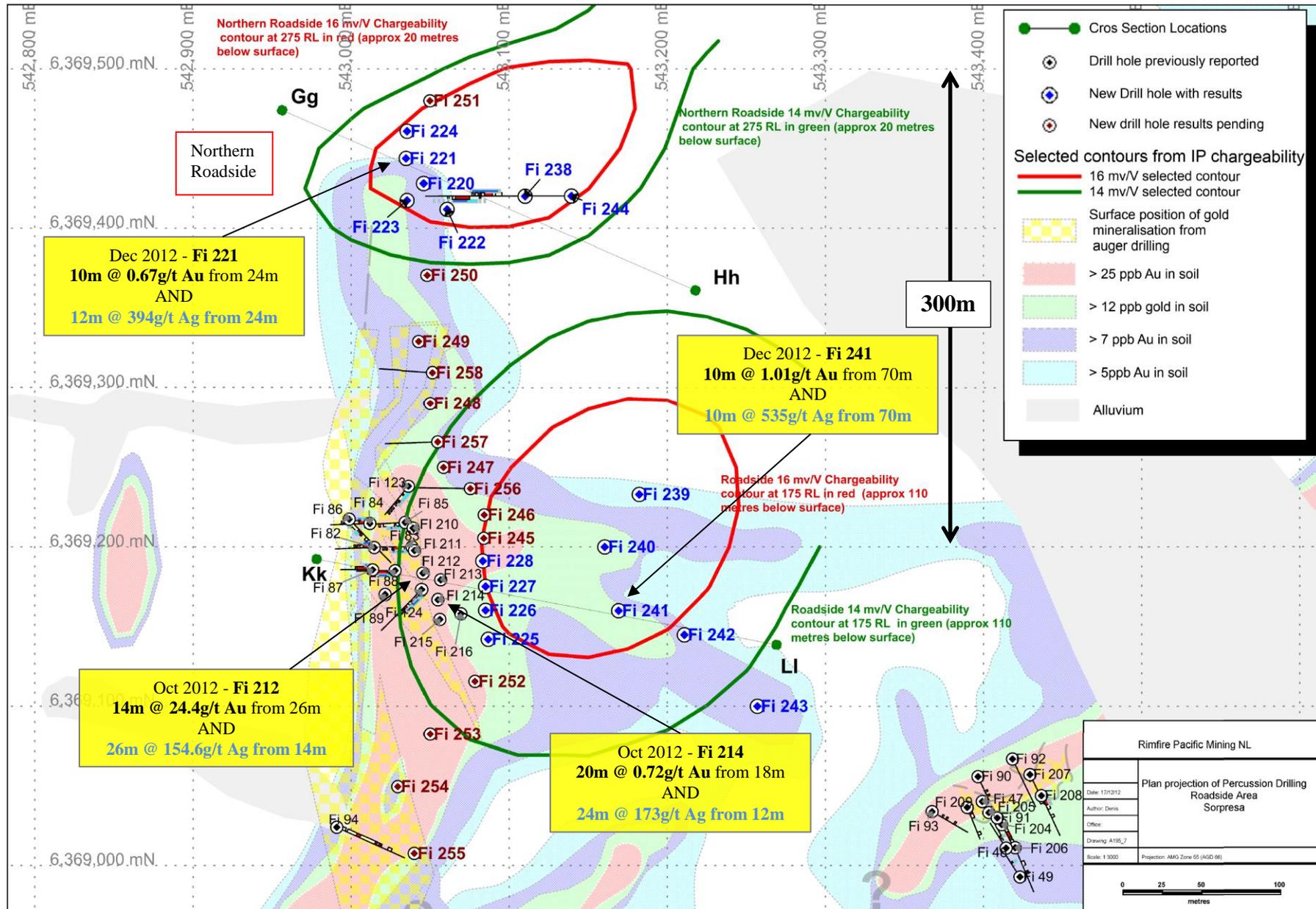


JOHN KAMINSKY
Executive Chairman

The information in the report to which this statement is attached that relates to Exploration Results is compiled by Mr Colin Plumridge, who is a Member of The Australian Institute of Mining and Metallurgy, with over 40 years experience in the mineral exploration and mining industry. Mr Plumridge is employed by Plumridge & Associates Pty. Ltd. and is a consulting geologist to the Company. He has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which is being undertaken to qualify as a Competent Person as defined in the 2004 edition of the "Australian Code for Reporting of Mineral Resources and Ore reserves". Mr Plumridge consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

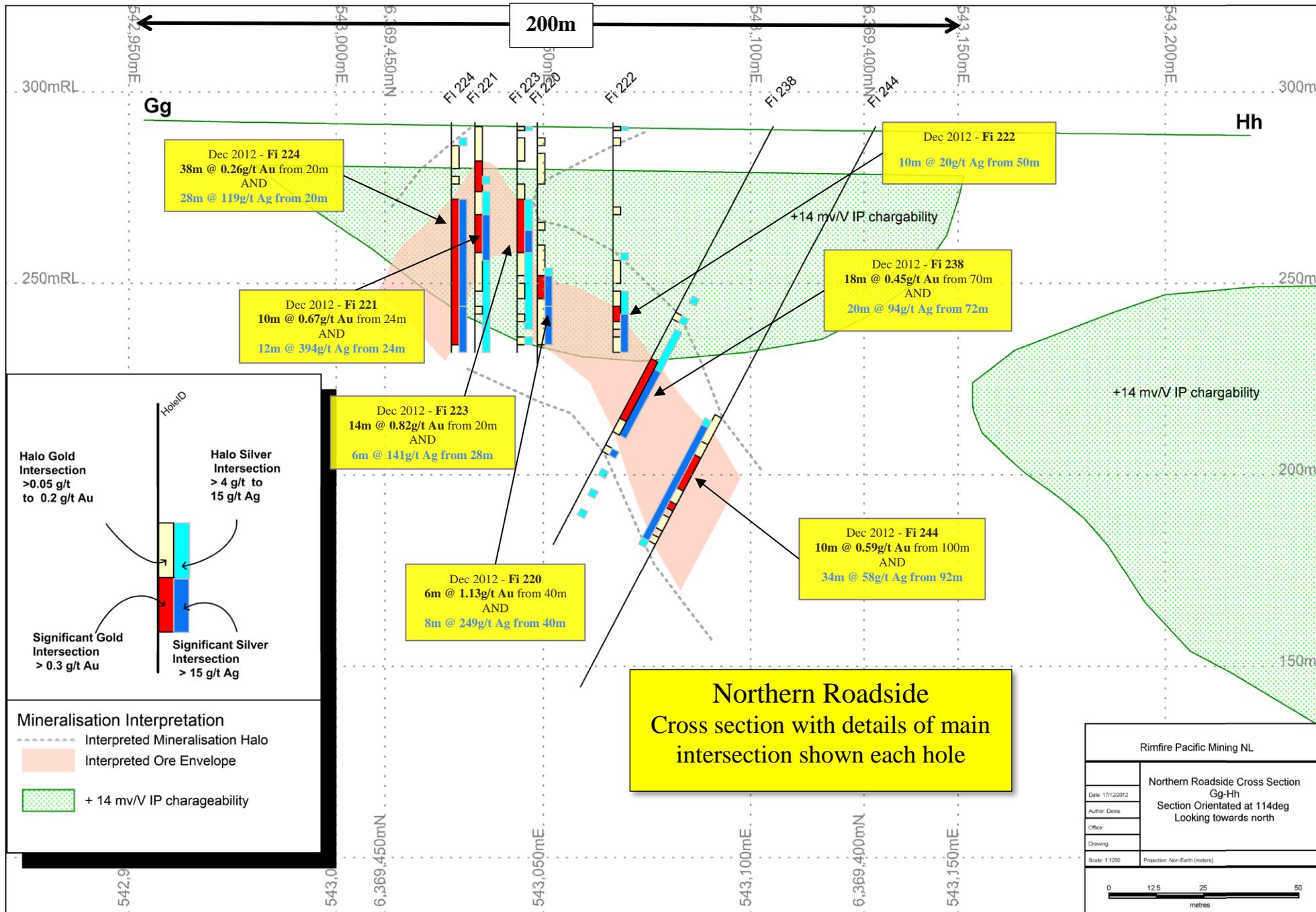
APPENDIX 1

Plan View Drilling Collar Hole Locations at "Roadside Area" Sorpresa Project Area with Previous Percussion Drilling Shown (On a backdrop of Gold in Bedrock Auger Zones and Soil Geochemistry previously established)



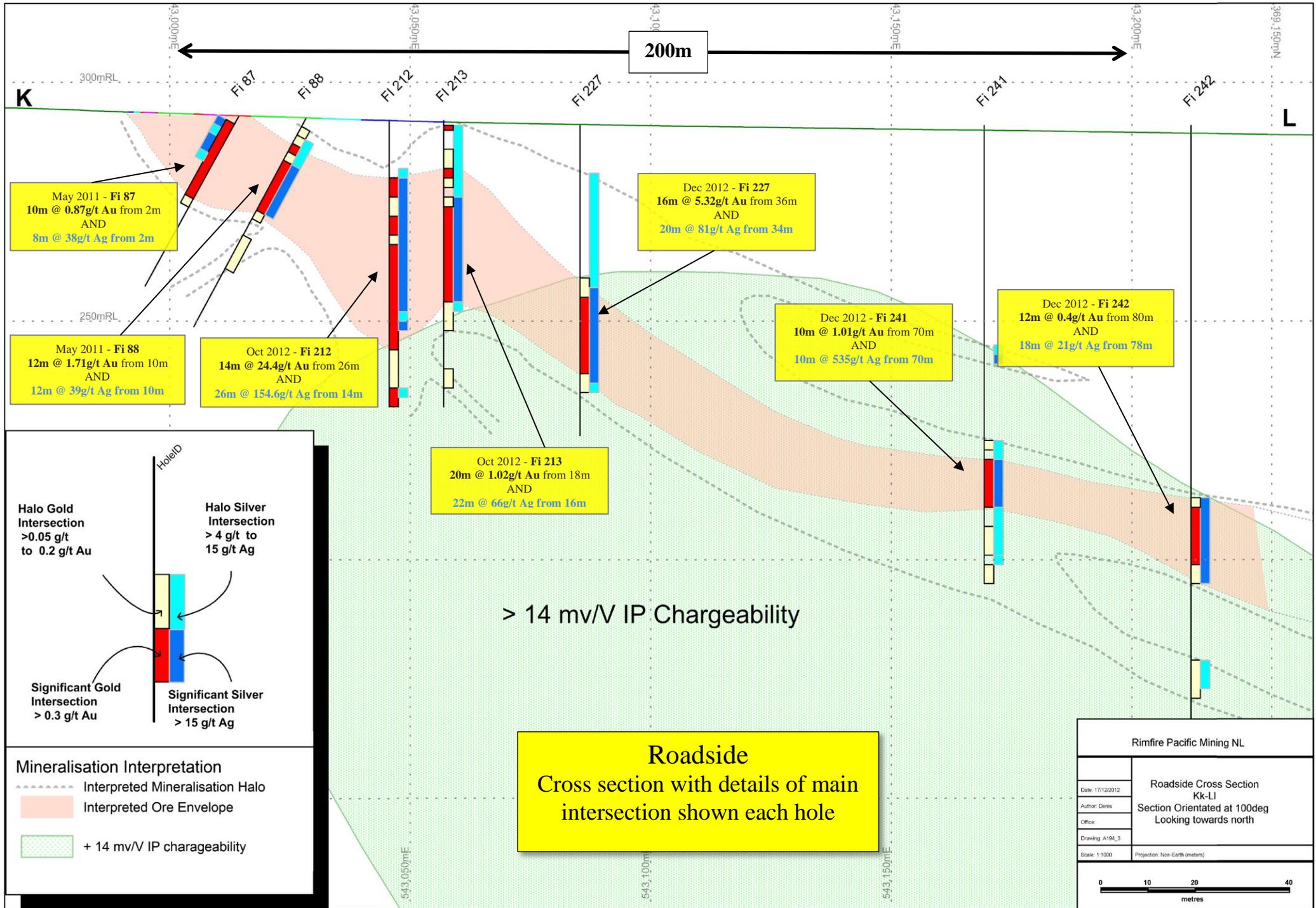
Appendix 1A

Cross section Gg – Hh of Drilling at the Northern Roadside Area showing the best intersection on each hole



Appendix 1B

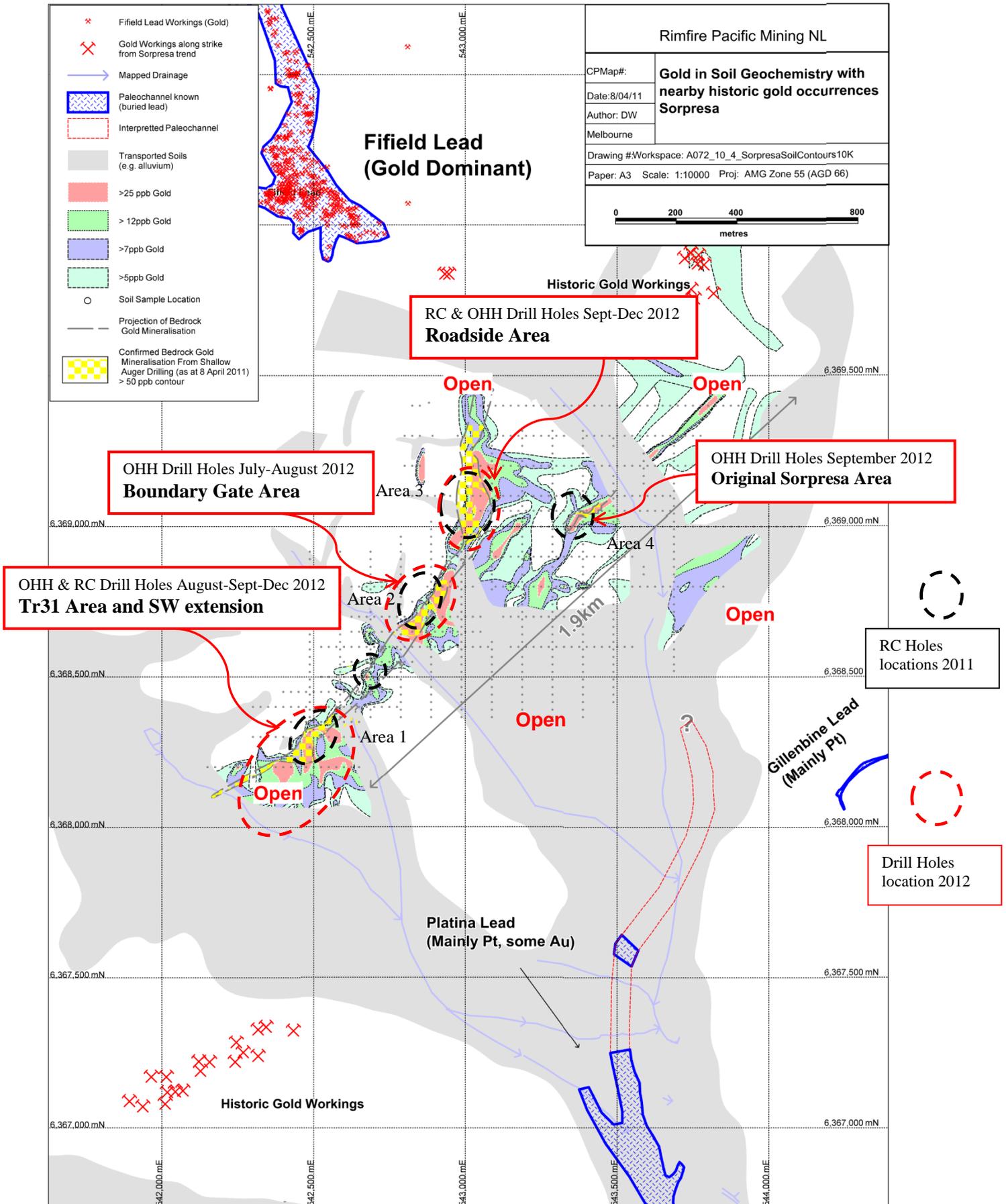
Cross section K – L of Drilling at the Roadside Area to the East showing the best intersection for each hole



Appendix 2

Percussion Drill Locations Sorpresa 2011 and 2012

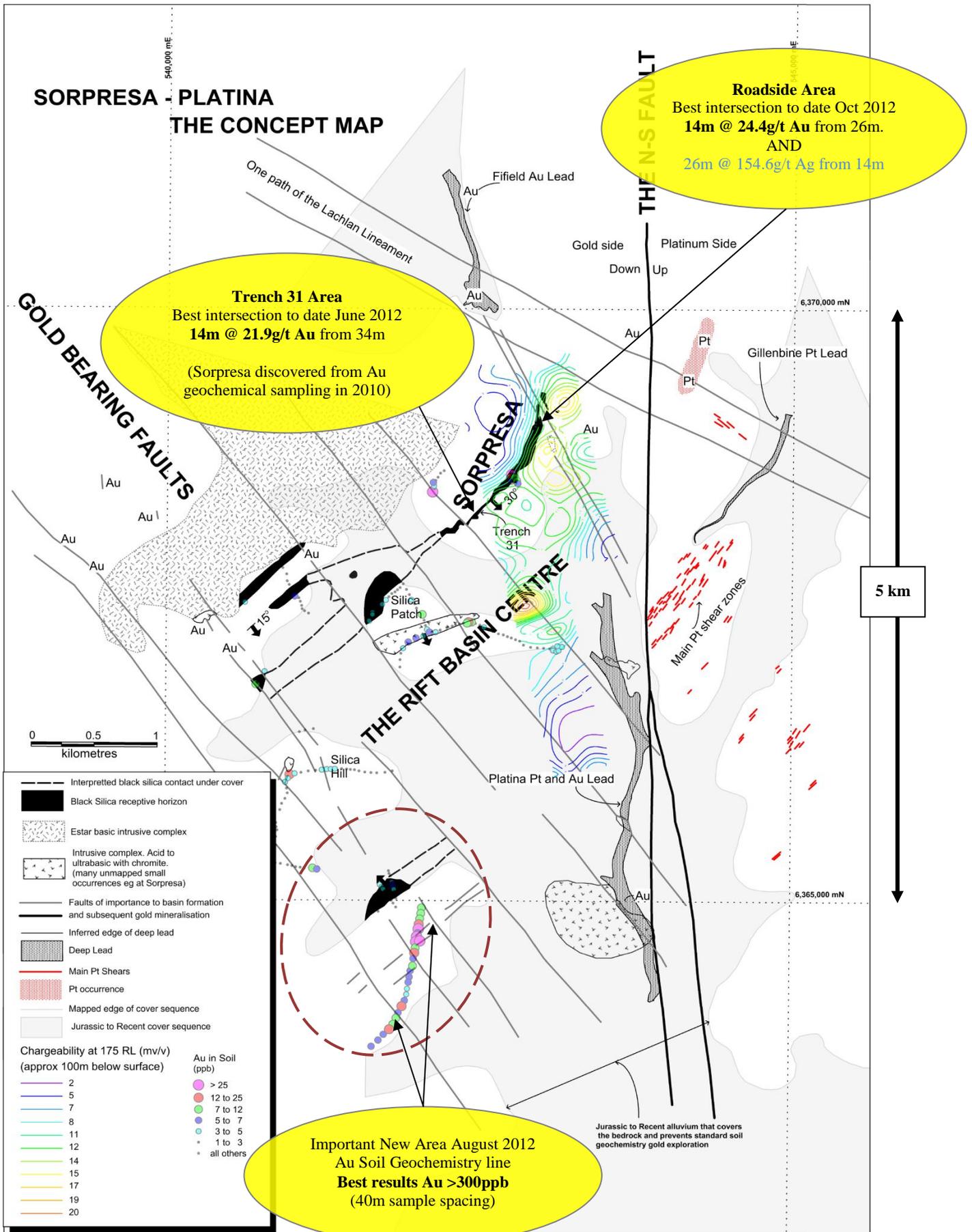
Sorpresa Gold in Soil Anomaly Context – Untested Areas and Adjacent Historic Au Workings



Appendix 3

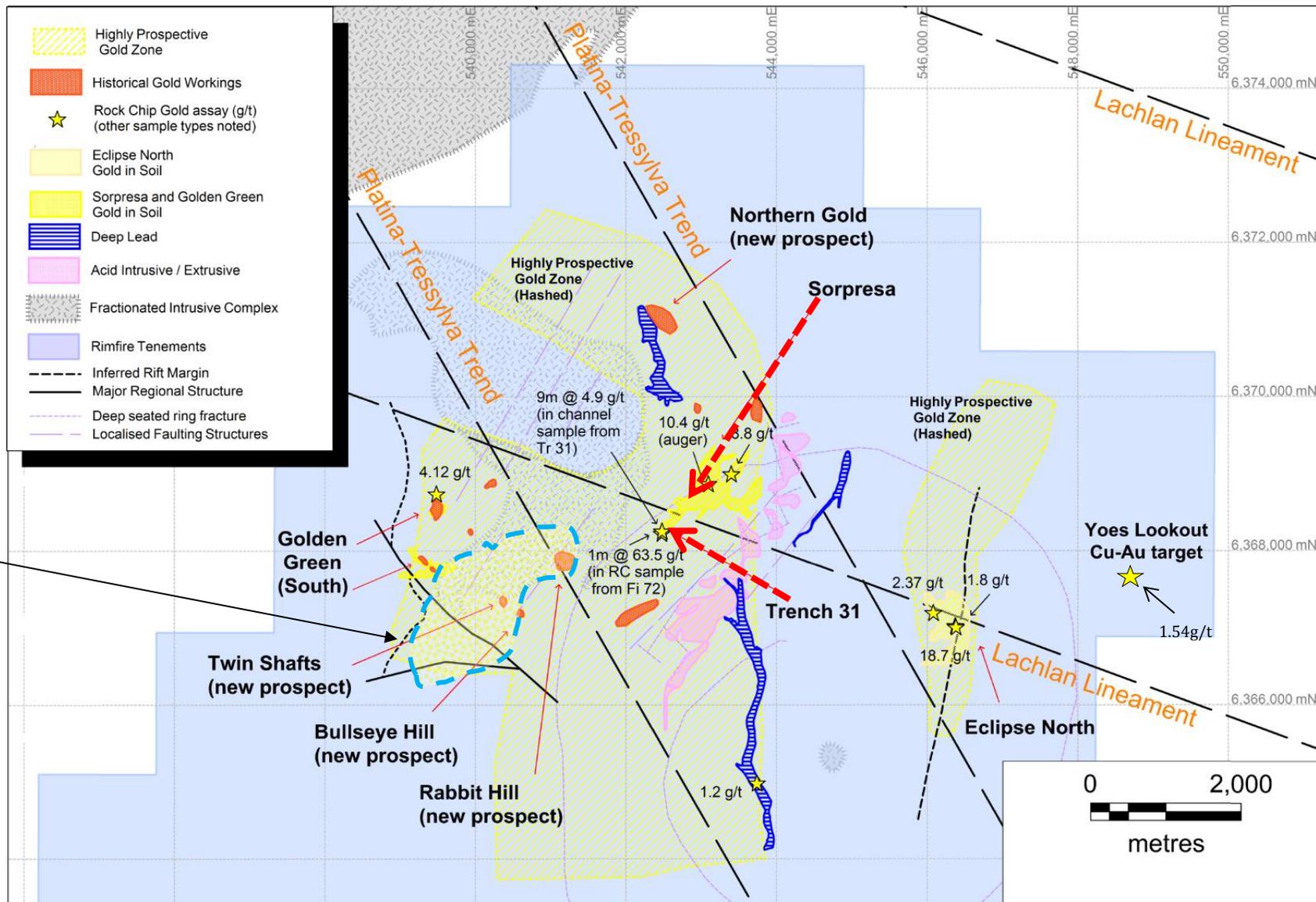
The Geological Concept Model – Syncline Rift Basin in Plan View

(Note that the IP survey response at approx. 100m depth is overlaid)



APPENDIX 4

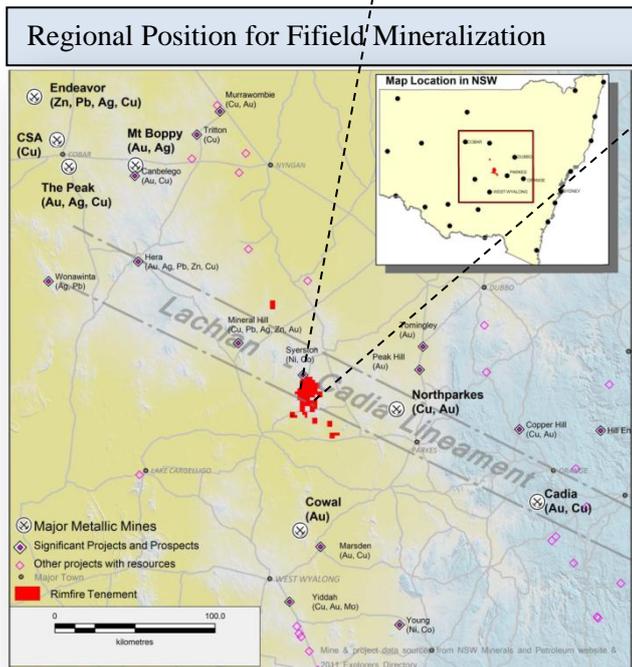
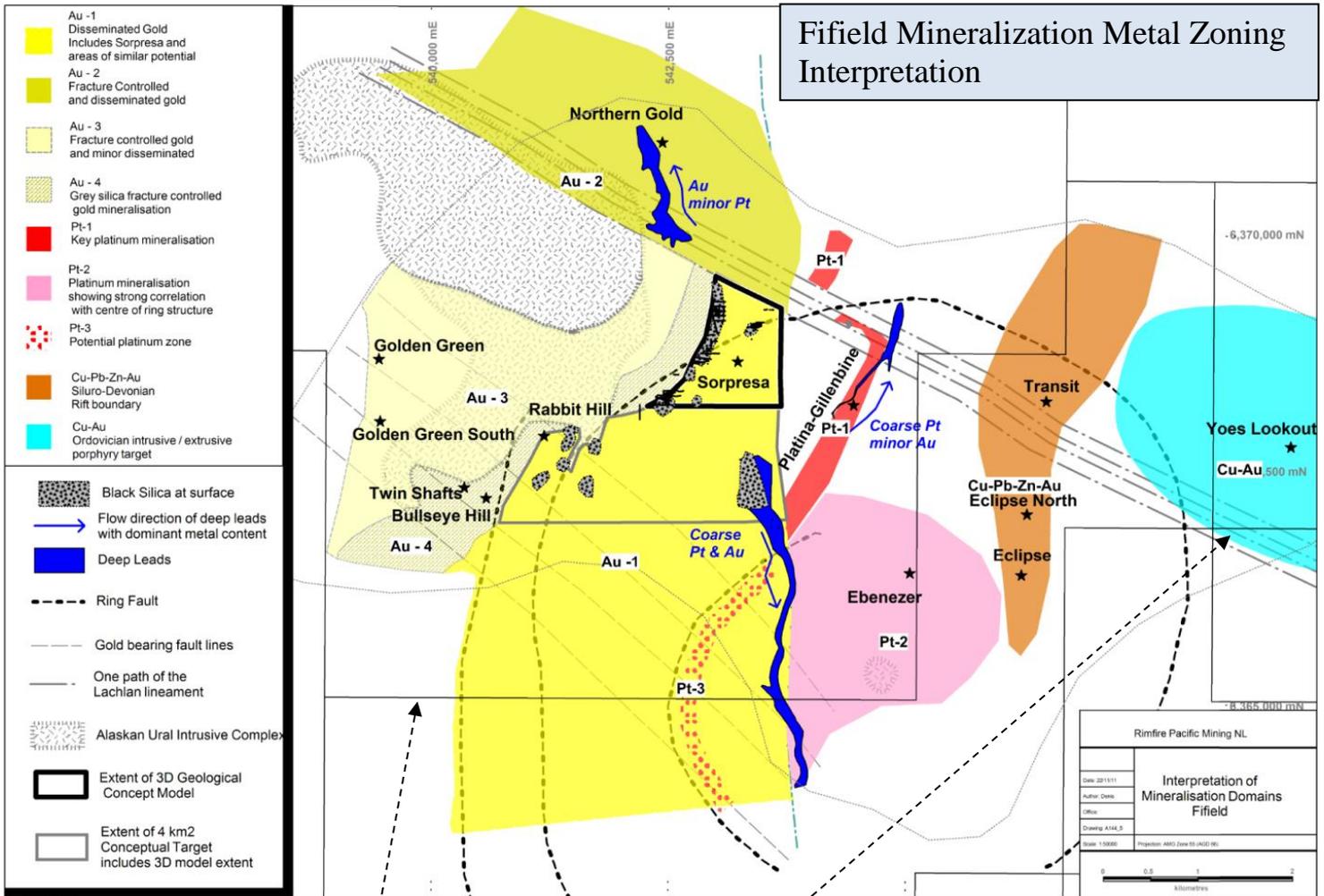
**The Main Strike Sorpresa Area Anomalous Gold Zone and Yoes Lookout
 – within the wider Fifield Gold Observations “Some” New Prospects Highlighted**



Western Block
 Au in Creek Sampling
 Area 4km²

Appendix 5

Project Locations at Fifield NSW within Lachlan-Cadia Lineament and Metal Zoning Interpretations at Rimfire Fifield Project Areas



Rimfire tenements shown in red (at left) within the Lachlan-Cadia Lineament.

Metal zoning interpreted (above) within key Rimfire Tenements at Fifield, making this an exciting location for discoveries.

Note the Black Silica areas (above) mapped as part of the Au receptive horizon inferred