



27<sup>th</sup> November 2015

Australian Securities Exchange Limited  
Company Announcements Office

## **Chairman's Address – Annual General Meeting** **27<sup>th</sup> November 2015**

Good morning ladies and gentlemen. It is my pleasure to welcome you, as non-Executive Chairman of your Company, to the Annual General Meeting for 2015.

This is my first AGM report to you as Chairman since my election by the Board in March 2015. At that time John Kaminsky vacated the role of Chairman to focus on the role of Managing Director and CEO. John will provide a presentation on the Company to you later in this meeting.

This has been a year of achievement for Rimfire:

- ✓ release of the maiden JORC 2012 compliant Resource at Sorpresa;
- ✓ emerging copper gold footprint at Eclipse and Yoes areas;
- ✓ some excellent results including 4m @ 6.5% copper at Eclipse, and high grades at Sorpresa;
- ✓ external metallurgical work and internal scoping studies applied to Sorpresa;
- ✓ engagement with potential partners and collaborators, and
- ✓ Rimfire's growing recognition as one of the most active and efficient exploration companies in Australia.

### **Strategy**

Rimfire continues to offer a favourable mix of metals and resource opportunities through our portfolio at Sorpresa and exploration targets in regional areas. As previously announced, Rimfire is considering partnership opportunities and has signed a number of Confidentiality Agreements with potential collaborator companies.

Rimfire's Strategy remains to enhance the value of the Sorpresa resource while pursuing defined prospects in Regional areas of our tenements. This year Rimfire completed some 13,400 metres of well-planned drilling in the Sorpresa project area and Regional areas. Anomalies identified led to targeted drilling resulting in high grade copper and gold values announced during the year. Announcements regularly explain our strategy and our intense work program is summarised in the Annual Report.

Rimfire has now significantly transformed the Fifield district with a clear gold association adding to the platinum history of the area, and most recently a copper signature. Rimfire is in one of the most important gold-copper corridors in the world - the Lachlan Transverse Zone (LTZ), and we are well placed to pursue targets that may transform the Company.

The Company has been awarded a new Exploration Licence area to the east of the Company's current tenements. Regional scale assessment will commence later this financial year after all approvals are in place.

Rimfire was invited to present to the [NSW Resources Investment Conference](#) 28 July 2015, and our Strategy and Execution was very well received for its focus, efficiency and field achievements.

### **Funding of your company**

As Shareholders, this is your company, and the board is very conscious of Shareholder expectations and the need for funds to be spent wisely and effectively. The exploration sector has been through a difficult period, although market conditions have improved recently. During this time, Rimfire has kept its overhead costs below the industry norm and adjusted field and contractor operations to maintain progress while taking advantage of lower cost structures and productivity improvements of in-house and external resources. Today you will hear from two expert observers and analysts commenting on the exploration and mining sectors of the resource industry. Mr

Hedley Widdup and Adjunct Prof Richard Schodde will give you their independent views of the industry and the economic environment in which the Company operates. We have invited Prof Schodde to update the material he presented to last year's meeting. I am very pleased to be able to demonstrate that Rimfire is performing very favourably compared with International and Australian peers.

Rimfire received \$1.05M in early November 2015 as a result of the AusIndustry R & D program, and recently completed the Cooperative Drilling Program supported by \$175K from the NSW Government. These funds are undilutive to shareholders and support Company activities into the immediate future.

### **Non-renounceable Rights Issue**

To support your company's ongoing program next year in line with the Rimfire Strategy, your Directors have announced a 1 for 7 Non-Renounceable Rights Issue plus a free carried option (3.5 cents exercise, and expiry May 2017) on favourable terms to eligible shareholders. This is intended to give Shareholders the opportunity to maintain their proportional holding in the Company and to contribute directly to the company's on-going programs, while receiving a free carried option. The Issue closes on 30 November 2015, and I commend this opportunity to you. Directors have indicated support of \$200,000 and receive no fees. In total Directors will have contributed \$420,000 to the Company in fresh equity.

### **Deployment of Shareholders' Funds**

Rimfire continues to manage its cash resources carefully. As significant shareholders themselves, Directors are very conscious of the need for cost efficient exploration methods and administration.

During the forthcoming period, Rimfire will deploy funds from this Rights Issue, along with other sources of funds expected, such as continued support from the NSW Cooperative Drilling Program, AusIndustry R & D program, and from possible collaborations, in continuation of the Company program in the following main areas:

- ✓ Sorpresa further definition and enhancement, and assessment of economic options
- ✓ Regional discovery focus on gold and copper, and priority targets already established
- ✓ Commencement of assessment of the the new tenements to the east.
- ✓ Continued discussion and negotiation with potential commercial partners

### **Company Share Price and Market Value**

Most resource company share prices have declined over the last few years, along with the falls in prices of major commodities. The exploration sector has been particularly heavily discounted, however, Rimfire, with its focus on gold, silver and base metals, has performed well relative to its Junior Exploration peers in the resources sector over the past year. The Rimfire share price VWAP over the year was 2.1 cents, and ended the year at 2.0 cents, in a trading range high of 3.3 cents to a 1.2 cents low. The Board remains of the view that the Company has upside potential in the current share price. Rimfire Market Capitalisation has held around \$15M during the year.

### **Governance and Remuneration**

During this year, the board has reconstituted the Audit and Risk Committee under the chairmanship of Mr Tom Burrowes, and while field safety and management of risk has always been a priority, Rimfire is now taking a broader view of all risks facing the Company. The Remuneration Committee membership and operation has changed to reflect the separation of the Chairman role from the CEO role. I am Chair of this committee which has considered the remuneration and role of the CEO, role and performance of the Board. This has included review of performance, base remuneration and possible incentive programs. It is important that key contributors to success are compensated fairly and aligned with shareholder interests. During 2015, it was agreed not to change either Director or CEO remuneration, reflecting economic circumstances. However, I will say that the Board is aware that remuneration levels have not been adjusted for some years, and all directors and the CEO have re-invested a significant proportion of their remuneration back into the company. I thank my fellow Directors and especially Mr Kaminsky for their continued contributions and loyalty despite these constraints.

## **Exploration Progress**

The Company has now significantly transformed the Fifield district with a clear gold association and most recently a copper signature developing to the eastern margins. Rimfire's emerging work occurs in one of the most important gold/copper corridors in the world, the Lachlan Transverse Zone (LTZ), and accordingly we are now well placed to pursue "company making discoveries" that have a capacity to transform the Company. Mr Kaminsky will summarise current progress in his presentation.

## **Maiden Resource at Sorpresa and Further Studies**

A milestone was the announcement of the JORC 2012 compliant mainly Indicated and some Inferred mineral resource of approximately 250,000 ounce gold equivalent (50:50 Au:Ag) for the Sorpresa Gold and Silver discovery and mostly in the oxide zone. Further definition drilling on high grade areas is being undertaken at Sorpresa and preliminary studies, including a metallurgical and process options review are continuing to assess the economics and guide further work.

Rimfire has been considering partnership opportunities and has signed a number of Confidentiality Agreements with potential collaborator companies, and these discussions are active.

## **Regional Exploration**

Rimfire has invested shareholder funds in its Regional exploration on a variety of targets including at **Eclipse Trend, Yoes Lookout and Carlisle**. The work has returned gold anomalism that demonstrates the extent of the system we are investigating, and most encouragingly have been confirmed by assays with intersections of up to **2m @ 10.95% Cu and 3.87 g/t Au** at Eclipse South.

Much of this investigation drilling has been carried out with support from the NSW Government Co-operative Drilling Program grant, awarded to Rimfire in September 2014 in a competitive process and expended on a matching dollar basis. The Board wishes to thank the NSW Government for the valuable funds and recognition that this program affords to the Company.

## **Economic Outlook**

The gold price, ready availability of services and falling costs have helped the producers in the gold industry in Australia. The junior exploration sector has lagged severely by comparison, but there are encouraging signs of market improvement. Rimfire has taken advantage of much lower drilling, services and staffing costs than was the case only a short time ago. This means good value for shareholder funds expended in the current environment. It is Rimfire's ambition to come through this period with a strong base of knowledge and mineable resources from our Fifield tenements.

## **Appreciation and Thanks**

Community support, respect for the environment and good relations with land holders are critical factors. Rimfire places high priority on relationships built up over many years, and in care for the land. We employ local people, use local services, and live nearby. Our prosperity will be shared with the community in coming years. We thank them for their support.

While focused on costs and maintaining output, Rimfire's staff have served us well. I thank my fellow directors for their wisdom, continuity and skills. I thank our exploration team, the core of our business, our associates, consultants and contractors for their services.

The Board wishes to express its appreciation to the continued support of long term Shareholders, of whom there are many, and of new Shareholders who joined the Company during the year.

I thank you for the opportunity to serve your company through this time of transition. We are fortunate to be in an exciting area of Australia, and have some of the best people in our industry. We have support and goodwill from community, government, and most importantly, our shareholders. We expect that next year will bring changes, as well as anticipated rewards for the investment and effort we are all making together. I assure you of the alignment of the Board with your concerns as shareholders, and that the Board remains committed to open communications with you through regular reports on our progress.

A handwritten signature in blue ink, appearing to read "John Gillett".

John Gillett  
Chairman of the Board