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Encouraging Results From Rimfire Mining

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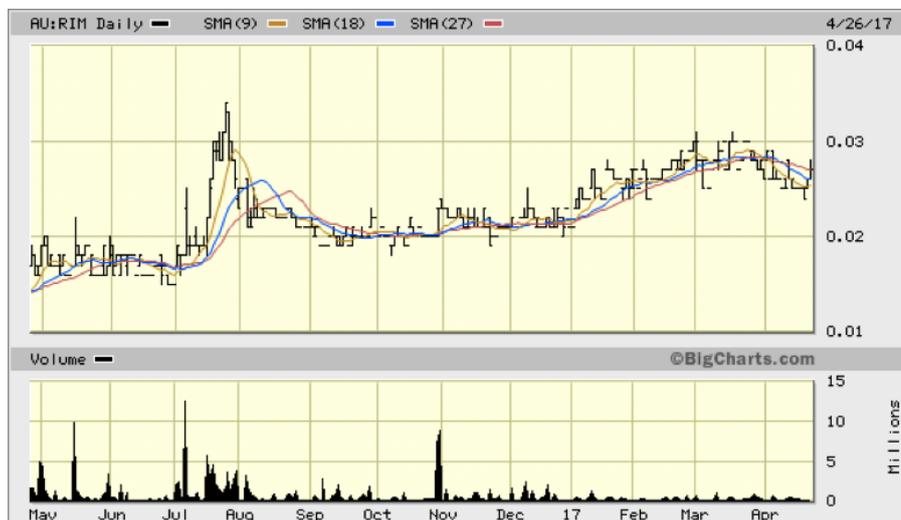
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Encouraging Initial Air-Core Results – Portfolio Stock (coverage initiated @ \$0.023 in Oct 2016)

Rimfire Mining (ASX: RIM, Share Price: \$0.027, Market Cap: \$25m) is a NSW gold exploration play that's managed to sustain a measured exploration program on its flagship Fifield gold exploration project, with highly encouraging results. The negotiation of a major new farm-out JV deal with Canada's New Gold underlines the project's potential and the 2017 exploration field season recently got underway.

Rimfire has provided preliminary information on field mapping, air-core geochemistry drilling observations, chip and soil assays from the area 5km north-northeast of its Sorpresa gold and silver deposit, where drilling has intersected laterite up to 40 metres thick – suggesting an extension of mineralised geology.



Market Significance

Rimfire Pacific has risen from a 12-month low of \$0.015 during June 2016 on the back of greater market appreciation of its growing Sorpresa gold-silver deposit - along with its potentially-transformational exploration joint venture deal with Canada's New Gold. The arrangement will provide a major funding

boost for Rimfire's Fifield project, situated within the world-class copper-gold corridor known as the Lachlan Transverse Zone. The latest encouraging+ exploration results are a reflection of a growing step-out exploration program that will look to aggressively grow the regional resource base during 2017.

Sorpresa Project Update

Rimfire Pacific and project partner New Gold held Earn-in/JV planning meetings during December 2016 and January 2017, where they agreed 2017's exploration strategy and key objectives.

Both parties agreed to a multi-million ounce discovery objective, with aspirations for an aggregate +4 million ounce gold-equivalent discovery outcome within the Fifield district over the medium-term. This type of discovery would be targeted as capable of sustaining production over a +10 year mine life and ranking in the lower third of industry costs.

The New Gold discovery methodology will provide an increased geological understanding of the district as a base to identify the best prospects for drill-testing. This work will involve: historic data integration and gap analysis (underway), surface reconnaissance (including mapping, geophysics (underway) and geochemistry); reconnaissance RC and diamond drilling; and corporate expertise from Rimfire that will be funded by New Gold, with Rimfire continuing its district-wide prospecting, initially focused on 13 specific areas of interest.

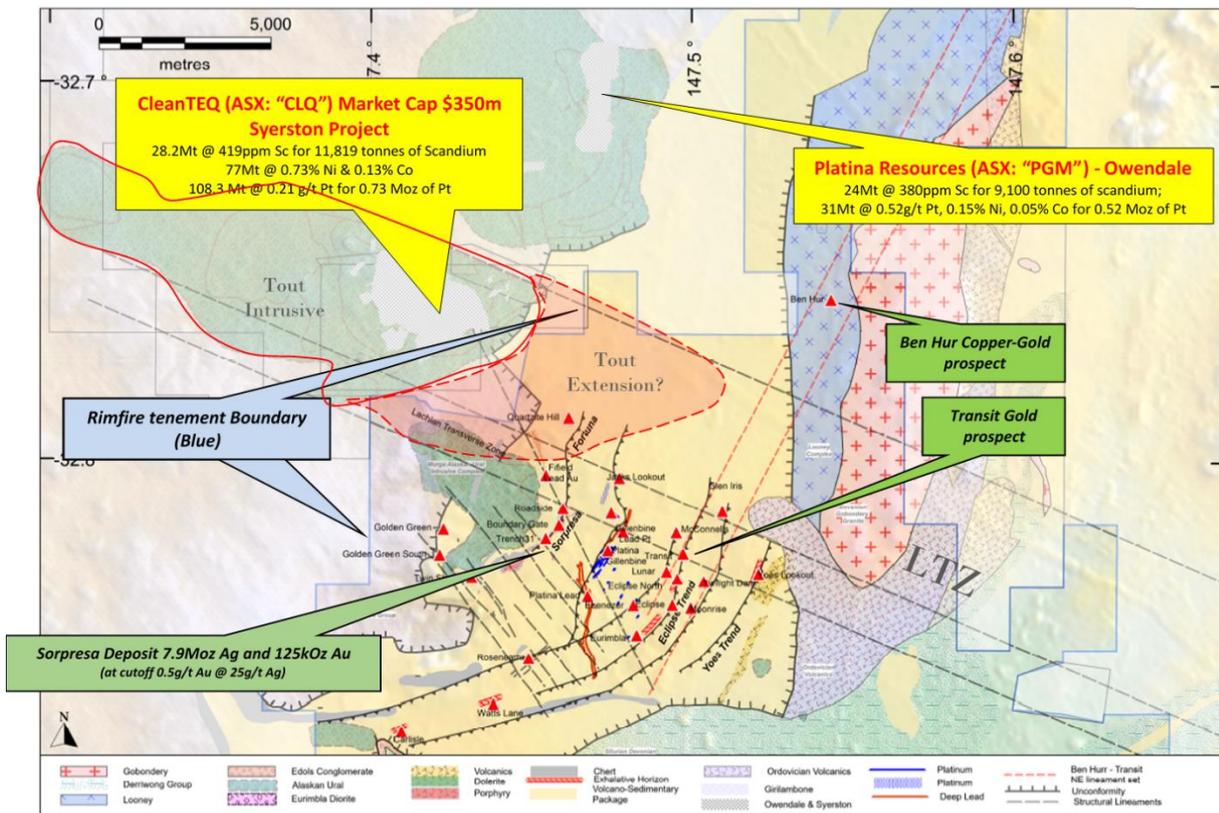


Figure 1: Fifield District Prospect Map – Adjacent Deposits to the North – on geology and structure background

Announcement Detail – Extensions to Sorpresa Geology

Rimfire today provided preliminary information on field mapping, air-core geochemistry drilling observations, chip and soil assays at Fifield, with a specific focus on the area 5km north-northeast of the Sorpresa gold and silver deposit.

A 253-hole air-core/auger geochemistry program designed by New Gold is in progress on approximate 250-metre hole spacings and line intervals of 1km. The program encompasses an area of ~144 sq km is leading to additional geological information in previously unknown areas, whilst also probing the new high-resolution geophysics data that the joint venture has recently obtained.

Technical Significance

The drilling is an important step in confirming prospective geology that may have an association with the adjacent Tout Intrusive, which hosts cobalt, nickel, scandium and platinum in laterite. The drilling has intersected the northern area laterite profile intersected – with 5 of the 8 air-core holes drilled so far encountering laterite of up to 40 metres in thickness, with assays pending.

Rimfire has not previously encountered laterite drill intersections in any of its prior work at Fifield. This could be significant - and the potential for an additional mineralisation style with attributes relating to the neighbouring geology of Tout Intrusive Complex (controlled by CleanTEQ), becomes more of a possibility. There is evidence to suggest a major structural corridor passes through Rimfire's ground in this location.

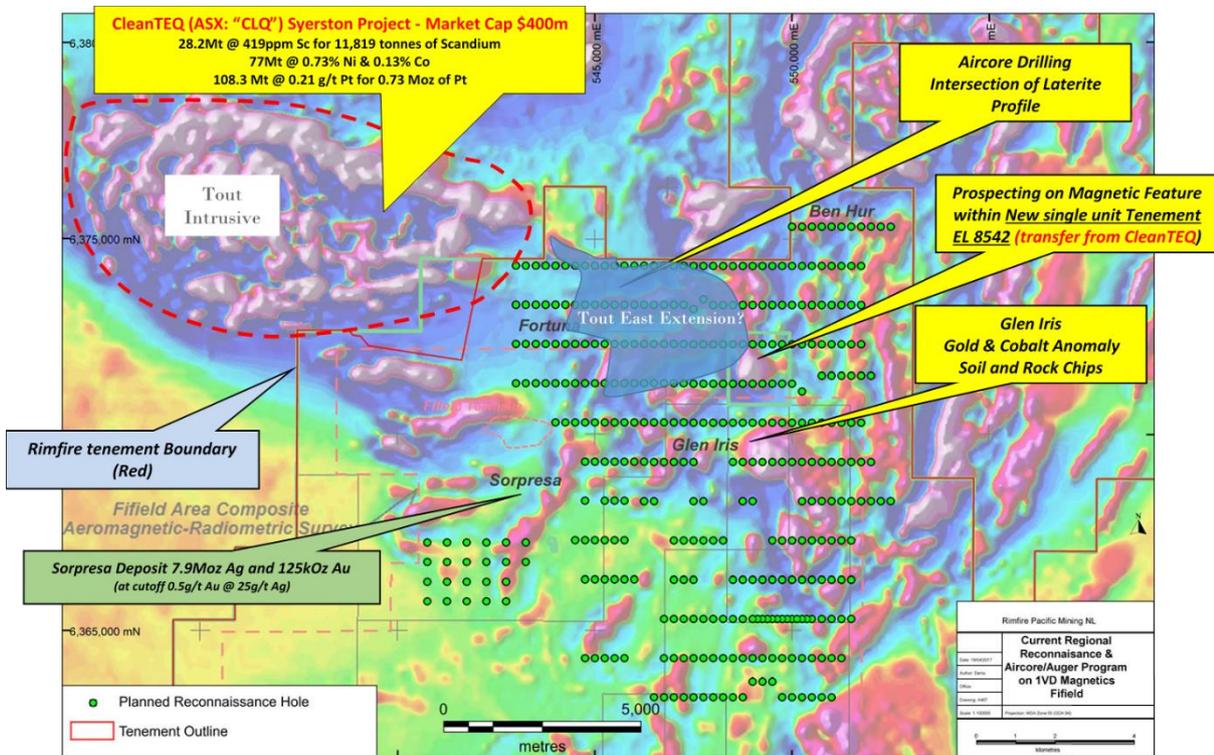


Figure 2: Regional Reconnaissance Air-core/Auger Drilling Geochemistry Program – On 1st Vertical Derivative Magnetics

Program Overview

As we mentioned in our previous coverage during February 2017, discovery concepts have been developed by Rimfire that include the possible extension into its tenements of the major intrusive complex, the "Tout Complex 2", which contains resources defined by other companies including platinum, nickel, cobalt and scandium. In all, more than 13 priority areas have been identified by Rimfire within the Fifield district for priority prospecting over the next 12 months.

Mapping, sampling and concept advancement is now underway, with the geophysical survey set to aid the review and targeting within these areas. The initial prospecting work will provide relatively quick coverage at low cost.

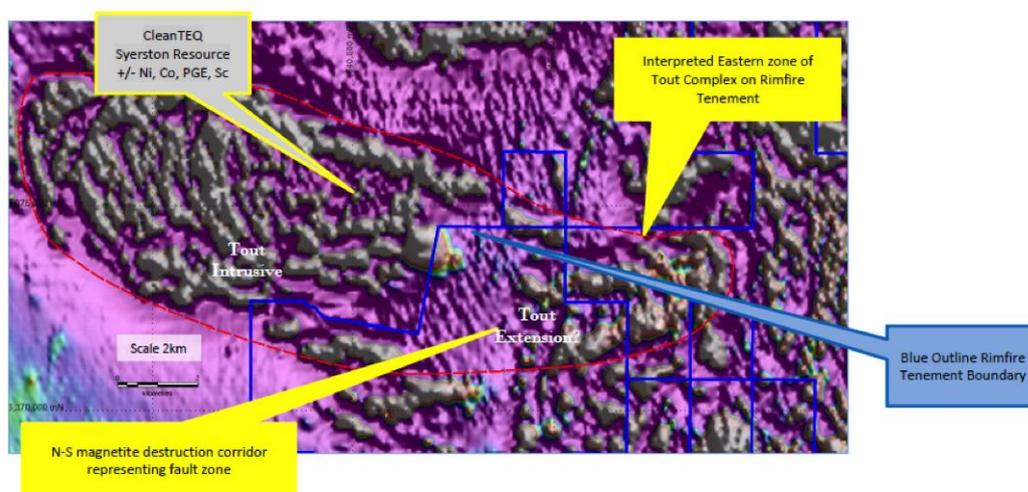


Figure 3: RTP-1VD Magnetic Image of Tout Intrusive Complex – on a backdrop of interpreted structures, prospects and potential targets

Summary

We initiated coverage of Rimfire Pacific Mining around \$0.023 during October 2016, representing a current gain of 17%.

The company has maintained a measured and successful approach to exploration at Fifield over recent years, despite the vagaries of financial markets and limited availability to exploration funding. The company's strategy has been successful in attracting a 'big brother' in the form of a cashed-up larger industry player, which has the financial and technical resources to capitalize on all of the hard work that Rimfire has already undertaken.