

HALF YEAR REPORT – FY22



Rimfire Pacific Mining Limited

ACN 006 911 744

DECEMBER 2021

TABLE OF CONTENTS

Directors' Report	2
Auditor's Independence Declaration	9
Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half-Year ended 31 December 2021	10
Consolidated Statement of Financial Position as at 31 December 2021	11
Consolidated Statement of Changes in Equity for the Half-Year ended 31 December 2021	12
Consolidated Statement of Cash Flows for the Half-Year ended 31 December 2021	13
Notes to the Consolidated Financial Statements for the Half-Year ended 31 December 2021	14
Directors' Declaration	19
Independent Auditor's Review Report	20
Corporate Directory	22

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Rimfire Pacific Mining Limited and the entities it controls at the end of, or during, the half-year ended 31 December 2021.

DIRECTORS

The names of the Directors of the Company during, or since the end, of the half-year are:

- Ian McCubbing – Non-Executive Director and Non-Executive Chairman since 25 July 2016,
- Craig Riley – Managing Director since April 2019; CEO since 1 February 2019, (subsequent to end of half year has announced his resignation, 7 February 2022),
- Andrew Greville – Non-Executive Director, since 18 August 2017, resigned 18 November 2021,
- Andrew Knox – Non-Executive Director, since 18 March 2020,
- Misha Collins – Non-Executive Director, since 02 July 2021, and
- David Hutton – Non-Executive Director, since 15 October 2021, Executive Director since 7 February 2022, during a leadership transition period due to Craig Riley announcing his resignation).

PRINCIPAL ACTIVITY

The principal activity of the consolidated entity is the discovery and development of economic mineral deposits.

RESULTS OF OPERATIONS

The net result for the half-year, after applicable income tax expense, was a loss of \$543,477.

The key impact on the increase in loss compared to the December 2020 half-year (loss \$166,532), was the timing of the prior period receipts and the Covid-19 support package from the Federal Government (Boosting Cashflow scheme) operating in 2020. There has been a slight increase in costs, primarily from professional services resulting from the execution of the Avondale Project Earn-in, increase in the Company's equity interest of 100% of the Broken Hill, Green View Project, and change of Company type and update of Constitution. The company continues its focus on ensuring cost-effective disciplines are maintained to ensure a high ratio of "in-ground" expenditure to administration costs continues to be achieved consistently over an extended period.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and whilst it has moderately affected operations for the consolidated entity up to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date.

DIVIDENDS

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

REVIEW OF OPERATIONS

During the half-year, a number of key activities and milestones on the Company's Projects were conducted and reached.

CORPORATE STRATEGY

Focus for the half-year has been on the continued execution of the Company's dual strategy to pursue options to deliver value shifting outcomes at Fifield NSW. The strategy embraces two components:

- ✓ Continue the regional discovery pursuit for large scale ore bodies within the broader Fifield area that remains prospective for further discoveries including large scale porphyry style gold or copper / gold systems in interpreted Ordovician Volcanic geology, and
- ✓ Execution of the Fifield Project Earn-in with Golden Plain Resources (GPR) and the development and monetisation of Sorpresa.

HEALTH, SAFETY, ENVIRONMENT AND COMMUNITY

Health

The Company continues to monitor and comply with the COVID-19 preventive measures and controls authorities require business to apply when undertaking office or field activities. The company has had no cases of COVID-19 amongst employees or contractors although staff have had to comply with various state lockdowns.

Safety

There have been no significant incidents or injuries. As at 31 December 2021, the year to date performance for Minor Injuries, Medical Treatment Injuries and Lost Time Injuries was zero.

Environment

There have been no significant incidents or environmental events. Rehabilitation from routine drilling activities is ongoing with rehabilitation of aircore drillholes undertaken immediately after drilling. There has been higher amounts of rainfall during the past half-year that has fully saturated the surface soils, leading to delays to field programs. Access tracks to many sites, including drill hole locations, were too wet to support vehicle movements, with drill programs restarting in December 2021. The Company continues to collaborate with farmers to ensure drilling operations have minimal impact on farming activities and rehabilitation is completed to a high standard.

Community

In preparation for undertaking drilling activities there has been extensive landholder or landowner consultation and coordination meetings. During drilling programs there is regular communication with landholders to ensure company activities have minimal impact on farming activities.

OPERATIONS REPORT

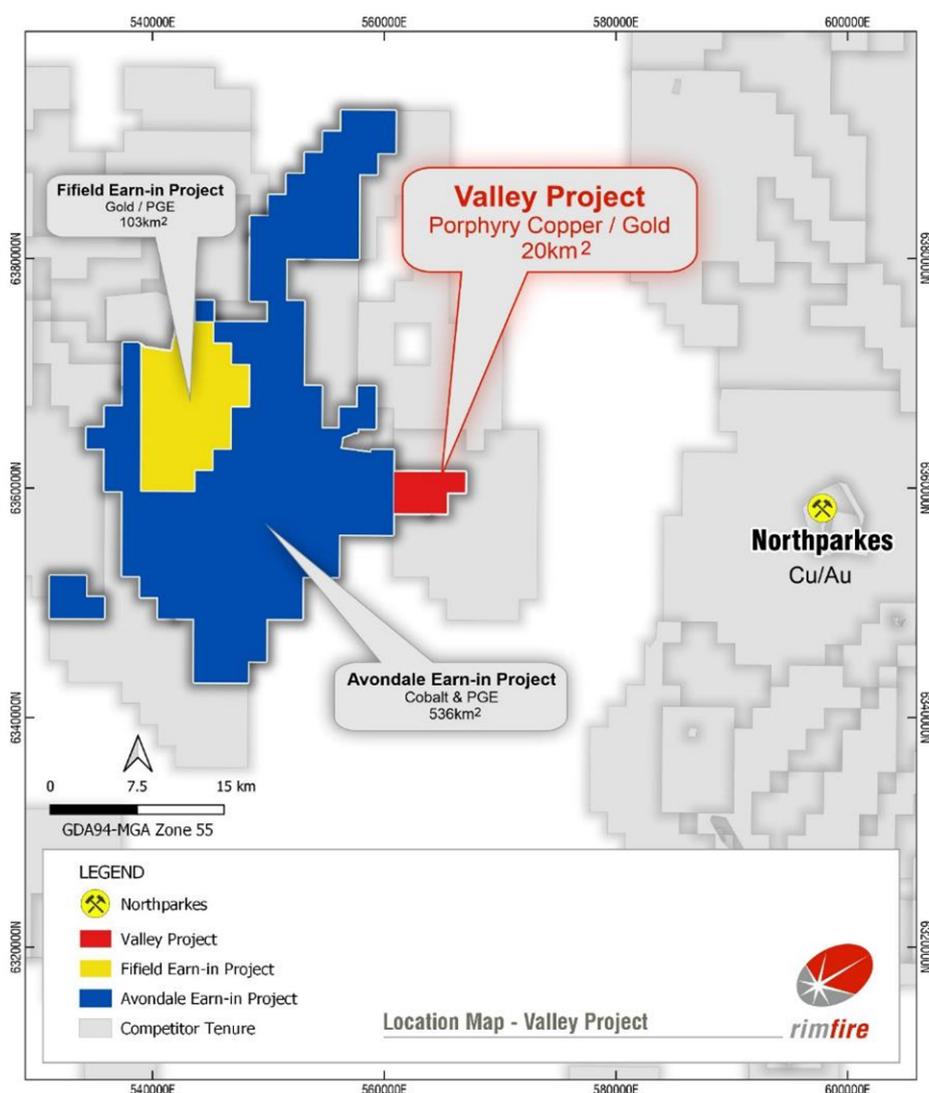
Valley Project – Copper / Gold, RIM (100%)

At the Valley, Rimfire is targeting porphyry style copper - gold mineralisation within Ordovician age volcanic rocks similar to the nearby major Northparkes porphyry copper – gold mine (Figure 1). A deep diamond drill hole completed by Rimfire in 2021 intersected strongly epidote-chlorite altered volcanoclastic rock which are interpreted as being Ordovician ([ASX Announcement: Valley Results Nearby Porphyry System 27 July 2021](#)).

The Valley Prospect had been largely unexplored beyond surface mapping and sampling by Rimfire or past explorers until last year, so Rimfire's favourable geological observations and funding support from NSW Government to undertake further deep drilling bode well for the next phase of the program to vector into the source of a mineralised system.

Primary activity during the period involved work program planning and obtaining approvals for aircore, RC and diamond drilling programs that are planned to be undertaken in 2022.

Figure 1: Location Plan of major Lachlan Fold Belt Projects



Fifeild Project Earn-in (FPEI) – Gold / Platinum, GPR earning up to 50.1%

Sorpresa Development Update – Gold (FPEI)

Metallurgical samples for the Sorpresa Development Project are undergoing testing to assist in confirming gold and silver recoveries for various ore types and process plant design configurations. Once this data is available, the company will be able to confirm proposed mine design layout and process plant configuration which will form part of the Environmental Impact Assessment (EIA) that is required to obtain the Development Consent from NSW Government Authorities for the Sorpresa Project.

Transit – Gold (FPEI)

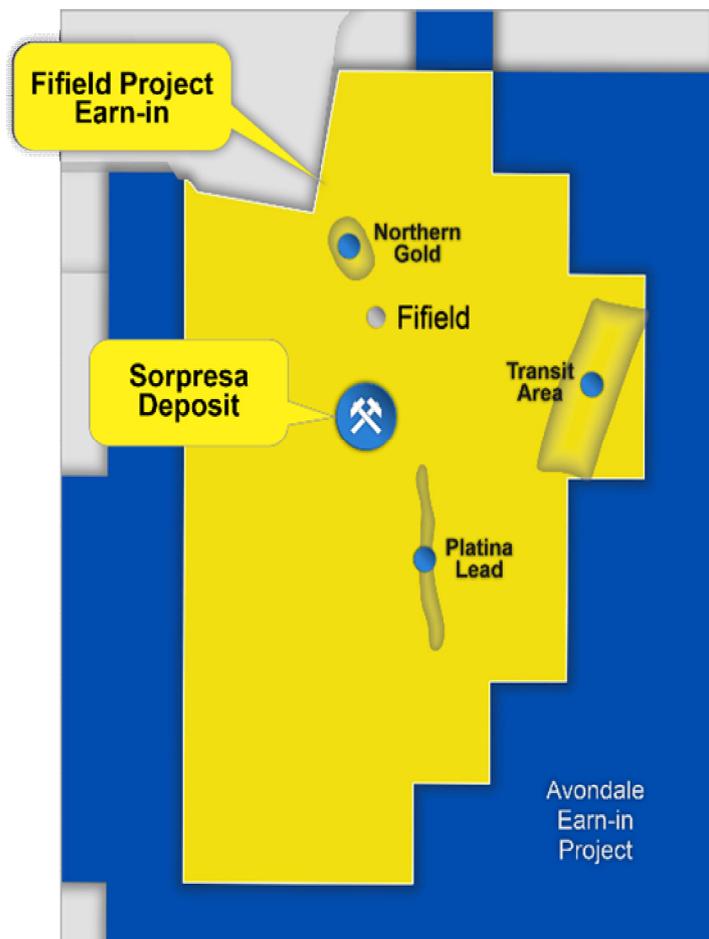
The Transit prospect (Figure 2) is located 4km to the east of Sorpresa where 2021 drill programs tested for deeper extensions of gold mineralisation to a downhole depth of 156.6m ([ASX Announcement: Fifeild Project Intercept, 8 July 2021](#)). The hole (Fi2080) returned an intercept of 86m at average grade of 0.63g/t Au from 21m downhole depth including:

- 9m @ 1.72g/t Au from 21m
- 4m @ 1.48g/t Au from 98m

The focus of Company during the half year was to start a RC drilling program to test for extensions of gold mineralisation along strike of previously intersected mineralisation along the interpreted structural trend. In

December 2021 the Company completed 2 RC holes totalling 312 metres, with the remaining 4 holes drilled in January 2022, with assay results expected in March 2022. An aircore drilling program will also be undertaken in January 2022, with assay results expected in April 2022.

Figure 2: Transit and Platina Lead Locality Map



Platina Lead – Platinum (FPEI)

The Platina Lead is a historic source of coarse grained (can be manually panned using gravity separation methods) platinum and gold that commenced production in the 1880's and continued into the early 1900's. The Platina Lead and other Leads in the area remain Australia's largest dedicated area for platinum production.

During the half-year, a large diameter auger ("bucket") drill program was undertaken at the Platina Lead to determine whether any remnant platinum and gold mineralisation exists within the areas of previous mining. A specialised drill rig completed a 12 hole program, totaling 191 metres to obtain samples from the bedrock zone in a shallow alluvial channel that is part of an ancient stranded paleochannel that is now in the middle of open grazing and cropping land (Figure 3). As the samples are coarse grained they will be processed using gravity separation techniques and then the gravity concentrate analysed to quantify content of platinum group elements (PGE's) of Osmium (Os), Iridium (Ir), Ruthenium (Ru), Rhodium (Rh) and Palladium (Pd), gold and other materials. This work is expected to happen in Q2 CY2022.

Figure 3: Platina Lead Drilling



Avondale Project Earn-in – Cobalt / Platinum / PGE’s, GPR earning up to 75%

At the Currajong cobalt prospect the company finalised all necessary work to enable it to start an aircore drilling program of up to 80 holes totalling 2,400 metres to assess extent and thickness of cobalt in laterite profile. It is anticipated the program will commence in the third quarter of FY22.

All approvals and planning were completed for a soil sample program at the Kars platinum prospect and aircore drilling programs at Kara Kara and Melrose, which will commence in the third quarter FY22.

Green View Project – Cobalt, RIM 100%

Rimfire reached agreement with Perilya for the return of 25 out of 27 blocks from the Windy Ridge Joint Venture over Rimfire’s EL 5958 at Broken Hill ([ASX Announcement: Green View Cobalt Project Secured - 9 Sept 2021](#)). The returned blocks are referred to as the Green View Cobalt Project.

Primary activity for the period involved reconnaissance site visits including interactions with local landholders and service companies that would support work in the area. The company is continuing to develop work plans for this project including obtaining approvals from landholders and government authorities for field activities.

Cowal Project – Copper / Gold, RIM 100%

There was no field work undertaken during the past six months on the Cowal gold project. Primary activity involved visiting local landholders to obtain approvals for field activities and understand suitable timing of field work programs.

Tenement Position

There has also been ongoing routine submittal of various compliance reports including Annual Technical Reports (under IMER standards) to NSW Department of Planning, Industry and Environment – Resources and Geoscience to meet government compliance requirements for Rimfire’s Exploration Licences and M(c)L’s.

The Company continues to maintain its tenements in the Fifield area covering an area of 915km². The Company during the Half Year reached agreement with Perilya for the return of 25 out of 27 blocks from the Windy Ridge Joint Venture over Rimfire’s EL 5958 at Broken Hill ([ASX Announcement: Green View Cobalt Project Secured - 9 Sept 2021](#)). The returned blocks are referred to as the Green View Cobalt Project. The Company still maintains its tenement interest in the remaining 2 blocks with Perilya as operator under the Windy Ridge Joint Venture.

CORPORATE ACTIVITIES

Management Changes

There have been no changes to the Company's management during the half-year. Subsequent to the end of the half-year, Craig Riley (CEO and Managing Director) announced his resignation and a transition plan has been enacted by the Company since 7 February 2022, which includes David Hutton, Non-Executive Director now engaged as an Executive Director during this transition period.

Annual General Meeting

During the half-year, the Company, held its Annual General Meeting with all resolutions being passed, including the change of company type, change of Company name to Rimfire Pacific Mining Limited and new Company constitution being adopted.

Cash, Funding and Capital Structure

At 31 December 2021, the Company had access to \$1.32M in cash, made up of \$0.77M held by RIM and \$0.55M in Earn-in funds received from Earn-in partner less payments made during the Quarter on exploration work which is held separately for exploration work on the Earn-ins.

As at 31 December 2021 the capital structure of the company was:

- Fully Paid Ordinary Shares (RIM) 1,806,244,735,
- Unlisted Options 15,000,000.

COMPETENT PERSONS DECLARATION

Competent Persons Declaration – Exploration Results

The information in the report to which this statement is attached that relates to Exploration and Resource Results is based on information reviewed and/or compiled by Craig Riley who is deemed to be a Competent Person and is a Member of The Australasian Institute of Mining and Metallurgy.

Mr Riley has over 25 years' experience in the mineral and mining industry. Mr Riley is employed by Rimfire Pacific Mining (RIM) and is an employee of the Company. Craig Riley has sufficient experience that is relevant to the style of mineralisation and type of deposits 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'. Craig Riley consents to the inclusion of the matters based on the information in the form and context in which it appears.

EVENTS SUBSEQUENT TO THE END OF THE HALF YEAR

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to evolve and is dependent on measures imposed by the Australian and State Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Subsequent to the end of the half-year the Company made an exploration licence application (ELA 6426), which abuts the southern boundary of EL 8804.

Craig Riley (CEO and Managing Director) announced his resignation and a transition plan (7 February, 2022) has been enacted by the Company which includes David Hutton, Non-Executive Director now engaged as an Executive Director during the transition period.

There was also an issue of 40m unlisted options at \$0.0125 per option with various vesting dates, under the shareholder approved employee share scheme to management and senior staff members.

GPR confirmed their commitment to the second year of the Avondale Project Earn-in, and will be required to spend \$1.5M during the second year of the Avondale Earn In (to earn an initial 40% interest) which follows their first-year requirement of \$1M.

There are no other matters or circumstances arisen since 31 December 2021, which has significantly affected, or may significantly affect the operations of the consolidated entity, the result of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

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 9.



Ian McCubbing
Chairman

Dated in Melbourne, 16 March 2022

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Rimfire Pacific Mining Limited and its controlled entities for the half year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



R J MORILLO MALDONADO
Partner

Dated: 16 March 2022
Melbourne, Victoria

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	Consolidated Entity	
		31-Dec-21	31-Dec-20
		\$	\$
Revenue from continuing operations	2	4,891	350,321
Expenses:			
Employee benefits expense		(198,215)	(183,305)
Non-executive directors' fees		(93,049)	(75,000)
Professional costs		(123,181)	(76,301)
Occupancy costs		(1,108)	(1,178)
Marketing expense		(23,350)	(16,502)
Depreciation		(29,301)	(14,164)
Insurance		(11,639)	(3,966)
Share-based payment expense		(1,330)	(21,755)
Share registry and listing expenses		(50,949)	(50,416)
Other administration expenses		(16,246)	(74,266)
Loss before income tax		(543,477)	(166,532)
Income tax benefit		-	-
Loss after income tax		(543,477)	(166,532)
Other comprehensive income		-	-
Total comprehensive loss for the year		(543,477)	(166,532)
Loss per share for the year attributable to the members of Rimfire Pacific Mining NL			
Basic loss per share (cents per share)	8	(0.03)	(0.01)
Diluted loss per share (cents per share)	8	(0.03)	(0.01)

The above Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	Consolidated Entity	
		31-Dec-21	30-Jun-21
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		774,484	1,567,471
Trade and other receivables		102,832	173,312
Financial asset	9	558,317	370,511
Other current assets		10,007	3,215
TOTAL CURRENT ASSETS		1,445,640	2,114,509
NON-CURRENT ASSETS			
Trade and other receivables		160,000	207,400
Property, plant and equipment	3	389,910	407,489
Right of use asset		3,901	9,752
Exploration and evaluation costs	4	14,792,628	14,623,370
TOTAL NON-CURRENT ASSETS		15,346,439	15,248,011
TOTAL ASSETS		16,792,079	17,362,520
CURRENT LIABILITIES			
Trade and other payables	6	246,946	322,443
Provisions		76,742	88,178
Contract liability	9	477,561	412,273
Lease Liability		3,114	9,227
TOTAL CURRENT LIABILITIES		804,363	832,121
NON-CURRENT LIABILITIES			
Provisions		13,548	14,084
TOTAL NON-CURRENT LIABILITIES		13,548	14,084
TOTAL LIABILITIES		817,911	846,205
NET ASSETS		15,974,168	16,516,315
EQUITY			
Contributed equity	5	35,156,698	35,156,698
Reserves		13,678	12,348
Accumulated losses		(19,196,208)	(18,652,731)
TOTAL EQUITY		15,974,168	16,516,315

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

Consolidated Entity	Contributed Equity	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2021	35,156,698	12,348	(18,652,731)	16,516,315
Profit after income tax expense for the half-year	-	-	(543,477)	(543,477)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(543,477)	(543,477)
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued during the year	-	-	-	-
Share-based payment	-	1,330	-	1,330
Transaction costs related to share issues	-	-	-	-
Balance at 31 December 2021	35,156,698	13,678	(19,196,208)	15,974,168
Balance at 1 July 2020	32,575,943	110,702	(18,279,028)	14,407,617
Profit after income tax expense for the half-year	-	-	(166,532)	(166,532)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(166,532)	(166,532)
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued during the year	2,690,130	(75,130)	-	2,615,000
Share-based payment	-	3,455	18,300	21,755
Transaction costs related to share issues	(109,375)	-	-	(109,375)
Balance at 31 December 2020	35,156,698	39,027	(18,427,260)	16,768,465

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	Consolidated Entity	
		31-Dec-21	31-Dec-20
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(587,271)	(618,517)
Receipts from administration fee charged to GPR Earn-in		-	330,000
Interest received		56	321
Government grants and tax incentives		-	50,000
Net cash used in operating activities		<u>(587,215)</u>	<u>(238,196)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for mining tenement exploration		(562,098)	(526,894)
Reimbursements of exploration expenditure charged to GPR Earn-in		362,580	134,979
Purchase of property, plant and equipment		-	(59,388)
Proceeds from sale of property, plant and equipment		-	-
Net cash used in investing activities		<u>(199,519)</u>	<u>(451,303)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	2,615,000
Transaction costs associated with share issues		-	(113,425)
Repayment of lease liability		(6,254)	(5,637)
Net cash (used in) / provided by financing activities		<u>(6,254)</u>	<u>2,495,938</u>
Net Increase in cash held		(792,987)	1,806,439
Cash at beginning of the period		1,567,471	310,794
Cash at end of the period		<u>774,484</u>	<u>2,117,233</u>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

SIGNIFICANT ACCOUNTING POLICIES

Note 1 Basis of Preparation and Statement of Compliance

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* (“AASB 134”). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half year report does not include all the notes normally included in an annual financial report and should be read in all the with the most recent financial report.

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 company’s 2021 annual financial report for the financial year ended 30 June 2021, unless otherwise stated. The accounting policies are consistent with Australian Accounting Standards and International Financial Reporting Standards.

The financial statements were authorised for issue on 16 March 2022.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and are effective for the current financial reporting period, being the half year end 31 December 2021.

The adoption of the amendments and interpretation have not resulted in any changes to the consolidated entity’s accounting policies and has no effect on the amounts reported for the current or prior periods.

Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the consolidated entity for the half-year ending 31 December 2021. Management is in the process of assessing the impact of the adoption of these standards and interpretations on the consolidated entity.

Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. It is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income is presented as a credit in profit or loss, under “Revenue from continuing operations”.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$543,477 and had net cash outflows from operating activities of \$587,215, for the half-year ended 31 December 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The Fifield Project Earn-in is in its second year of the Agreement, with \$3,240,000 being committed by the Earn-in Partner to the end of Year 2 (May 2022) of the Agreement, \$2,340,000 has been received by the end of the half-year;
- The Avondale Project Earn-in is progressing through it's first year, with \$2,500,000 being committed by the Earn-in Partner through to the end of Year 2 (June 2023) of the Agreement, \$250,000 has been received by the end of the half-year;
- If necessary, the Directors also have the ability to defer or reduce operating activities and exploration expenditure whilst meeting minimum tenement expenditure commitments; and,
- With a successful track record of raising funds over the years, the Directors believe they are able to raise funds when required.

2. REVENUE FROM CONTINUING OPERATIONS

	31-Dec-21	31-Dec-20
	\$	\$
Interest income	56	321
Sundry income	4,835	-
GPR Earn-In administration fee	-	300,000
ATO Stimulus Package	-	50,000
Total revenue from continuing operations	<u>4,891</u>	<u>350,321</u>

3. PROPERTY, PLANT AND EQUIPMENT

	31-Dec-21	30-Jun-21
	\$	\$
PROPERTY		
Freehold land		
At cost	226,834	226,834
Total land	<u>226,834</u>	<u>226,834</u>
PLANT AND EQUIPMENT		
At cost	564,611	558,670
Accumulated depreciation	(401,535)	(378,015)
	<u>163,076</u>	<u>180,655</u>
Total Property, Plant and Equipment	<u>389,910</u>	<u>407,489</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

4. EXPLORATION AND EVALUATION COSTS

	31-Dec-21	30-Jun-21
	\$	\$
Opening balance	14,623,370	13,904,467
Additional expenditure	578,970	1,637,749
Reimbursed exploration expenditure	(409,712)	(918,846)
Closing balance	<u>14,792,628</u>	<u>14,623,370</u>

5. CONTRIBUTED EQUITY

	Half-Year Ended 31-Dec-21	Year Ended 30-Jun-21	Half-Year Ended 31-Dec-21	Year Ended 30-Jun-21
	Number of Securities No.		Value of Securities \$	
<u>Issued Shares</u>				
Fully paid ordinary shares	1,806,244,735	1,584,571,527	35,156,698	32,575,943
Ordinary shares on issue at beginning of period				
<u>Movements during the period</u>				
Shares issued				
29 September 2020		168,000,000		2,100,000
28 October 2020		40,000,000		500,000
20 November 2020		13,673,208		90,130
Transaction costs relating to issues			-	109,375
Shares on issue at end of period	<u>1,806,244,735</u>	<u>1,806,244,735</u>	<u>35,156,698</u>	<u>35,156,698</u>

Unlisted Options

At the date of this report there were 15,000,000 unissued shares under option at various issue prices and vesting dates subject to vesting conditions.

6. TRADE AND OTHER PAYABLES

	31-Dec-21	30-Jun-21
	\$	\$
Trade creditors	178,279	170,291
Sundry creditors and accrued expenses	95,319	98,035
Net GST (refundable) / collected	(26,652)	54,117
Total trade and other payables	<u>246,946</u>	<u>322,443</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

7. 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.

8. EARNINGS PER SHARE

		Consolidated Entity	
		31-Dec-21	31-Dec-20
		\$	\$
a.	Reconciliation of Earnings to Loss		
	Loss used in the calculation of basic EPS	(543,477)	(166,532)
	Loss used in the calculation of dilutive EPS	(543,477)	(166,532)
b.	Weighted average number of ordinary shares outstanding during the half year used in calculation of basic EPS	1,806,244,735	1,687,001,044
	Potential ordinary shares	-	-
	Weighted average number of ordinary shares outstanding during the half year used in calculation of dilutive EPS	1,806,244,735	1,687,001,044
c.	Classification of securities		
	Share options are anti-dilutive and securities have not been classed as potential ordinary shares and are not included in the determination of dilutive EPS.	-	-
d.	Ordinary shares issued between reporting date and time of completion of the financial report	-	-
	Basic loss per share (cents per share)	(0.03)	(0.01)
	Diluted loss per share (cents per share)	(0.03)	(0.01)

9. FINANCIAL ASSET & CONTRACT LIABILITY

Under the Fifield Project and Avondale Project Earn-in's, exploration expenditure is provided in advance and held separately to Rimfire's operating bank accounts and used to pay expenditure for activity conducted within the relevant Earn-in Area as it is incurred.

10. EXPLORATION AND MINING LEASE COMMITMENTS

The consolidated entity is committed to capital expenditure on its various exploration and mining licences and leases as follows:

	31-Dec-21	30-Jun-21
	\$	\$
Payable		
- Not later than 1 year	751,000	484,438
- Later than 1 year but not later than 5 years	1,141,000	629,000
	1,892,000	1,113,438

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

11. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There have been no changes of a material nature in contingent liabilities or assets since the last annual reporting date.

12. COMPANY CHANGE

During the half-year at the Annual General Meeting the company changed its type and name from Rimfire Pacific Mining N.L. to Rimfire Pacific Mining Limited.

During the half-year, the Company incorporated two fully owned subsidiaries for the Fifield and Avondale Projects namely;

- Rimfire Sales Agent Fifield Project Pty Ltd (ABN 96 652 551 150), and
- Rimfire Sales Agent Avondale Project Pty Ltd (ABN 26 652 550 420).

During the half-year there was no activity within these new subsidiaries.

13. EVENTS SUBSEQUENT TO THE END OF HALF YEAR

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to evolve and is dependent on measures imposed by the Australian and State Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Subsequent to the end of the half-year the Company made an exploration licence application (ELA 6426), which abuts the southern boundary of EL 8804, in the southern area of the Lachlan Fold Belt, NSW.

Craig Riley the CEO and Managing Director resigned subsequent to the end of the half-year and the Company has put in place a Leadership Transition plan on 7 February 2022.

Subsequent to the end of the half-year there was also an issue of 40m unlisted options at \$0.0125 per option with various vesting dates, under the shareholder approved employee share scheme to management and senior staff members.

GPR confirmed their commitment to the second year of the Avondale Project Earn-in, and will be required to spend \$1.5M during the second year of the Avondale Earn In (to earn an initial 40% interest) which follows their first-year requirement of \$1M.

There are no other matters or circumstances arisen since 31 December 2021, which has significantly affected, or may significantly affect the operations of the consolidated entity, the result of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

DIRECTORS' DECLARATION

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

- (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 2021 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



Ian McCubbing
Chairman

Dated in Melbourne, 16 March 2022

RSM Australia Partners

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INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of Rimfire Pacific Mining Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Rimfire Pacific Mining Limited ('the Company') and its controlled entities (together 'the consolidated entity') which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 Limited 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 2021 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*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ('ASRE 2410'). Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Rimfire Pacific Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors' for the Financial Report

The directors of the Rimfire Pacific Mining Limited 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 for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2021 and of 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*.

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.



RSM AUSTRALIA PARTNERS



R J MORILLO MALDONADO
Partner

Dated: 16 March 2022
Melbourne, Victoria

CORPORATE DIRECTORY

Directors: Ian McCubbing (Non-Executive Chairman)
David Hutton (Executive Director)
Andrew Knox (Non-Executive Director)
Misha Collins (Non-Executive Director)
Craig Riley (Managing Director and CEO)

Company Secretary: Stefan Ross

Registered Office: Suite 142, 1 Queens Road
Melbourne VIC 3004

Auditors: RSM Australia Partners
Level 21
55 Collins Street
Melbourne VIC 3000

Company Lawyers: Lennox Group Pty Ltd
8 Chapel Street
Cremorne VIC 3121

Share Registry: Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston St
Abbotsford VIC 3067
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Bankers: Westpac Banking Corporation
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Melbourne VIC 3000

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ASX Code: [RIM](#)

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