

## SEPTEMBER QUARTER EXPLORATION AND ACTIVITIES REPORT

### Positive RC Drill Program Results and Aircore Drilling Phase 2 Starts at Fifield NSW

Rimfire Pacific Mining NL (ASX: RIM) (“Rimfire” or “The Company”) is pleased to provide a summary of activities for the September 2017 quarter at Fifield NSW conducted jointly by the earn-in partners New Gold Inc. (TSX/NYSE: NGD) and Rimfire.

#### **Highlights – Field Program Initiatives at Fifield NSW (includes Figures 1 to 5)**

- ❑ **First pass drilling was completed on five initial target areas, full results reported post quarter**
  - A total of 15 holes (3061m) were completed in five target locations, using a combination of Reverse Circulation (RC) and Diamond Core (DD) drilling. A majority of holes were drilled at the Transit prospect.
  - Drill intersections above 10gram-meter gold or anomalous copper above 1,000ppm were reported:

Hole	Location	Main Intersection(s) #1	Including Intersection(s) #2
Fi0808	Transit	44m @ 0.63g/t Au from 36m	20m @ 1.11g/t Au from 48m
Fi0807	Transit	36m @ 0.64g/t Au from 0m	4m @ 2.32g/t Au from 12m and 2m @ 1.2g/t Au from 20m
Fi0810	Transit	30m @ 0.61g/t Au from 22m	6m @ 1.65g/t Au from 32m
Fi0624	Moonrise	2m @ 5.58g/t Au from 88m	
Fi0813	Transit	8m @ 0.13% Cu & 65 ppm Mo	2m @ 0.47% Cu & 131 ppm Mo

- ❑ **Shear hosted gold mineralisation at shallow depths is indicated at Transit by the drill intercepts**
  - Evidence is also suggestive of multiple shear zones (yet to be tested) operating at Transit. This provides significant upside to the current intersections, which remain open in all directions
- ❑ **The Transit results also suggest a larger (possible deeper buried porphyry) system as the source of both the shear hosted gold and potentially the centrally located copper- molybdenum results**
- ❑ **A second phase Aircore/auger drill program was designed and has now commenced**
  - Initially the new Aircore program will focus on two areas, the **Greater Transit prospect area**, and the **Fortuna Gold anomaly area**. Additional areas are being considered for inclusion in the program
  - This program provides infill drilling to the phase one Aircore program completed in the June Quarter
- ❑ **Further metallurgical test work was completed on the Sorpresa gold and silver resource**
  - A focus was on gravity recoveries, particularly the silver component at Roadside area, with interpretation still ongoing, with more follow up work expected
- ❑ **Geological and structural understanding was significantly increased in the key areas of interest (North and East of Sorpresa) through a variety of work program inputs**
  - Regional surface mapping, prospecting assessment and concept generation continued

**CEO and Managing Director, John Kaminsky commented on the positive progress in the Quarter:**



“We have again achieved solid performance in this quarter, with some very encouraging results in the recent drilling at Transit gold prospect, in particular.

“The combined efforts of the separate work programs of both Rimfire and New Gold Inc. are creating the opportunities for the next round of discoveries at Fifield. The Aircore Phase Two drill program that is now underway quickly builds upon the earlier key exploration initiatives performed during the year.

“The Fortuna 1km<sup>2</sup> gold anomaly will now have a greater focus, along with immediate followup on the greater Transit area through the Aircore Phase Two program. We are also examining the possibility of additional RC drilling within 2017.



“The development of new potential mineralised areas has occurred in the quarter through the continued extensive prospecting, sampling and mapping. **These areas include the Northern View prospect with its cobalt, manganese and gold signature, and the Steeton epithermal/porphyry prospect, with its gold and copper potential.**

“Rimfire and New Gold continue to pursue the discovery strategy within the Fifield region as outlined for 2017 ([Hyperlink: ASX Announcement 22 February 2017 - Discovery Strategy Outline with Work Programs Commenced](#)).”

### **Highlights in the Quarter – Rimfire Corporate** (with hyperlinks)

- ❑ **The cash position at 30 September was \$1.886m, with additional cash due of \$0.169m from New Gold Inc. (under the earn-in agreement)**
- ❑ **Andrew Greville was appointed as a new [Non-Executive Director](#), Graham Billingham to retire at the 2017 AGM**
- ❑ **The [AGM for the Company](#) date was finalized for 24<sup>th</sup> November 2017**
- ❑ **The Company released an [Investor Presentation data package](#) to an interested European audience**
- ❑ **[New Gold Inc. provided their updated market presentation, which included reference to the Rimfire partnership at Fifield \(slide 12\)](#)**
- ❑ **[An analyst update was provided on the Company](#), through Share Café, Gavin Wendt (of Minelife)**
- ❑ **Long Term Incentive (LTI) options were issued to Rimfire personnel**

#### **CEO and Managing Director, John Kaminsky further commented:**

“The Rimfire Board has been further enhanced with the appointment of Andrew Greville, who brings extensive senior resource experience to the Company. Graham Billingham will retire from the Board at the AGM, after a considerable contribution to the Company over many years.

“The Company maintains a solid financial foundation, enhanced through the structure of the earn-in arrangement with New Gold Inc. The partnership allows Rimfire a high level of flexibility and engagement in its contributions to the Fifield project, to pursue Rimfire’s own discovery concepts in parallel with New Gold Inc. This is a unique feature in this earn-in agreement and means there is no downside to the partnership for Rimfire.



“The deal structure also maximises incentives for both Rimfire and New Gold Inc. to continue to unlock the value of the project area at Fifield. It was noteworthy that Fifield project was included as a potential growth component within the New Gold Inc. corporate presentation given in October.

#### **More details on the positive Transit RC Drilling results**

The Transit drilling results have advanced the mineralisation potential at this location and the surrounds. Located 4km East of Sorpresa, it demonstrates the Fifield area has the capacity to host additional discoveries. A larger porphyry related mineralising system operating at depth remains a discovery possibility.

In the context of the limited drilling that occurred at Transit prospect to date (8 holes in this program over a strike of 500m), a number of observations enhance the relative performance of this drill program.

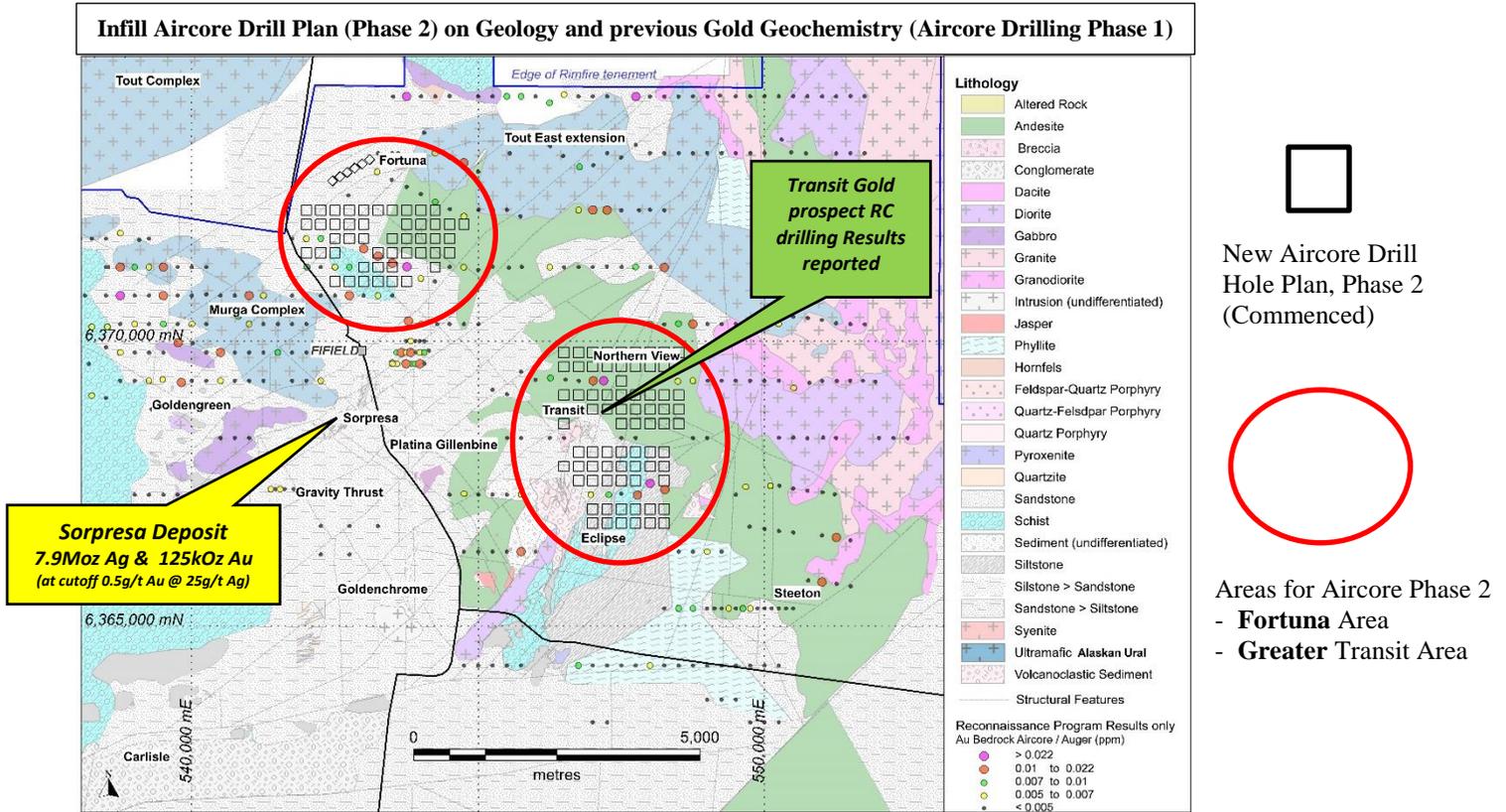
- ❑ An excellent mineralisation hit rate in the drill holes was achieved
- ❑ Transit sits at the intersection of a set of structural corridors, and could be part of larger mineralised trends
- ❑ The geology at Transit has some similarities with the Sorpresa system, with its carbonaceous characteristics
- ❑ At 44m, Hole Fi0808 is the thickest gold intersection encountered anywhere at Fifield, surpassing Sorpresa

These drill results together with the recent surface mapping activities and the previously completed Aircore drilling (Phase 1) geochemistry, is providing strong support for favourable structural locations, including the greater Transit prospect area.

This is generating significant insights for new gold target positions at Fifield, particularly to the East and North of the Sorpresa discovery.

Aircore Drilling Phase 2 has commenced at Greater Transit and Fortuna prospect areas

The recent RC/Diamond drilling program provides impetus for the next Aircore drilling program (Phase 2) which focused on the Transit area and its surrounds, as well as the Fortuna anomalous gold area.



**Figure 1**

This expanded infill drilling has commenced as a priority, and it is anticipated that new targets will be generated from this drilling and the associated supplementary field work.

Plans for additional RC drilling will also be advanced, as many new target concepts have emerged from the geologic and structural mapping, and geochemistry work conducted at Fifield in recent months.

New prospects also include the Steeton area (epithermal/porphyry) and Northern View, which has a gold, cobalt and manganese signature in surface sampling and mapping.

More details will be provided on the work programs undertaken in the next quarter and the concepts being reviewed.



## **COMMODITY PRICING FOR THE SEPTEMBER 2017 QUARTER**

As at 27<sup>th</sup> October 2017, precious metal prices remained similar to the previous the quarter. Prices quoted [www.kitco.com](http://www.kitco.com), in New York based on closing Ask in USD).

	Price (Ask) 27 October 2017
Gold	USD\$1270/oz
Silver	USD\$16.84/oz
Platinum	USD\$940/oz

## **CORPORATE ACTIVITIES**

### **Cash, Funding, Facilities and Investments**

As at 30<sup>th</sup> September 2017 the Company had \$1.886 million in cash. New Gold Inc. was due to reimburse an additional \$0.169m expenditure to the Company from the September Quarter period.

(Commencing 1<sup>st</sup> Quarter 2017, the Company has been receiving re-imburement for certain expenditures incurred as part of the earn-in agreement and the implementation of a services agreement with New Gold Inc.)

An application for Ausindustry R&D expenditure will be processed in the next quarter.

### ***Capital structure***

As at 30<sup>th</sup> October 2017 the capital structure of the Company was:

Fully paid ordinary shares	943,477,555
Options over ordinary shares	1,950,000

On 25<sup>th</sup> September 2017 the Company granted 1,950,000 unquoted options exercisable at \$0.0295 (2.95 cents) on or before 25 September 2020 subject to certain vesting conditions.

Subsequent to the end of the quarter, an additional 350,000 unquoted options were granted on the same terms.

### **Tenement Position**

The total area held by the Company remained unchanged at Fifield is 669 km<sup>2</sup>. (Figure 3)

The Company maintained its tenement interest in the Broken Hill area, with 78km<sup>2</sup> held with Perilya as operator.



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*Figures, Appendices, tables provided for reporting under JORC 2012 compliance*

Additional Figures and Location and maps	Pages 5~8
Company Background and Competent Authority Declaration	Pages 9~10

Figure 2: Fifield District Prospect Map – July-October 2017 Drilling locations – on geology and structure background

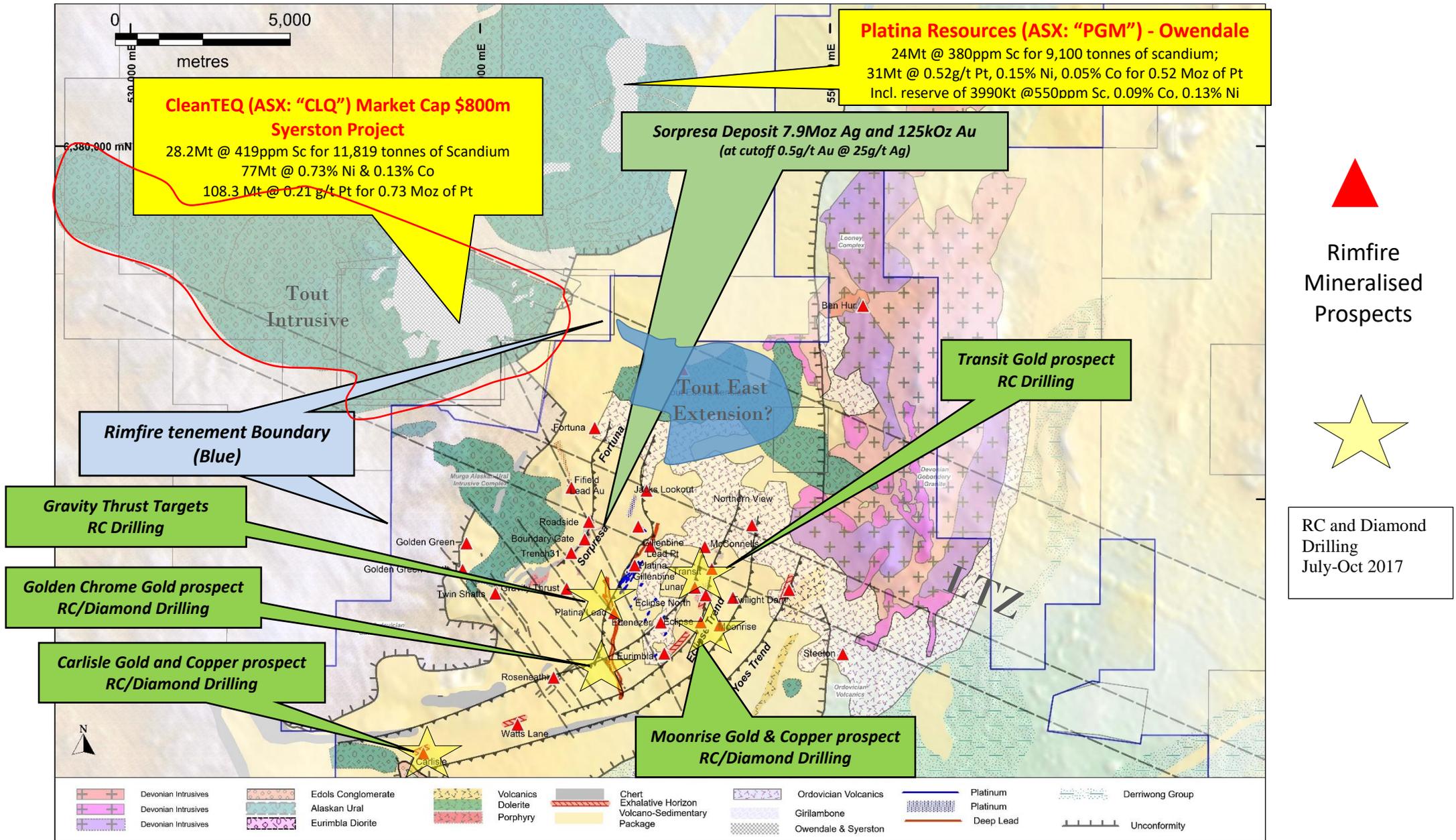


Figure 3: Drill Hole Location Plan with mapped geology, surface gold geochemistry & interpreted structure on 1VD Magnetic image Transit Prospect

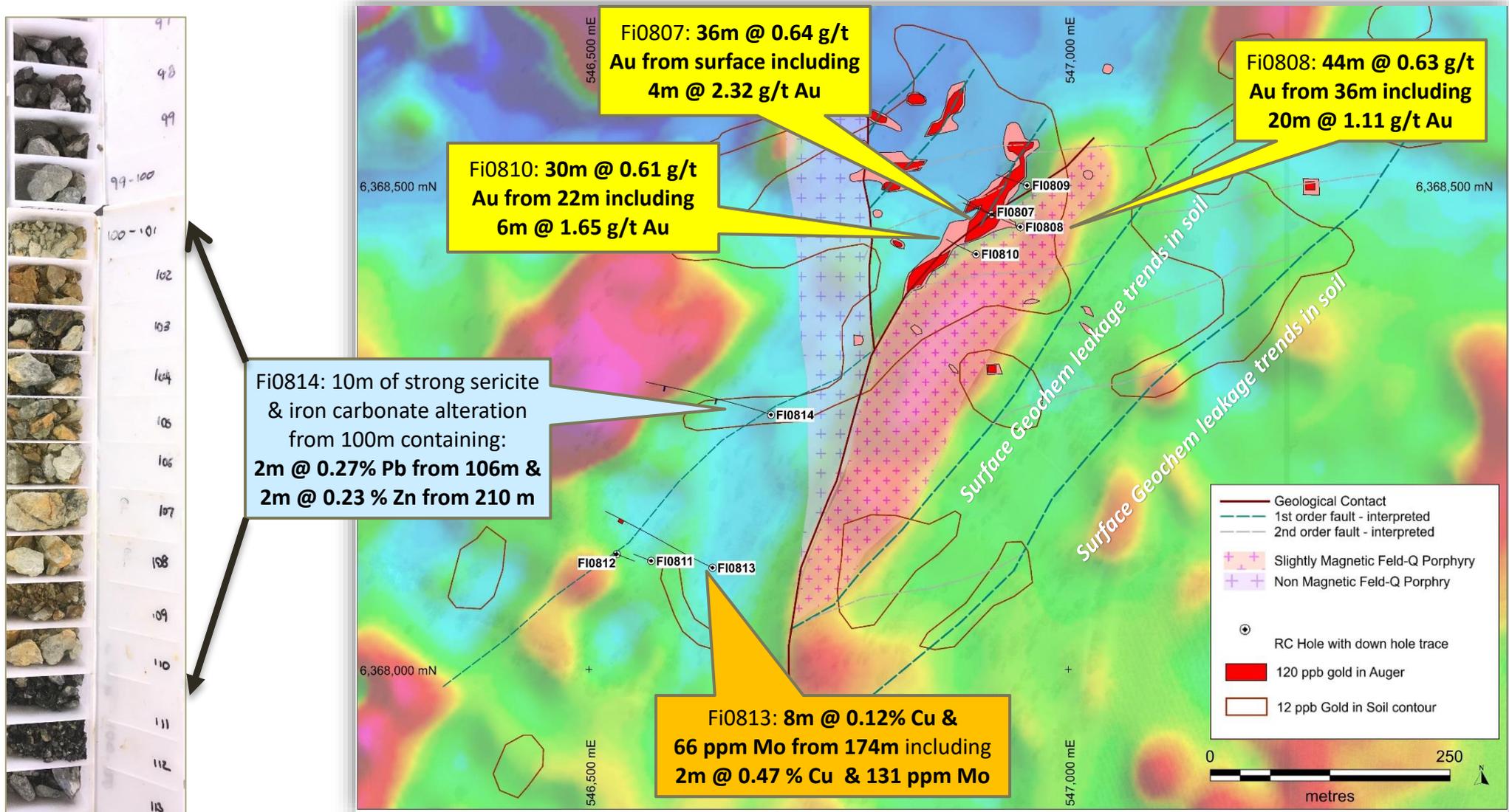


Figure 4: Section A – A' Holes Fi0807 and Fi0808 showing Gold intersections and Interpreted Direction at Transit Prospect

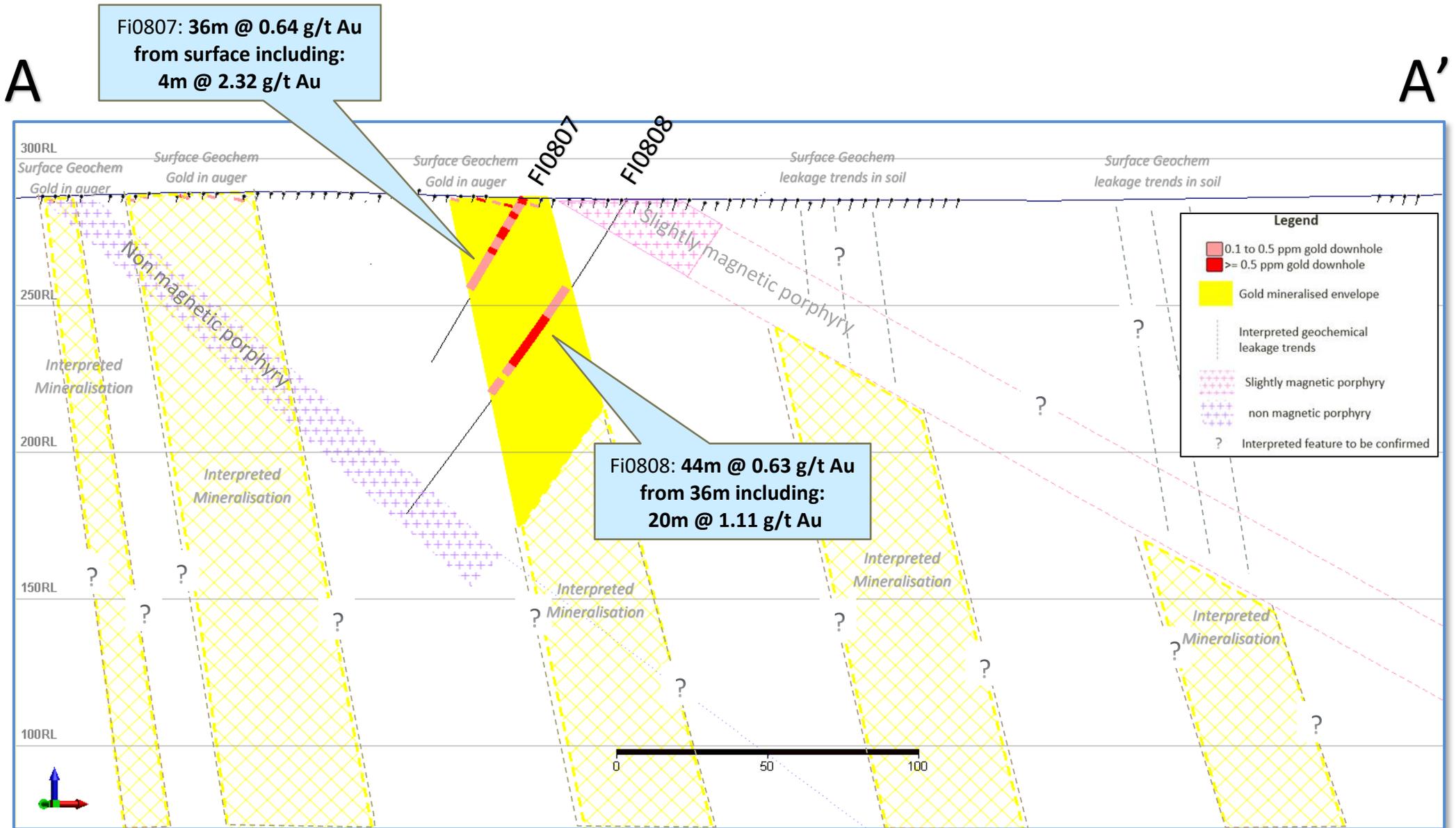
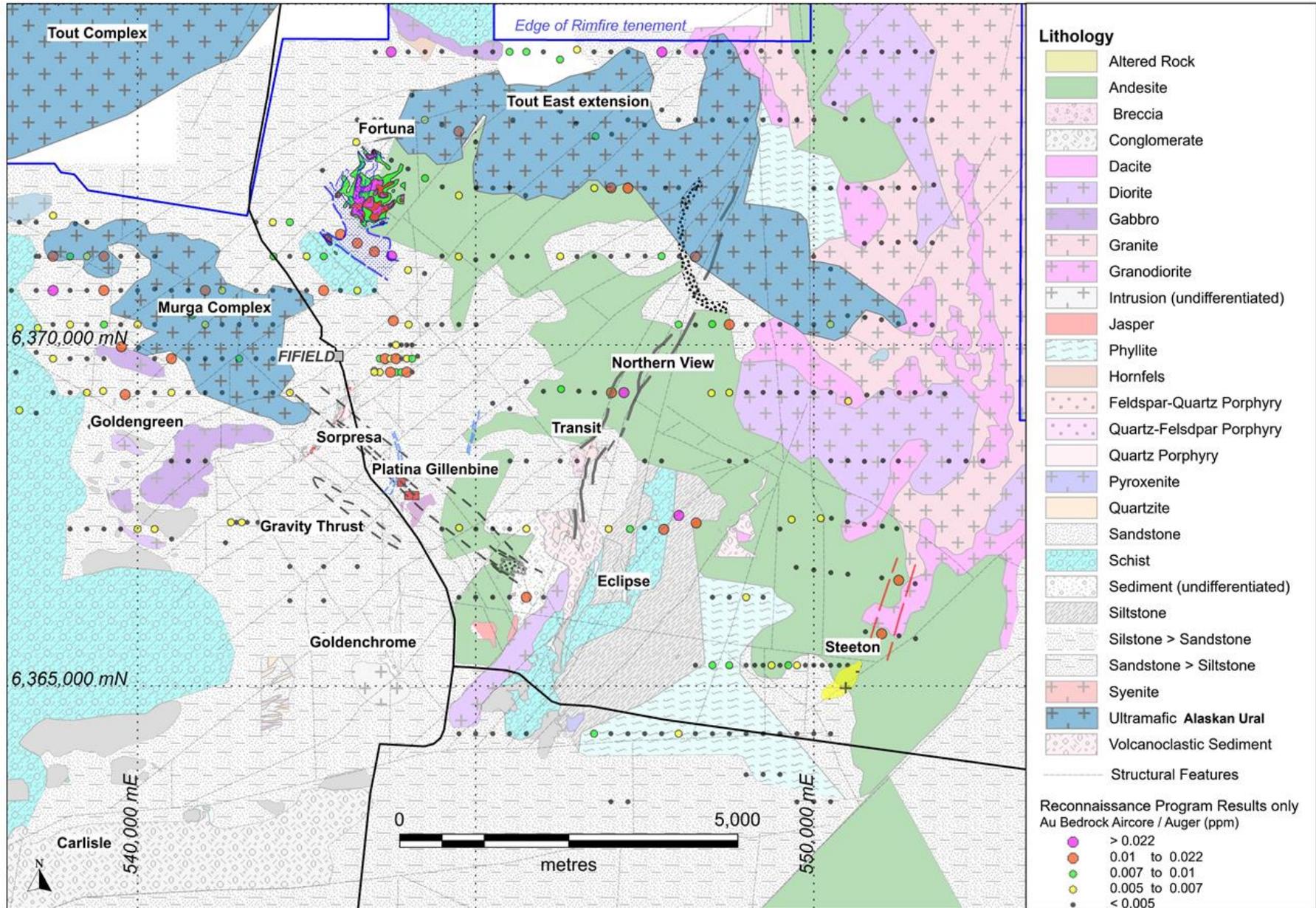


Figure 5: Prospect map on new Geology and Structure Interpretations at Fifield (Northern and Central Tenement Location)



## ABOUT RIMFIRE

Rimfire Pacific Mining is an ASX listed (code: RIM) resources exploration company that has its major focus at Fifield in central NSW, located within the Lachlan Transverse Zone (LTZ). In 2010~11 the Company made a greenfields gold and silver discovery, named "Sorpresa", announcing a JORC Compliant Inferred & Indicated Maiden resource in 2014.

The current main Sorpresa strike line containing gold and silver mineralisation is approximately 1.5km in length and is at various stages of further discovery growth assessment, including the larger 7km x 2km Sorpresa corridor.

Multiple prospects involving hard rock potential for Gold, Silver, Copper and Platinum have been established within a >6km radius of the Sorpresa discovery at Fifield, which is part of the contiguous 669km<sup>2</sup> tenement position held.

[Earn-in by New Gold Inc. \(website: New Gold Inc.\)](#)

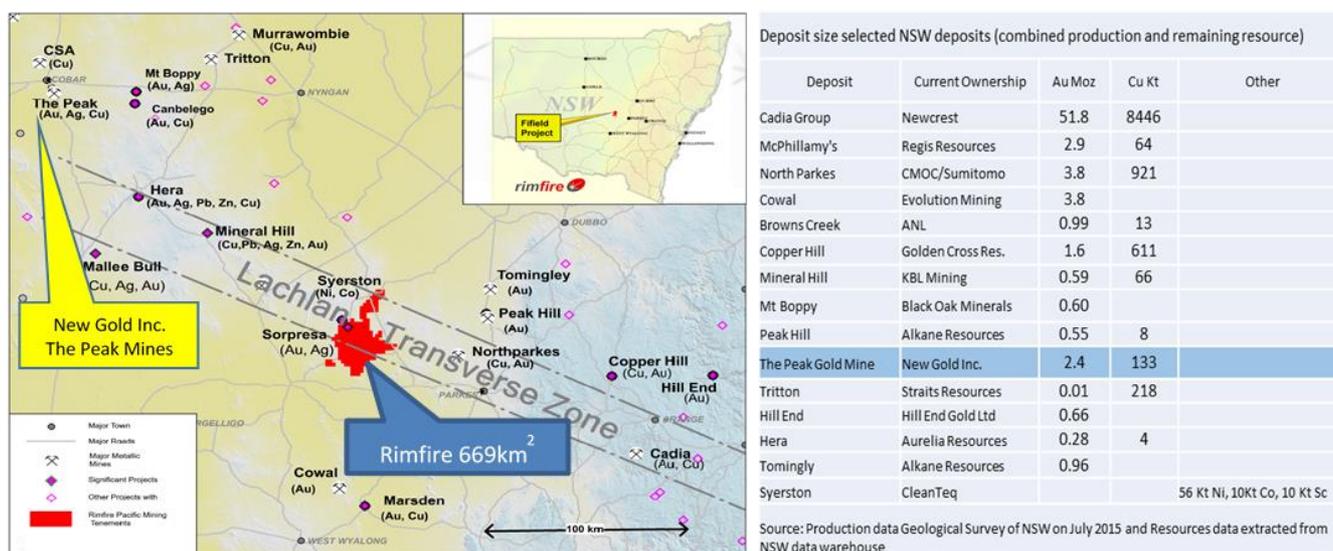
On 28<sup>th</sup> October 2016, Rimfire and New Gold Inc. (TSX/NYSE code: NGD) signed an [Earn-in Agreement](#) (ASX Release) under which New Gold Inc. has committed to spend A\$2 million during the first 12 month earn-in period (to 21 March 2018). Rimfire has direct discretionary control over \$300,000 (i.e.15%) of this expenditure.

New Gold Inc. may choose to spend more on the property (up to \$12 million in total, within 5 years) to earn up to a 70% interest in Rimfire's tenements in the Fifield district.

[Aspiration target in the wider Fifield District](#)

The discovery aspiration for the Fifield area is an aggregate discovery outcome in excess of 4 million ounces of gold equivalent metal, being capable of supporting a mine life in excess of 10 years, and within the lower third of industry costs of production.

### Location map of Rimfire Tenements within the LTZ, showing district project context from others



## Competent Persons 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/or 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 45 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 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'. Colin Plumridge has previously consented to the inclusion of the matters based on the information in the form and context in which it appears.

**Historic information and previously published material under 2004 JORC standard that is referenced in this report:**

The information provided both the historic results and in “About Rimfire Pacific Mining section” is available to view on the Company Website at hyperlink: [ASX Announcements](#). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.

In addition, the Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcements which operated under the 2004 JORC reporting requirements. Mr Colin Plumridge as a Competent Person consented to the inclusion in the original reports in the form and context in which each appeared, please refer to the Competent Persons declaration above for additional information.

**Table 1: Sorpresa Mineral Resource estimate reported under JORC 2012 code**

Resource	Cut off	Category	Mt	Grade		Contained Metal	
				(g/t) Au	(g/t) Ag	Koz Au	Moz Ag
Gold	0.5 g/t Au	Indicated	2.0	1.14	27	73	1.7
		Inferred	1.0	0.9	12	29	0.4
		<b>Total</b>	<b>3.0</b>	<b>1.06</b>	<b>22</b>	<b>103</b>	<b>2.1</b>
Silver	25 g/t Ag	Indicated	2.1	0.21	62	14	4.2
		Inferred	1.2	0.19	40	7	1.6
		<b>Total</b>	<b>3.4</b>	<b>0.20</b>	<b>54</b>	<b>22</b>	<b>5.8</b>
Combined	0.5 g/t Au & 25 g/t Ag	Indicated	4.1	0.67	45	88	5.9
		Inferred	2.2	0.51	27	37	2.0
		<b>Total</b>	<b>6.4</b>	<b>0.61</b>	<b>38</b>	<b>125</b>	<b>7.9</b>

Notes:

1. Sorpresa Mineral Resource reported to JORC 2012 standards, at 0.50 g/t Au and 25g/t Ag cut-off
2. The figures in this table are rounded to reflect the precision of the estimates and include rounding errors.