



29<sup>th</sup> July 2011

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## QUARTERLY EXPLORATION AND ACTIVITIES REPORT

(For the period April 1<sup>st</sup> to June 30<sup>th</sup> 2011)

### **RC Drilling at Sorpresa Confirms High Grade Gold with large scale Potential in the Wider District**

The Sorpresa gold (Au) prospect and adjacent areas prospective for gold were the dominant exploration focus for the period. A first pass RC drill program was completed on 4 main target areas for gold at the Sorpresa prospect with highly encouraging assay results received for intersections of gold and some associated silver, thus confirming that Au mineralisation exists in coherent zones and has a degree of continuity in the tested areas.

**The RC drill program at Sorpresa and the various additional work programs in adjacent areas have provided a major advancement to the understanding of the underlying gold mineralisation which is considered highly prospective at Fifield NSW by the Company.**

#### Highlights in the June Quarter at Fifield NSW include the following:

##### **Strong Results in Recent RC Drill Program - 2,656m of drilling conducted April/May at Fifield**

- The RC drilling intersected Au in 25 of 37 holes designed to test for Au, giving intersections of greater than 1g/t Au in these 25 holes; In addition, 6 holes gave intersections of Silver (Ag) above 35g/t.
- **The highest Au grade seen was 63.5g/t Au** confirming a capacity for strong Au mineralisation at Fifield.
- The Company is of the view that **Sorpresa is likely to be part of a larger mineralised gold system at Fifield occurring within a prospective area of greater than 20km<sup>2</sup>.**
- **Silver in its own right is now confirmed as a significant component** within parts of the Sorpresa mineralisation tested where the **highest grade seen was 155g/t Ag.**
- **The Au zones at Sorpresa are suited to drill delineation** due to the disseminated and mostly fine nature of the gold.
- **The near surface position of the Au and Ag seen to date at Sorpresa is particularly attractive as a commercial target.**
- **Many parts of the mineralisation in the RC drilling are still open in direction.**

##### **Additional Exploration adjacent to Sorpresa is well advanced**

- **An expansion in Au exploration is highly justified and is already aggressively underway** with the Company advancing the geological model for the mineralizing system for gold and platinum at Fifield.
- Geological mapping and soil sampling was undertaken in numerous new areas prospective for Au, some of which have associated historic Au workings. **A rapidly growing list of new target areas for Au is now being established.**
- **Additional Gravity Survey work was completed**, extending interpretation of the Sorpresa Area.
- **Planning for an additional 1,000m of RC drilling in August/September is underway for Sorpresa and some of the new Au prospects**

In this report a diagrammatic representation is shown of the RC drill hole locations in **Appendix 1**, with **highlight intersections for Au (Gold) and Ag (Silver)** shown in **Appendix 2**.

On 6<sup>th</sup> July 2011 the Company reported its highly encouraging assay results for the selected intervals of the first pass RC drill program conducted in April/May 2011 at the Sorpresa area, in 4 locations over a distance of approx. 1.3km focused on gold

mineralisation. The full results can accessed at the [hyperlink](#) to the ASX release on 6<sup>th</sup> July 2011: [Assays Confirm Significant Gold and Silver at Sorpresa](#) ).

#### **Summary of RC Drilling results received**

40 RC drill holes and 3 Aircore holes were completed, with depths of 40m to 85m, for a total of 2,656m (holes Fi61 to Fi103). **The program was designed to test for Au in 37 holes**, whilst 6 holes were considered focused on geological interpretations.

- **The High grade intersections were 1m @ 63.5g/t Au and 2m @ 155g/t Ag**
- In the period Au assays have been conducted on approx. 50% of the RC drill cuttings of higher priority intervals, based on pre assay inspection of microscopic visible gold, relevant geology and hole geochemistry
- The balance of samples (approx.1,300m) are still awaiting assay results for Au from independent laboratory, but these samples are considered less prospective for Au, based on observations to date.
- Silver is now seen as an important component of the mineralised system, with Ag assays being conducted primarily on the “Au mineralised sections” of holes Fi61 to Fi90. Significant unexpected intersections of Ag were achieved and further assays are warranted on additional holes and more intervals. **Area 3 (roadside location) in particular contained the strongest Ag intersections.**



Drill Rig located within Area 1 at Sorpresa Project testing Au mineralisation

The full geological context at Sorpresa is still under examination, however, it now seems highly probable in the context of the surrounding areas, from the perspective of the Company’s exploration done to date and evidence provided by historic workings, that **an area of much larger gold potential exists at Fifield (see maps Appendices 3 and 4).**

#### **The Executive Chairman, John Kaminsky, stated:**

“The RC drilling program in the context of our exploration to date has provided conclusive evidence that we are dealing with a significant gold system of some promise at Fifield. This is confirmation that the greenfields Au discovery at Sorpresa contains high grade gold and somewhat unexpectedly, high grade silver.

The mineralisation encountered at Sorpresa is near surface and assay friendly. This provides us with an excellent series of exploration targets, with strong commercial potential. Follow up drilling work will continue to define the full extent of the gold and silver discovered at Sorpresa.

We are genuinely excited by the direction and scale that we see at Fifield for gold, and still consider the platinum potential also very important. Since the RC drilling finished the Company has been actively progressing exploration in the last two months, looking at the adjacent areas to Sorpresa. There is an area representing a high quality corridor greater than 20km<sup>2</sup> now identified that we will be looking to add more gold zones to our Sorpresa discovery and exploration is well underway already.

The Company will be pushing ahead in the next quarter to make further important progress on the gold story at Fifield. Additional RC drilling is already planned for part of the Sorpresa area and additional new targets at Bulls Eye Hill and Twin Shafts locations 2km to the south west of Sorpresa”

#### **The Head of Exploration, Colin Plumridge, remarked:**

“The positive RC drilling results clearly show the gold potential at Sorpresa and now give important guidance on the large potential for gold mineralisation elsewhere at Fifield.

We have now examined a preliminary 3D model of part of the Sorpresa Au mineralisation (drilling Area 1) and it indicates that the mineralisation geometry at Sorpresa is reasonably well organised. This now allows us to do additional drilling to extend the open mineralised areas and infill any knowledge gaps.

What I find even more significant, looking at the big picture for Fifield, is the large scale potential of the Au mineralizing system. The Company will be striving to add new discoveries to Sorpresa in a relatively short period of time based on the growing portfolio of Au prospects.

The Company has been developing a gold and platinum mineralizing model to assist the overall exploration focus. From the gold perspective, we have already been examining adjacent prospective areas to Sorpresa and whilst it is early days in these new areas, we are seeing signs that do reflect this larger gold potential at Fifield.”

## **FIFIELD GOLD POTENTIAL - FINE DISSEMINATED GOLD TO BE PURSUED AT MULTIPLE LOCATIONS**

Excellent commercial Au targets exist within the broader surrounds of Sorpresa. Additional Au areas of considerable potential have been identified and are at various stages of assessment. These areas will be prioritised based on the effectiveness of the next stages of their respective exploration programs that can be applied within a reasonable amount of time.

The following list represents a brief description of a number of these target areas.

### **A. Extending the current Sorpresa Au Area Along Strike and Infilling Knowledge Gaps on the recent RC drilling**

RC Drilling will need to be conducted along the known strike at Sorpresa. In addition, known gaps in the recent RC drilling program will need to be undertaken (for example hole Fi94 location, where 6 holes were originally planned). After examination of the 3D modelling on parts of Sorpresa that underwent the recent RC drilling, the Company will expand the knowledge and extent of the known mineralisation down dip where possible.

The Company will look to **extend Sorpresa to the north and south** using an initial program of Auger drilling, due to limitations in using soil geochemistry at these locations.

Silver mineralisation can potentially have its own specific orientation, as already seen to date in Area 3 (roadside location) and this silver mineralisation will likely partially overlap the gold position. Silver could have the capacity to reach ultra high grades and should be drilled in its own right at some later stage.



Directors review Sorpresa results on site

### **B. Greater Sorpresa Area – Au to the East**

This area has gold potential and has a likely spatial overlap with the silver exploration programme. The concept is that the fine gold shown at Sorpresa will remain relatively shallow as it continues east, with the mineralisation following a distorted path relatively close to the current land surface. **This area is large and is capable of yielding a significant gold discovery.** The Gravity Survey conducted has already covered much of the area with this potential in mind.

In general, Sorpresa is a viable 3D target as it can be assayed reliably, as it has an elevated gold cloud halo and is of considerable size. To cover the entire area would take extensive drilling, so tuning the area selectively will be the approach adopted. Using the Gravity Survey combined with knowledge of the geological alteration should act as a sufficient starting point in the exploration with Aircore drilling initially as the favoured technique.

### **C. Greater Sorpresa Area – Au To the West up to the Known Intrusive Contact**

**Newly emerging data is showing exploration potential for fine gold and platinum group elements associated with special intrusions.** Some of this geology was seen in the Sorpresa RC programme and also the recent work on Twin Shafts prospect.

These intrusive bodies appear to reside under the known gold position and look to be mineralized in their own right. Radiometric data in this area shows possible complex special intrusive bodies that dip below Sorpresa. **There is great tonnage potential in these special intrusives** and their investigation will be treated as a priority, starting with auger drilling to establish the distribution of the mineralization.

Deeper drilling would follow to explore the shape and metal potential. The intrusives seen to date appear soft and highly prone to deep soil cover. The area known to date to contain these intrusive rocks **is only a small part of the area that these special intrusive rocks could occur in.**

### **D. Au Exploration Around The Large Known Intrusion (Murga-Estar)**

A large annular area (approx. 20km<sup>2</sup>) to the west of Sorpresa, contains prospective multiple Au positions and this area in general is considered to have some excellent Au potential. Exploration is already underway in parts of this area. In the 3D location this potential will extend below surface to the east and south east making the total area very large by any standards.



Bulls Eye Hill Area Au Prospect ready for RC

This annular area covers a variety of surface geological conditions and needs a full suite of exploration techniques applied to it, including Gravity Survey, radiometrics survey, geochemistry, geology and extensive drilling of various types.

**Specifically, 2km SW along strike from the Sorpresa Gold area, historic gold workings have been mapped and are undergoing extensive sampling, in preparation for RC drilling.**

**In numerous locations, 20~30kgs samples from historic workings in bedrock have been examined yielding multiple counts of fine and some coarser gold as conducted by Rimfire. The new Au prospects include Bullseye Hill, Twin Shafts and Rabbit Hill as shown on the attached map.**

#### **E. Northern Gold Prospect North of Sorpresa**

This area is believed to be an area of considerable potential for Au. **The area is adjacent to some of the most intense historic bedrock Au workings (1890's) seen at Fifield.** An extensive gossanous/breccia shear zone was recently discovered (15m x 50m) containing the familiar black silica signature previously noted on the Sorpresa area.

Bedrock trench samples were taken (18) and assayed for Au and whilst initial bedrock chemistry indicates only anomalous Au (10~15ppb), the area is still considered a high priority given the dynamic geology seen in the first modern geological exposure in this location. The area has a known strike length of approx. 1.3km.

#### **F. Fine Gold Exploration Along The Monzonite Corridor – South East of Sorpresa**

Most of this area is covered by transported alluvium and has abundant black silica, an important component recognised to be associated with aspects of the gold position at Sorpresa.

The residual soil areas at this location are currently being explored by soil geochemistry, with auger drilling to follow up gold anomalies – extensive assays are required. The recent Gravity Survey results have assisted the advance of this area, but copious drilling of various types will be required.

#### **G. Lower Platina Fine Gold**

This area has aspects in common with Sorpresa and was located at the southern end of the Platina Lead during geological mapping and sampling. Fine gold was located previously in bedrock (rock chip 1.2g/t), including abundant chromite and also gold within the chromite grains themselves. The alluvials at Lower Platina also contain abundant fine gold.

The Gravity Survey conducted recently shows much contrast, probably demonstrating a complex area with granite and special intrusives.

Drilling work on this area will have multiple outcomes, potentially testing the fine gold mineralization, examining any coarse Pt mineralization and assist in the delineation of the Platina Lead and any tributaries that may be present there.

This is an area predominantly suited to Aircore drilling.

#### **H. Ladera Au in Elevated Iron Cemented Gravel**

There is an estimated 2 to 3 million tonnes of this cemented gravel on top of a hill on the east side of EL5534, within the Ebenezer Pt soil anomaly. **Crushing tests have already shown fine gold is present**, but there is currently no quantitative assessment of grade.

A small test with 4 RC drill holes is proposed at some stage to see if the Au grade is of economic interest. If so, the geological structure will need delineation through an extensive number of shallow drill holes. The bedrock would be assayed for gold as well. The gold seen to date is richest at the gravel floor, but is also appears present throughout the geological structure section.



Platina Lead Looking towards South

## **I. Eclipse Region Fine Gold Along The Rift Margin**

This is a complex area that has had several periods of work by Rimfire. **Gold potential is now seen in a new light with the Sorpresa connection of Au with associated Pb (Lead) and As (Arsenic).** Much of the Eclipse Region is already covered with base metal soil geochemistry conducted some 2~4 years ago. Chromite can be a feature of some soil panning. This area requires a geological review and some auger drill bedrock geochemistry.

## **J. The Far West of the Platina Lead**

This is another large area, but little exploration has been done to date. The location is undulating topography and is expected to be rather straight forward to explore. Much of the area could be covered with creek sampling for fine Au. This area is the least developed in the current Au exploration program

## **K. Yoes Lookout**

This is located 5km East of the Fifield township, where sampling was completed for Au, Cu, Ag and Pb in three separate locations on 25m and 50m sample spacings over an area of approx. 2km<sup>2</sup>. Assays for these samples are pending.

## **New Gravity Survey and Down Hole Logging Conducted at Sorpresa Prospect and Near Surrounds**

The Company has completed an additional Gravity Geophysical survey to provide more structural interpretation to the wider Sorpresa Area. This survey will integrate the information from the previous Gravity Survey at Sorpresa.

Interpretation at Sorpresa, based on recent RC drilling, suggests the Gravity anomaly is related to the presence of sulphides, which may relate spatially to the Au mineralised position, in part. Gravity will be used selectively as a diagnostic tool for further exploration on the Au mineralisation within Sorpresa and at other adjacent locations.

The Company completed down hole logging of a selection of the recent RC drill holes in an attempt to further assist structural interpretation and orientation of the mineralisation encountered to date.

## **Geological notes on the Gold Mineralisation at Sorpresa**

The RC drilling program adds significant strength to the argument that Sorpresa is only a partly accessible component of what appears likely to be a much larger Au mineralised system. The Company is on an upwards learning curve with respect to the geology, but has formative conclusions on certain aspects as further detailed.

Sorpresa gold is disseminated through structurally complex shear zones. The favoured host rock is carbonaceous shale that has undergone a change to graphitic schist. The gold accompanying silica does not form the usual quartz veins. It pervades the rock and replaces it. This is a strong distinction with most gold deposits.

The sulphide minerals are disseminated along with the gold and the silica. The sulphides encountered to date do not form massive sulphide lodes.

The gold frequently has accompanying silver and the higher silver grades seen in the RC drilling will have a positive influence in any commercial viability calculations. Base metal signatures are providing a valuable guide to likely gold zones, with Arsenic and Lead as the most reliable pathfinder metals, but anomalous amounts of Zn, Cu, Sb, Co and W can also be present.

The gold zones at Sorpresa are suited to drill delineation due to the disseminated and mostly fine nature of the gold. The drilling sections need to be spaced at between 15 and 25m apart. The geometry of the gold zones has good continuity, but can be complex and easily lost if the drill hole spacing is too great.

Although a 3D model in Area 1 at Sorpresa has provide a significant advance on the Company understanding of the Au mineralisation in that particular location, the overall three dimensional shape of the gold zones is still a work in progress. Empirical observations indicate that intersecting shear zones are a common means of focusing mineralization, but they are not the main overriding gold control. It is likely that the gold is largely controlled by shallow dipping rock fractures that are related to the roof zone of the extensive underlying intrusive. The intersecting shears provided only a final gold focus rather than a main control. Hence shallow plunging extensions to the gold mineralization are expected to be common on both the detail and the broader scale.

## **Recent Historic Thread of the ASX releases related to the Sorpresa Greenfield Discovery**

It is worthwhile to be mindful of past ASX releases on the Sorpresa gold area that contribute to the context of the work performed by the Company and the exploration process being undertaken.

Previous details already announced to ASX on 13<sup>th</sup> October 2010<sup>1</sup>, 28<sup>th</sup> October 2010<sup>2</sup>, 15<sup>th</sup> December 2010<sup>3</sup> and 25<sup>th</sup> January 2011<sup>4</sup>, 21<sup>st</sup> February 2011<sup>5</sup>, 8<sup>th</sup> March 2011<sup>6</sup>, 12<sup>th</sup> April 2011<sup>7</sup> and 6<sup>th</sup> July 2011<sup>8</sup> provide important context to the ongoing programs for gold at Fifield, **with hyperlinks below**.

## **COMMODITY PRICING FOR THE JUNE 2011 QUARTER**

The price of Platinum has fluctuated in the period, and was trading in the range of USD\$1,670 to USD\$1,850 per ounce during the period. The price of Gold has continued to strengthen in the period and was trading at above USD\$1,550 for the same period ([www.kitco.com](http://www.kitco.com)).



As at 27<sup>th</sup> July 2011, the prices for metals in New York based on closing Ask in USD were as follows:

Gold	\$1,615/oz
Platinum	\$1,801/oz
Silver	\$40/oz

## **CORPORATE ACTIVITIES**

### **Tenement Position**

The Company tenements held remained unchanged, except for a reduction on renewal of EL7234

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

As at 30<sup>th</sup> June 2011 the Company had approximately \$2,200,000 in cash.

### **Issued Capital**

The Company concluded a capital raising through a placement on 20th April 2011, by issuing 60,000,000 new fully paid ordinary shares at a price of 3.7 cents per share. The gross proceeds, before costs, were \$2.22 million.

<sup>1</sup> ASX Announcement – [13<sup>th</sup> October 2010 Bedrock Assays Confirm Sorpresa Fine Gold Potential at Fifield](#)

<sup>2</sup> ASX Announcement – [28<sup>th</sup> October 2010 Sorpresa Fine Gold Prospect Trench Produces Excellent Assay Results](#)

<sup>3</sup> ASX Announcement – [15<sup>th</sup> December 2010 Sorpresa Fine Gold Prospect Further Examined at Fifield NSW](#)

<sup>4</sup> ASX Announcement – [25<sup>th</sup> January 2011 Gold Mineralisation Examined in more detail at Sorpresa Prospect](#)

<sup>5</sup> ASX Announcement – [21<sup>st</sup> February 2011 Positive Soil Line Assays At Sorpresa Gold Prospect](#)

<sup>6</sup> ASX Announcement – [8<sup>th</sup> March 2011 Bedrock Auger Drill Program Completed Sorpresa Gold Project](#)

<sup>7</sup> ASX Announcement – [12<sup>th</sup> April 2011 Sorpresa Bedrock Gold Zones Confirmed in Auger Drilling - RC Drill Program to Commence in April](#)

<sup>8</sup> ASX Announcement – [6<sup>th</sup> July 2011 Assays confirm Significant Gold and Silver at Sorpresa](#)

The issued capital at the close of business at 30<sup>th</sup> June 2011 was:

499,016,550 ordinary shares

**124,790,443 Listed Options “RIMO” exercise @ 4 cents expiry 31<sup>st</sup> August 2011**

Option expiry notices will be despatched to all Option holders within the next week. The Options have been trading “in the money” for much of the period to the date of this report. The options have the capacity to raise approx. \$5 million in additional working capital, if exercised.

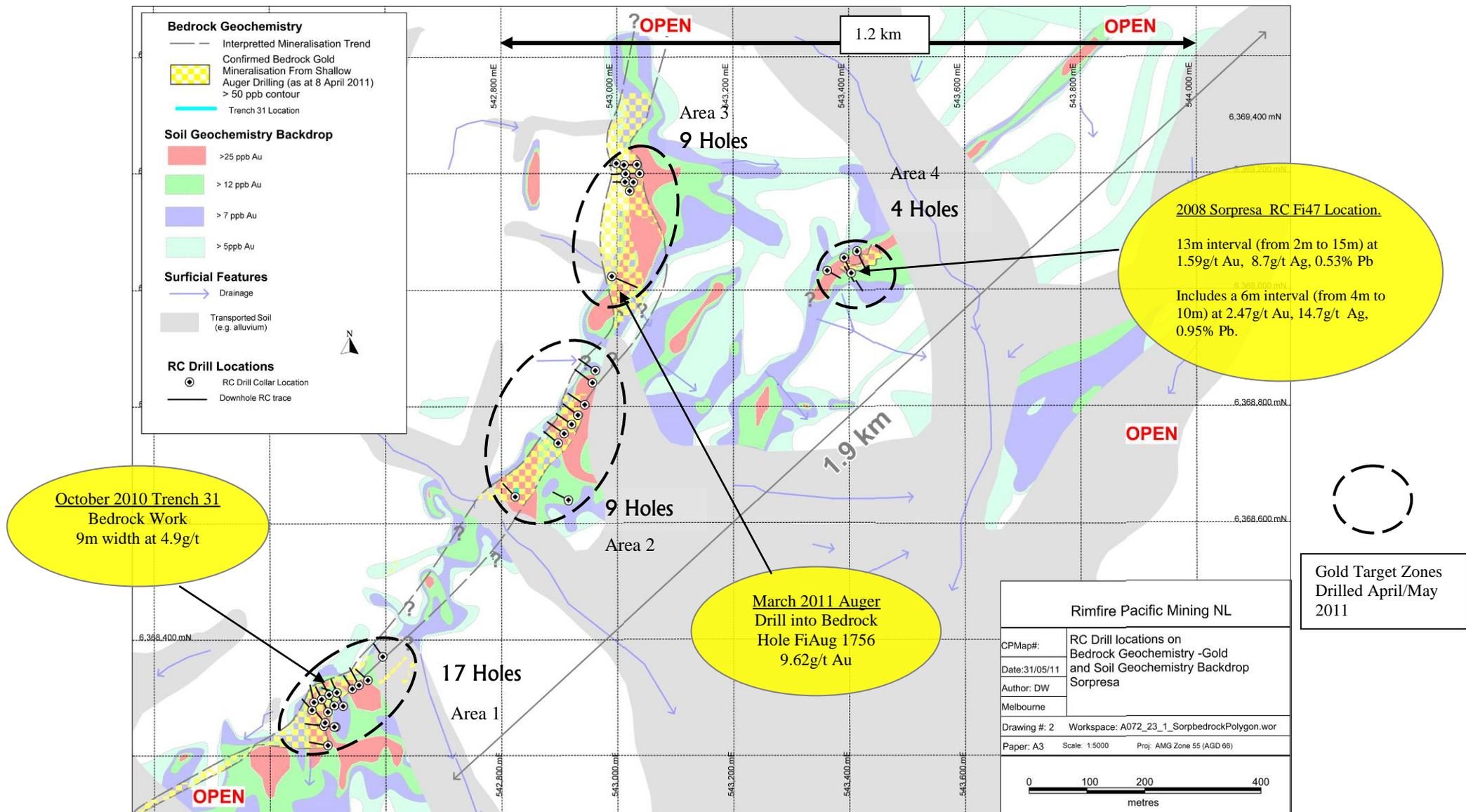


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**JOHN KAMINSKY**  
**Executive Chairman**

*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, each with over 30 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 Competent Persons 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 their information in the form and context in which it appears.*

**APPENDIX 1**  
**Completed RC Drilling Collar Hole Locations at Sorpresa April/May 2011**  
**(Shown against Gold in Bedrock Auger Zones and Soils previously established)**



**Appendix 2**  
**Sorpresa Gold and Silver Assay Highlights RC Drill Program April/May 2011**

Hole	Intersection details <sup>9</sup>	Including section	Area of Drilling at Sorpresa
Fi72	4m @ 17.52g/t Au from 10m	1m @ 63.5g/t Au	Area 1
Fi95	6m @ 8.59g/t Au from 6m	2m @ 24.4g/t Au	Area 1
Fi75	18m @ 2.08g/t Au from 6m 4m @ 19.0g/t Ag from 12m	4m @ 6.31g/t Au	Area 1
Fi77	14m @ 2.12g/t Au from 16m 4m @ 46.8g/t Ag from 16m and 6m @ 13.0g/t Ag from 24m	4m @ 3.11g/t Au, 6m @ 2.84g/t Au	Area 1
Fi97	4m @ 5.82g/t Au from 20m		Area 1
Fi82	12m @ 1.19g/t Au from 2m and 4m @ 1.80g/t from 18m 4m @ 71.9g/t Ag from 10m	4m @ 1.64g/t Au, 2m @ 3.09g/t Au	Area 3
Fi73	20m @ 1.05g/t Au from 8m	6m @ 2.11g/t Au	Area 1
Fi64	20m @ 1.06g/t Au from 12m 2m @ 16g/t Ag from 18m	6m @ 2.02g/t Au	Area 2
Fi88	12m @ 1.71g/t Au from 10m 12m @ 38.6g/t Ag from 10m	2m @ 3.29g/t Au 2m @ 58.8g/t Ag	Area 3
Fi80	12m @ 1.67g/t Au from 24m		Area 1
Fi68	10m @ 1.92g/t Au from 6m	6m @ 2.92g/t Au	Area 1
Fi70	12m @ 1.42g/t Au from 4m		Area 1
Fi83	2m @ 1.49g/t Au from 16m 10m @ 73.8g/t Ag from 16m	2m @ 150g/t Ag, 2m @ 124g/t Ag	Area 3
Fi84	10m @ 1.38g/t Au from 2m 12m @ 16.4g/t Ag from 4m	2m @ 3.31g/t Au	Area 3
Fi87	10m @ 0.87g/t Au from 2m 8m @ 37.8g/t Ag from 2m	2m @ 2.23g/t Au 4m @ 60.3g/t Ag	Area 3
Fi89	6m @ 2.13g/t Au from 18m 6m @ 63.4g/t Ag from 18m	2m @ 155g/t Ag	Area 3

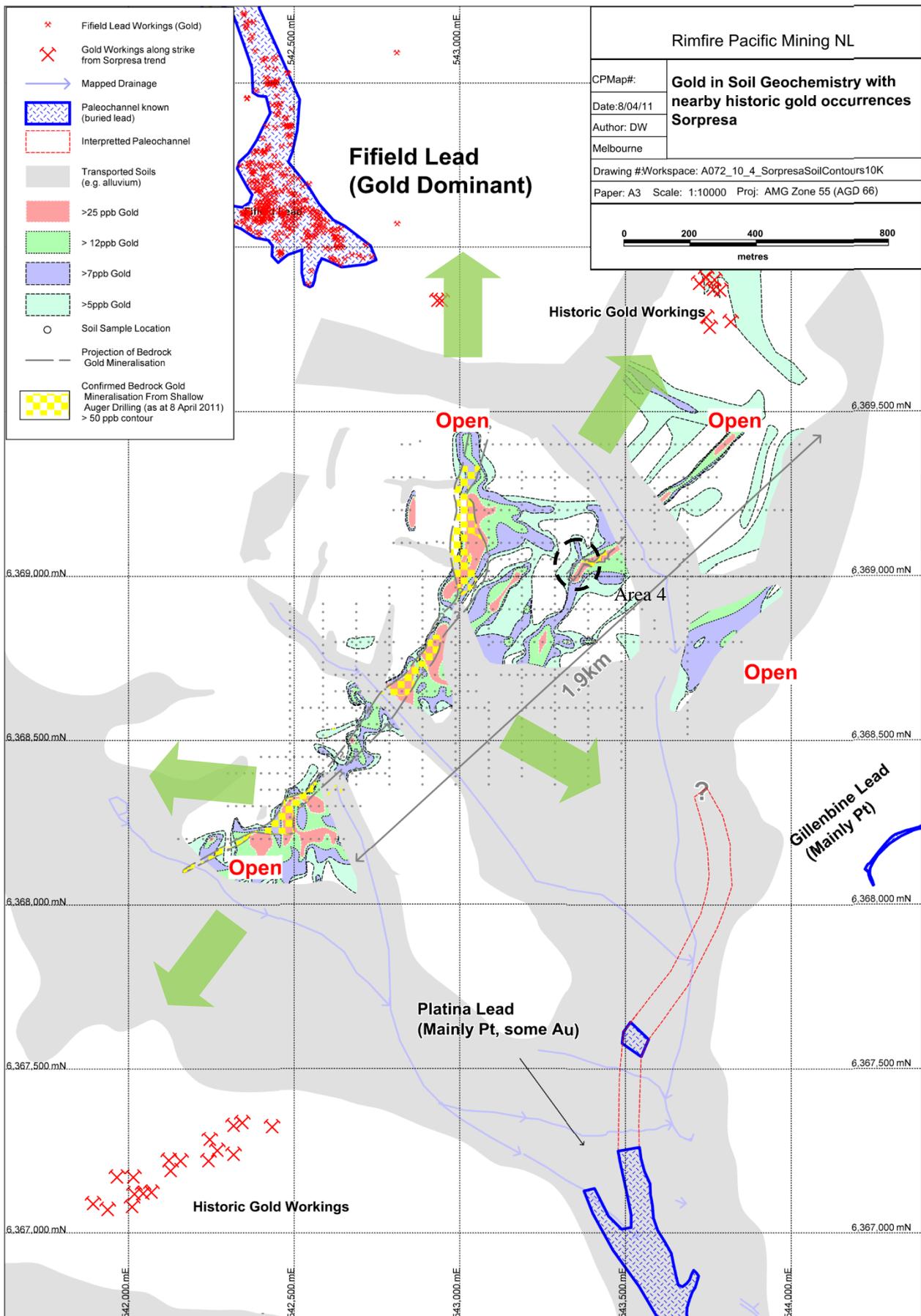
Full assay results with values above 0.3g/t Au and 4g/t Ag for the RC drill program can be found in the announcement to the [ASX](#) on 6<sup>th</sup> July 2011 at hyperlink: [Assays Confirm Significant Gold and Silver at Sorpresa](#)

The RC drilling intersected Au in 25 of 37 holes designed to test for Au, giving intersections of greater than 1g/t Au in these 25 holes; In addition, 6 holes gave intersections of Silver (Ag) above 35g/t

<sup>9</sup> Au was determined by fire assay method AA26 with AAS finish, and Ag used ME-ICP61 at ALS Laboratories

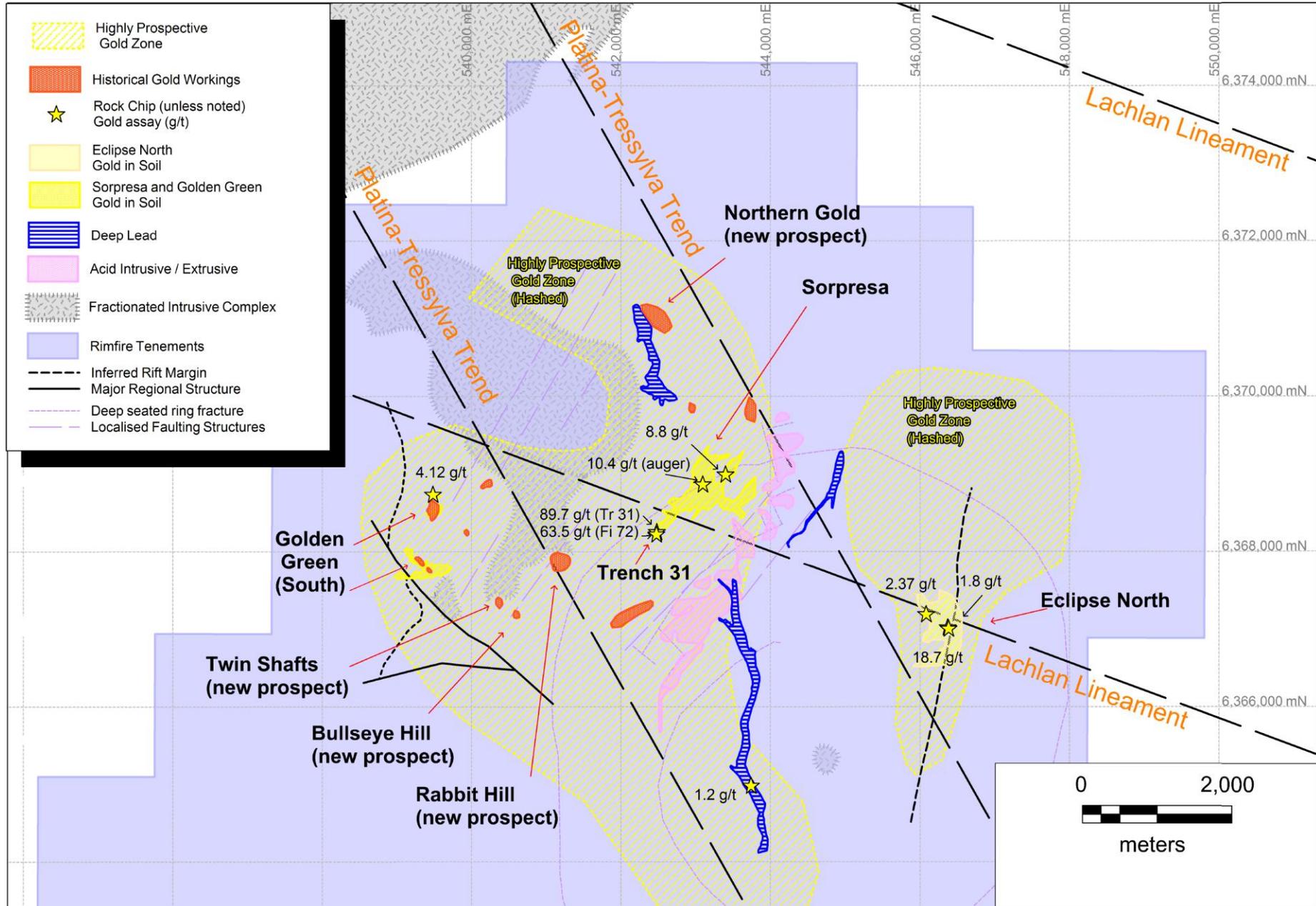
### Appendix 3

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



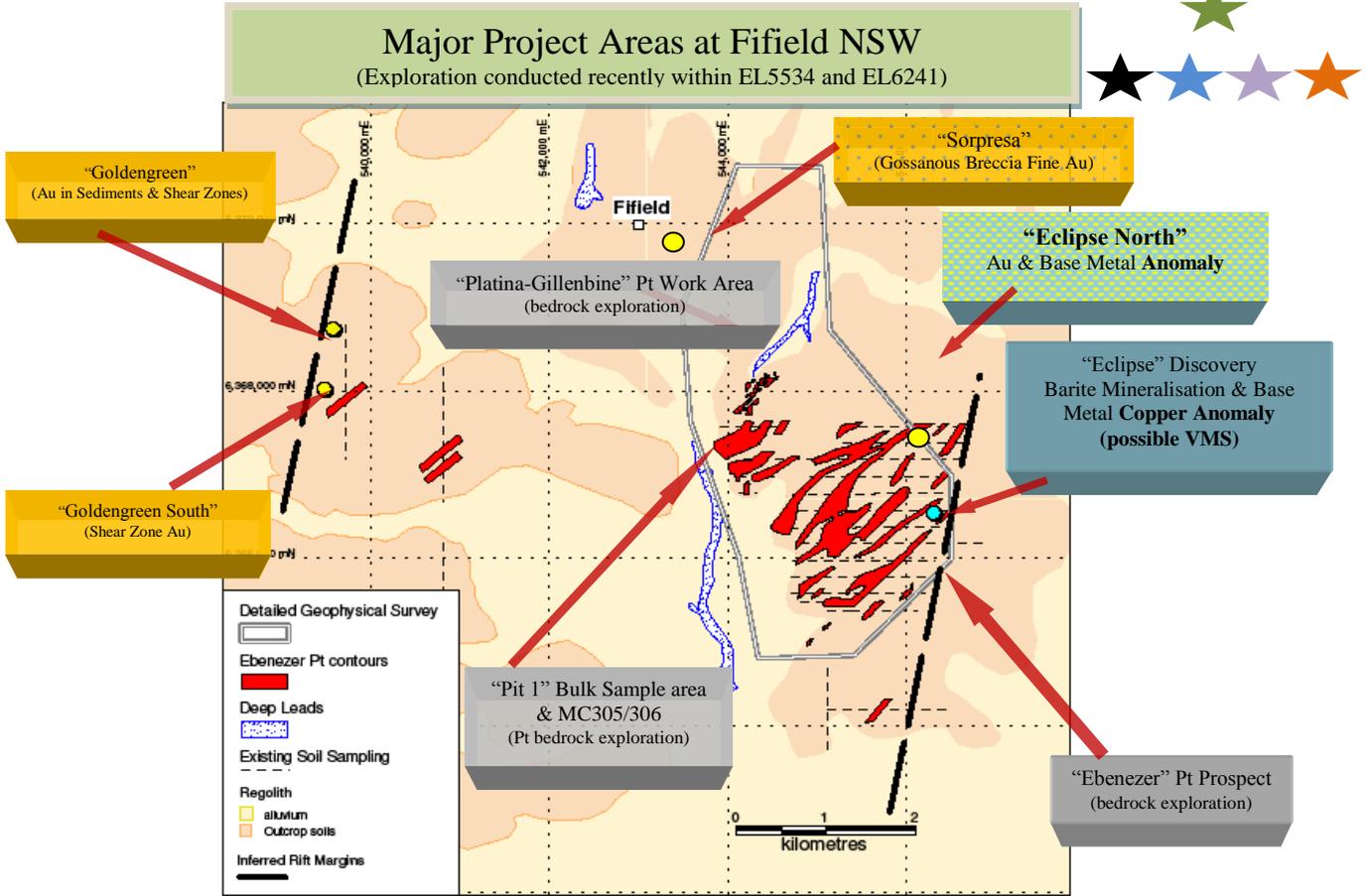
**APPENDIX 4**

**The Sorpresa Area Anomalous Gold Zone – within the wider Fifield Gold Observations “Some” New Prospects Highlighted**



## Appendix 5

### Project Locations at Fifield NSW and Metal Zoning Interpretations



★ Auger Drill    
 ★ RC drilling April 2011    
 ★ Trenching    
 ★ Mapping    
 ★ Assays

