

25 July 2022

## RIMFIRE PACIFIC MINING LIMITED - GENERAL MEETING OF SHAREHOLDERS – 25 AUGUST 2022

Notice is hereby given that the General Meeting of Shareholders of Rimfire Pacific Mining Limited (“Rimfire” or the “Company”) will be held at the offices of Vistra Australia (Melbourne) Pty Ltd at 11:00am (AEST) on Thursday, 25 August 2022 at Level 4, 96-100 Albert Road, South Melbourne VIC 3205 (“GM”).

In accordance with the *Corporations Act 2001* (Cth), the Company will not be dispatching physical copies of the Notice of Meeting. Instead, the Notice of Meeting and accompanying explanatory statement (**Meeting Materials**) are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials online at the Company’s website: <https://www.rimfire.com.au> or at the Company’s share registry’s website [www.investorvote.com.au](http://www.investorvote.com.au).
- A complete copy of the Meeting Materials have been posted to the Company’s ASX Market announcements page at [www.asx.com.au](http://www.asx.com.au) under the Company’s ASX code “RIM”.
- If you have provided an email address and have elected to receive electronic communications from the Company, you will have received or will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials and the voting instruction form.

If you would like to receive electronic communications from the Company in the future, please update your communication election online at [www.investorcentre.com](http://www.investorcentre.com). If you have not yet registered, you will need your shareholder information including SRN/HIN details.

If you are unable to access the Meeting Materials online at the above website links please contact our share registry Computershare Investor Services Pty Limited at [www.investorcentre.com](http://www.investorcentre.com) or by phone on +61 03 9415 4000 (outside Australia) or 1300 850 505 (within Australia) to obtain a copy.

Yours sincerely,



Stefan Ross  
Company Secretary  
Rimfire Pacific Mining Limited



**RIMFIRE PACIFIC MINING LIMITED**  
**ABN 59 006 911 744**

# **Notice of General Meeting**

## **Explanatory Statement and Proxy Form**

Date of Meeting:  
**Thursday, 25 August 2022**

Time of Meeting:  
**11:00am (AEST)**

Place of Meeting:  
**Vistra Australia (Melbourne) Pty Ltd**  
**Level 4, 96-100 Albert Road, South Melbourne VIC 3205**

*This Notice of General Meeting and Explanatory Statement should be read in its entirety.  
If shareholders are in doubt as to how they should vote, they should seek advice from their  
accountant, solicitor or other professional advisor without delay*

# **RIMFIRE PACIFIC MINING LIMITED**

ABN 59 006 911 744

Registered office: St Kilda Road Towers, Suite 142, Level 1, 1 Queens Road, Melbourne VIC 3004

## **NOTICE OF GENERAL MEETING**

**Notice is hereby given that a meeting (Meeting) of Shareholders of Rimfire Pacific Mining Limited (the “Company”) will be held at the offices of Vistra Australia (Melbourne) Pty Ltd at Level 4, 96-100 Albert Road, South Melbourne VIC 3205 at 11:00am (AEST) on Thursday, 25 August 2022 (“General Meeting”, “GM” or “Meeting”)**

Any Shareholders who wish to physically attend the GM should be mindful of new laws, government warnings and recommendations in relation to COVID-19 and monitor the Company’s website and its ASX announcements for any updates about the GM. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the meeting, the Company will make further information available through the ASX website at [asx.com.au](https://www.rimfire.com.au) (ASX: RIM) and on its website at <https://www.rimfire.com.au>

# AGENDA

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

Defined terms used in this Notice have the meanings given in the Explanatory Statement which accompanies this Notice.

## ORDINARY BUSINESS

### **Resolution 1: Approval to Grant Options to Mr David Hutton (or his nominee)**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That under and for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval be given to issue 30,000,000 unlisted options to Mr David Hutton, a Director of the Company, or his nominee(s), under the Company’s Equity Incentive Plan, and having the exercise price, vesting date and other terms and conditions set out or described in the Explanatory Statement which accompanies and forms part of this Notice of the Meeting.”*

### **Resolution 2: Approval to Grant Options to Mr Ian McCubbing (or his nominee)**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That under and for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval be given to issue 15,000,000 unlisted options to Mr Ian McCubbing, a Director of the Company, or his nominee(s), under the Company’s Equity Incentive Plan, and having the exercise price, vesting date and other terms and conditions set out or described in the Explanatory Statement which accompanies and forms part of this Notice of the Meeting.”*

### **Resolution 3: Approval to Grant Options to Mr Andrew Knox (or his nominee)**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That under and for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval be given to issue 10,000,000 unlisted options to Mr Andrew Knox, a Director of the Company, or his nominee(s), under the Company’s Equity Incentive Plan, and having the exercise price, vesting date and other terms and conditions set out or described in the Explanatory Statement which accompanies and forms part of this Notice of the Meeting.”*

### **Resolution 4: Approval to Grant Options to Mr Misha Collins (or his nominee)**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That under and for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval be given to issue 10,000,000 unlisted options to Mr Misha Collins, a Director of the Company, or his nominee(s) under the Company’s Equity Incentive Plan, and having the exercise price, vesting date and other terms and conditions set out or described in the Explanatory Statement which accompanies and forms part of this Notice of the Meeting.”*

## BY ORDER OF THE BOARD



**Stefan Ross**  
**Company Secretary**  
Dated: 25 July 2022

## Notes

1. **Entire Notice:** The details of the resolution contained in the Explanatory Notes accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (AEST) on the date 48 hours before the date of the General Meeting. Only those persons will be entitled to vote at the General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.
3. **Proxies**
  - a. Votes at the General Meeting may be given personally or by proxy, attorney or representative.
  - b. Each Shareholder has a right to appoint one or two proxies.
  - c. A proxy need not be a Shareholder of the Company.
  - d. If a Shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution or the Corporations Act.
  - e. Where a Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
  - f. If a Shareholder appoints two proxies, and the appointment does not specify the proportion or number of the Shareholder's votes, each proxy may exercise half of the votes. If a Shareholder appoints two proxies, neither proxy may vote on a show of hands.
  - g. A proxy must be signed by the Shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
  - h. To be effective, Proxy Forms must be received by the Company's Share Registry (Computershare Investor Services Pty Limited) no later than 48 hours before the commencement of the General Meeting, this is no later than **11:00am (AEST) on Tuesday, 23 August 2022**. Any proxy received after that time will not be valid for the scheduled meeting.
    - i. By post to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001
    - ii. By fax to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)
    - iii. Online by going to [www.investorvote.com.au](http://www.investorvote.com.au) or by scanning the QR code found on the enclosed Proxy Form with your mobile device
    - iv. For Intermediary Online Subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions

## 4. Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

## 5. How the Chair will vote Undirected Proxies

Subject to the restrictions set out in Notes 6 and 7 below, the Chair of the meeting will vote undirected proxies in favour of all of the proposed resolutions.

## 6. Voting Exclusion Statement:

### Resolutions 1 - 4

The Company will disregard any votes cast in favour of these Resolutions by or on behalf of any person who is referred to under ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Equity Incentive Plan.

However, this does not apply to a vote cast in favour of the Resolution(s) by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution(s) in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution(s) as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution(s); and
  - ii. the holder votes on the Resolution(s) in accordance with directions given by the beneficiary to the holder to vote in that way.

A further restriction also applies to Key Management Personnel and their Closely Related Parties voting undirected proxies on these resolutions – see **Restriction on KMPs voting undirected proxies** below.

## 7. Restrictions on KMPs voting undirected proxies:

A vote must not be cast as proxy on Resolutions 1 - 4 by a member of the Key Management Personnel (as defined by the Corporations Act) or a Closely Related Party of Key Management Personnel.

However, a person described above (a "Restricted Voter") may cast a vote on Resolutions 1 - 4 as a proxy if:

- (a) The Restricted Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution(s); and
- (b) The Chair is the Restricted Voter and the written appointment of the Chair as proxy does not specify the way the proxy is to

vote on the resolution(s) or expressly authorises the Chair to exercise the proxy even though the resolution(s) is or are connected with the remuneration of a member of the Key Management Personnel.

If you appoint the Chair as your proxy and you do not direct the Chair how to vote, you will be expressly authorising the Chair to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

#### **8. Enquiries**

Shareholders are invited to contact the Company Secretary, Stefan Ross on +61 3 9620 5866 if they have any queries in respect of the matters set out in these documents.

## EXPLANATORY STATEMENT

### Resolution 1: Approval to Grant Options to Mr David Hutton (or his nominee)

#### **Background**

Resolution 1 provides for a total of 30,000,000 unlisted options (“**Director Options**”) to be granted to the Managing Director and Chief Executive Officer of the Company, Mr David Hutton (or his nominee) on the terms described below. If Resolution 1 is approved by Shareholders, the Director Options will be issued in accordance with the Equity Incentive Plan (“**EIP**”), approved by Shareholders on 24 November 2020, (a summary of material terms and conditions of the Company’s EIP is provided in Annexure A).

The Director Options will align Mr David Hutton’s interests with the interests of Shareholders. The grant of the Director Options (and the subsequent issue of Shares if the Director Options are exercised) to Mr David Hutton has been proposed as a performance incentive for the future.

#### **Terms of Director Options**

Resolution 1 of this Notice provides for a total of 30,000,000 Director Options to be granted to Mr David Hutton on the terms outlined in Table 1 below:

**Table 1**

Terms	Option Recipient
Vesting Conditions	<ul style="list-style-type: none"> <li>• one-third will vest immediately on issue</li> <li>• one-third will vest 12 months from the date of his Contract, and</li> <li>• one-third will vest 18 months from the date of his Contract, subject to continued employment at each vesting date.</li> </ul>
Expiry	4.59pm on the date that is the 4 <sup>th</sup> anniversary of the date of his Contract such that the term is no more than 4 years. ( <b>Expiry Date</b> )
Exercise Price	\$0.0154 (1.54 cents) which is based on the higher of: <ul style="list-style-type: none"> <li>• the amount equal to a 43% premium to the market value preceding the date of his Contract, and</li> <li>• \$0.0125 (1.25 cents).</li> </ul>

#### **Director Remuneration Package and Interests**

At the date of this Notice, the details (including the amount) of the current total remuneration package of Mr David Hutton to who (or his nominee) Director Options would be issued if Resolution 1 is passed is:

Name of Director	Nature	Remuneration Package Details
Mr David Hutton	Managing Director and Chief Executive Officer	Annual Base Salary: A\$200,000 per annum (based on 80% FTE) plus minimum Superannuation contributions as prescribed under legislation from time to time up to the maximum contribution base.  Short Term Incentive: Up to 40% of Annual Base Salary payable in cash or equity subject to the achievement of Corporate and Personal Key Performance Indicators (KPIs) and Shareholder approval if required.

The above does not include the proposed Director Options.

The Company has obtained an independent assessment of the indicative fair value of the Director Options as summarised below. The values are indicative only based on assumptions relevant at the date of the calculation, being 3 June 2022. Different assumptions may be relevant at grant date which may alter the value of the Director Options for financial reporting purposes. The total remuneration package in the above table would be increased for Mr David Hutton by the total set out in the following table, based on the assumptions. The final valuation amount will not be able to be calculated until the Director Options are issued, at which time the relevant assumptions may also have changed.

Assessment	Tranche 1	Tranche 2	Tranche 3	Total
Indicative fair value per Option	\$0.0052	\$0.0055	\$0.0058	N/A
Number of Director Options	10,000,000	10,000,000	10,000,000	30,000,000
Total	\$52,000	\$55,000	\$58,000	\$165,000

The Director Options were valued using the Hoadley Trading & Investment Tools ES02 valuation model. The assumptions used in the valuation model were as per Table 2 below:

**Table 2**

Director Options series Assumptions	Tranche 1	Tranche 2	Tranche 3
Valuation Date <sup>^</sup>	3 June 2022	3 June 2022	3 June 2022
Spot Price (3 June 2022)	\$0.010	\$0.010	\$0.010
Exercise Price	\$0.0134	\$0.0134	\$0.0134
Vesting Date	3 Jun 2022	3 Jun 2023	3 Dec 2023
Barrier Price	Nil	Nil	Nil
Expiry Date	3 Jun 2026	3 Jun 2026	3 Jun 2026
Expected future volatility <sup>+</sup>	100%	100%	100%
Risk Free Rate	3.2%	3.2%	3.2%
Early Exercise Multiple	2.5x	2.5x	2.5x
Dividend Yield	Nil	Nil	Nil

<sup>^</sup> Based on the issue date being the valuation date.

<sup>+</sup> In assessing the expected future volatility, the historical volatility has been considered in the Company's shares over one, two, and three year trading periods.

### **Corporations Act**

The Board has formed the view that the issue of Director Options to Mr David Hutton (or his respective nominee(s)) do not require Shareholder approval under section 208 of the Corporations Act as the issues constitute "reasonable remuneration" in accordance with section 211 of the Corporations Act.

A "financial benefit" is defined in section 229 of the Corporations Act and includes granting an option to a related party.

Section 228 of the Corporations Act defines a "related party" for the purposes of Chapter 2E to include:

- directors of the public company (section 228(2)(a)); and
- an entity controlled by directors of the public company (section 228(4)). Section 228(5) provides that an entity is a related party of a public company at a particular time if the entity was a related party of the public company of a kind referred to in subsection (1), (2), (3) or (4) at any time within the previous 6 months.

In reaching this view, the Board considers the proposed grant of Director Options aligns the interests of Mr David Hutton with the interests of Shareholders. The grant of Director Options to Mr David Hutton is a cost-effective form of remuneration when compared to the payment of cash consideration.

The Board believes that in order to compensate Mr David Hutton in line with current market practices, options provide an appropriate and meaningful remuneration component to Mr David Hutton that is aligned with Shareholder interests.

### **ASX Listing Rule 10.14**

The Company is proposing to issue the Director Options under the EIP, which is an employee incentive scheme as defined in the Listing Rules.

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- 10.14.1: a director of the company;
- 10.14.2: an Associate of a director of the company; or
- 10.14.3: a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders,

unless it obtains the approval of its Shareholders.

The proposed issue of the Director Options falls within Listing Rules 10.14.1 and/or 10.14.2 above and therefore requires the approval of the Company's Shareholders under Listing Rule 10.14.

Resolution 1 seeks the required Shareholder approval to the issue under and for the purposes of Listing Rule 10.14.

If Resolution 1 is passed, the Company will be able to proceed with the issue of the Director Options and Mr David Hutton (or his nominee) will receive the number of Director Options set out above.

If Resolution 1 is not passed, the Company will not be able to proceed with the issue of the Director Options to Mr David Hutton, and he (or his nominee) will not receive the Director Options as described above. If such approval is not obtained, the Board shall determine an alternative incentivisation with comparable benefits to the Employee.

If approval is given under ASX Listing Rule 10.14 approval is not required under ASX Listing Rule 7.1.

The following information is given under ASX Listing Rule 10.15 in respect of the proposed issue of Director Options to Mr David Hutton under Resolution 1:

Listing Rule		
10.15.1	The name of the person/s	Mr David Hutton or his respective nominee (who would be an Associate of Mr David Hutton);
10.15.2	Which category in rules 10.14.1 to 1.04.3 the person/s falls within and why.	Mr David Hutton is a Director and therefore a related parties under 10.14.1
10.15.3	The number and class of securities proposed to be issued to the person/s.	30,000,000 unlisted options over ordinary shares in the Company.
10.15.4	Details of the Director's current total remuneration package	The current total remuneration package of Mr David Hutton is set out on page 6 above
10.15.5	The number of securities previously issued to the person under the scheme and the average acquisition price (if any) paid for those securities.	Mr David Hutton has not previously participated in the scheme.
10.15.6	A summary of the material terms of the securities, an explanation of why that type of security is being used and the value the entity attributes to that security and its basis.	<ul style="list-style-type: none"> <li>• The terms of the Securities is set out in Table 1 above.</li> <li>• The Company is issuing options as a form of equity security as a cost effective, non-cash incentive.</li> <li>• The value the Company attributes to Mr David Hutton's Director Options is set out on page 7 above.</li> </ul>
10.15.7	The date or dates on or by which the entity will issue the securities to the person under the scheme	The entity expects to issue the Director Options within one month after the date of the meeting, and in any event, no later than 3 years after the date of the meeting;
10.15.8	The price at which the entity will issue the securities to the person under the scheme.	The Director Options will be issued as remuneration. As such there is no issue price for the Director Options, and the Company will not receive cash from issue of the Director Options. Funds raised upon exercise of the Director Options will be applied to the working capital requirements of the Company at the time of exercise;
10.15.9	a summary of the material terms of the scheme.	A summary of the material terms of the EIP is included in Annexure A.

10.15.10	A summary of the material terms of any loan that will be made to the person in relation to the acquisition.	No loans will be made in relation to the acquisition of the Director Options.
10.15.11	Statement	<p>Details of any securities issued under the EIP will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issues was obtained under Listing Rule 10.14.</p> <p>Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.</p>
10.15.12	Voting exclusion statement.	Refer to note 6 and 7 for voting exclusions on these resolutions

***Director Recommendations***

The Board (with Mr David Hutton abstaining) recommends that Shareholders vote in favour of the issue of 30,000,000 Director Options to Mr David Hutton as described above.

The Chair of the meeting intends to vote undirected proxies in favour of this resolution.

**Resolutions 2 to 4: Approval to Grant Options to Non-Executive Directors; Mr Ian McCubbing, Mr Andrew Knox and Mr Misha Collins (or their nominees)**

**Background**

Resolution 2 provides for a total of 35,000,000 unlisted options (“**Director Options**”) to be granted to the Non-Executive Directors on the terms described below. If Resolution 2 is approved by Shareholders, the Director Options will be issued in accordance with the Equity Incentive Plan (“**EIP**”), approved by Shareholders on 24 November 2020, (a summary of material terms and conditions of the Company’s EIP is provided in Annexure A).

The Director Options will align the Non-Executive Director’s interests with the interests of Shareholders. The grant of the Director Options (and the subsequent issue of Shares if the Director Options are exercised) has been proposed as a performance incentive for the future.

**Terms of Director Options**

Resolution 2 of this Notice provides for a total of 35,000,000 Director Options to be granted to the Non-Executive Directors on the terms outlined in Table 3 below:

**Table 3**

<b>Terms</b>	<b>Option Recipient</b>
Vesting Conditions	<ul style="list-style-type: none"> <li>• one-third will vest immediately on issue</li> <li>• one-third will vest 12 months from acquisition, and</li> <li>• one-third will vest 18 months from acquisition, subject to continued employment at each vesting date.</li> </ul>
Expiry	4.59pm on the date that is the 4 <sup>th</sup> anniversary of the date of acquisition such that the term is no more than 4 years. ( <b>Expiry Date</b> )
Exercise Price	The higher of: <ul style="list-style-type: none"> <li>• the amount equal to a 43% premium to the market value preceding the date of acquisition, and</li> <li>• \$0.0125 (1.25 cents).</li> </ul>

**Director Remuneration Package**

At the date of this Notice, the details (including the amount) of the current total remuneration package of the Non-Executive Directors (or their nominee/s) and the indicative value of their Director Options that would be issued if Resolutions 2 to 4 are passed is:

<b>Name of Director</b>	<b>Nature</b>	<b>Remuneration Package Details</b>
Mr Ian McCubbing	Independent Non-Executive Chair	Annual Directors Fees: A\$60,000 per annum (inclusive of any statutory superannuation as may apply).
Mr Andrew Knox and Mr Misha Collins	Non-Executive Directors	Annual Directors Fees: A\$40,000 per annum each (inclusive of any statutory superannuation as may apply).

The above does not include the proposed Director Options.

The Company has obtained an independent assessment of the indicative fair value of the Director Options as summarised below. The values are indicative only based on assumptions relevant at the date of the calculation, being 3 June 2022. Different assumptions may be relevant at grant date which may alter the value of the Directors Options for financial reporting purposes. The total remuneration package in the above table would be increased for the Non-Executive Directors by the totals set out in the following table, based on the assumptions. The final valuation amount will not be able to be calculated until the Director Options are issued, at which time the relevant assumptions may also have changed.

<b>Assessment</b>	<b>Tranche 1</b>	<b>Tranche 2</b>	<b>Tranche 3</b>	<b>Total</b>
Indicative fair value per Option	\$0.0052	\$0.0055	\$0.0058	N/A
<b>Number of Director Options</b>				
• Ian McCubbing	5,000,000	5,000,000	5,000,000	15,000,000
• Andrew Knox	3,333,333	3,333,333	3,333,334	10,000,000
• Misha Collins	3,333,333	3,333,333	3,333,334	10,000,000

Assessment	Tranche 1	Tranche 2	Tranche 3	Total
<b>Indicative Value of Director Options</b>				
• Ian McCubbing	\$26,000	\$27,500	\$29,000	\$82,500
• Andrew Knox	\$17,333	\$18,333	\$19,334	\$55,000
• Misha Collins	\$17,333	\$18,333	\$19,334	\$55,000

The Director Options were valued using the same valuation model as per Table 2 under Resolution 1 above on page 7.

### **Corporations Act**

The Board has formed the view that the issue of Director Options to the Non-Executive Directors (or their respective nominee(s)) do not require Shareholder approval under section 208 of the Corporations Act as the issues constitute "reasonable remuneration" in accordance with section 211 of the Corporations Act.

In reaching this view, the Board considers the proposed grant of Director Options aligns the interests of Non-Executive Directors with the interests of Shareholders. The grant of Director Options to the Non-Executive Directors is a cost-effective form of remuneration when compared to the payment of cash consideration.

The Board believes that in order to compensate the Non-Executive Directors in line with current market practices, options provide an appropriate and meaningful remuneration component that is aligned with Shareholder interests.

### **ASX Listing Rule 10.14**

The Company is proposing to issue the Director Options under the EIP, which is an employee incentive scheme as defined in the Listing Rules.

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- 10.14.1: a director of the company;
- 10.14.2: an Associate of a director of the company; or
- 10.14.3: a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders,

unless it obtains the approval of its Shareholders.

The proposed issue of the Director Options falls within Listing Rules 10.14.1 and/or 10.14.2 above and therefore requires the approval of the Company's Shareholders under Listing Rule 10.14.

Resolutions 2 to 4 seeks the required Shareholder approval to the issue under and for the purposes of Listing Rule 10.14.

If Resolutions 2 to 4 are passed, the Company will be able to proceed with the issue of the Director Options and the Non-Executive Directors (or their nominee/s) will receive the number of Director Options set out above.

If Resolutions 2 to 4 are not passed, the Company will not be able to proceed with the issue of the Director Options to the Non-Executive Directors, and they (or their nominee/s) will not receive the Director Options as described above.

If approval is given under ASX Listing Rule 10.14 approval is not required under ASX Listing Rule 7.1.

The following information is given under ASX Listing Rule 10.15 in respect of the proposed issue of Director Options to the Non-Executive Directors under Resolutions 2 to 4:

Listing Rule		
10.15.1	The name of the person/s	Mr Ian McCubbing, Mr Andrew Knox and Mr Misha Collins, or their respective nominee/s (who would be an Associate of the relevant Director);
10.15.2	Which category in rules 10.14.1 to 1.04.3 the person/s falls within and why.	Mr Ian McCubbing, Mr Andrew Knox and Mr Misha Collins are Directors and therefore related parties under 10.14.1
10.15.3	The number and class of securities proposed to be issued to the person/s.	35,000,000 unlisted options over ordinary shares in the Company, allocated to the Non-Executive Directors: <ul style="list-style-type: none"> <li>• Mr Ian McCubbing 15,000,000</li> <li>• Mr Andrew Knox 10,000,000</li> <li>• Mr Misha Collins 10,000,000</li> </ul>
10.15.4	Details of the Director's current total remuneration package	The current total remuneration package of the Non-Executive Directors is set out on page 10 above
10.15.5	The number of securities previously issued to the person under the scheme and the average acquisition price (if any) paid for those securities.	Mr Ian McCubbing, Mr Andrew Knox and Mr Misha Collins have not previously participated in the scheme.
10.15.6	A summary of the material terms of the securities, an explanation of why that type of security is being used and the value the entity attributes to that security and its basis.	<ul style="list-style-type: none"> <li>• The terms of the Securities is set out in Table 3 above.</li> <li>• The Company is issuing options as a form of equity security as a cost effective, non-cash incentive.</li> <li>• The value the Company attributes to the Director Options is set out on pages 10 and 11 above.</li> </ul>
10.15.7	The date or dates on or by which the entity will issue the securities to the person under the scheme	The entity expects to issue the Director Options within one month after the date of the meeting, and in any event, no later than 3 years after the date of the meeting;
10.15.8	The price at which the entity will issue the securities to the person under the scheme.	The Director Options will be issued as remuneration. As such there is no issue price for the Director Options, and the Company will not receive cash from issue of the Director Options. Funds raised upon exercise of the Director Options will be applied to the working capital requirements of the Company at the time of exercise;
10.15.9	a summary of the material terms of the scheme.	A summary of the material terms of the EIP is included in Annexure A.
10.15.10	A summary of the material terms of any loan that will be made to the person in relation to the acquisition.	No loans will be made in relation to the acquisition of the Director Options.
10.15.11	Statement	<p>Details of any securities issued under the EIP will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issues was obtained under Listing Rule 10.14.</p> <p>Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.</p>
10.15.12	Voting exclusion statement.	Refer to note 6 and 7 for voting exclusions on these resolutions

### **Director Recommendations**

Due to the nature of this Resolution as it relates to each Director's interests, the Board does not make a recommendation in regard to these resolutions.

The Chair of the meeting intends to vote undirected proxies in favour of these resolutions.

## GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“**\$**” means Australian Dollars;

“**Associate**” has the meaning given to it in the Listing Rules;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**AEST**” means Australian Eastern Standard Time.

“**Board**” means the Directors acting as the Board of Directors of the Company or a committee appointed by such Board of Directors;

“**Chair**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**Closely Related Party**” means:

(a) a spouse or child of the member; or

(b) has the meaning given in section 9 of the Corporations Act.

“**Company**” means Rimfire Pacific Mining Limited ABN 59 006 911 744;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Contract**” means in relation to David Hutton’s Employment Agreement, 15 June 2022;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Explanatory Statement**” means the explanatory statement which forms part of the Notice;

“**Intermediary Online Subscribers**” has the meaning given to it by Computershare Investor Services Pty Limited (ABN 48 078 279 277);

“**Key Management Personnel**” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**NED**” means each of the Non-Executive Directors of the Company;

“**Notice**” means this Notice of Meeting including the Explanatory Statement;

“**Options**” means the right of the holder to be issued one new Share on payment of the applicable exercise price.

“**Proxy Form**” means the proxy form attached to the Notice;

“**Resolution**” means a resolution referred to in the Notice;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company;

“**Share Registry**” means Computershare Investor Services Pty Limited (ABN 48 078 279 277);

“**Trading Day**” means a day determined by ASX to be a trading day in accordance with the Listing Rules;

## ANNEXURE A

A summary of material terms and conditions of the Company's EIP is set out below.

- The EIP sets out the framework for the offer of Shares, Options or Performance Rights by the Company, and is typical for a document of this nature.
- In making its decision to issue Shares, Options or Performance Rights, the Board may decide the number of securities and the vesting conditions which are to apply in respect of the securities. The Board has broad flexibility to issue Shares, Options or Performance Rights having regard to a range of potential vesting criteria and conditions.
- In certain circumstances, unvested Options or Performance Rights will immediately lapse and any unvested Shares held by the participant will be forfeited if the relevant person is a “bad leaver” as distinct from a “good leaver”.
- If a participant acts fraudulently or dishonestly or is in breach of their obligations to the Company or its subsidiaries, the Board may determine that any unvested Performance Rights or Options held by the participant immediately lapse and that any unvested Shares held by the participant be forfeited.
- In certain circumstances, Shares, Performance Rights or Options can vest early, including following a change of control or other events of a similar nature. For the purposes of this rule, a relevant control event occurs in a number of scenarios in which a third party may acquire 50% or more of the Company's Shares.
- The total number of Shares that would be issued were each Option, Performance Right and Share under the EIP exercised or vested (as applicable), plus the number of Shares issued in the previous three years under the EIP, must not, at any time, exceed 5% of the total number of Company Shares on issue. Shares issued under the EIP will rank equally in all respects with other Shares and the Company must apply for the quotation of such Shares.
- The Board has discretion to impose restrictions (except to the extent prohibited by law or the ASX Listing Rules) on Shares issued or transferred to a participant on vesting of an Option or a Performance Right, and the Company may implement appropriate procedures to restrict a participant from so dealing in the Shares.
- In respect of vested Options or Performance Rights, if the Board becomes aware of an event which would have resulted in vesting criteria not being satisfied, such as a material misstatement in the Company's financial statements during the vesting period, any affected vested Options or Rights may be cancelled for no consideration.
- In the event of any reorganisation of the issued capital of the Company on, or prior to, the expiry of the Performance Rights or Options, the rights of the relevant security holder can be changed in the discretion of the Board, including to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.
- The Board is granted a certain level of discretion under the EIP, including the power to amend the rules under which the EIP is governed and to waive vesting conditions, forfeiture conditions or disposal restrictions.



Rimfire Pacific Mining Limited  
ABN 59 006 911 744

RIM  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## Need assistance?

 **Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)

 **Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (AEST) on Tuesday, 23 August 2022.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### PARTICIPATING IN THE MEETING

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I9999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark  to indicate your directions

### Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Rimfire Pacific Mining Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Rimfire Pacific Mining Limited to be held at Vistra Australia (Melbourne) Pty Ltd, Level 4, 96-100 Albert Road, South Melbourne, VIC 3205 on Thursday, 25 August 2022 at 11:00am (AEST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 2, 3 and 4 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 2, 3 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 2, 3 and 4 by marking the appropriate box in step 2.

### Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Approval to Grant Options to Mr David Hutton (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval to Grant Options to Mr Ian McCubbing (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to Grant Options to Mr Andrew Knox (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to Grant Options to Mr Misha Collins (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

RIM

290919A



Computershare

