



Rimfire Pacific Mining NL

ACN 006 911 744

HALF-YEAR REPORT DECEMBER 2019

TABLE OF CONTENTS

Directors' Report	2
Auditor's Independence Declaration	7
Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half-Year ended 31 December 2019	8
Consolidated Statement of Financial Position as at 31 December 2019	9
Consolidated Statement of Changes in Equity for the Half-Year ended 31 December 2019	10
Consolidated Statement of Cash Flows for the Half-Year ended 31 December 2019	11
Notes to the Consolidated Financial Statements for the Half-Year ended 31 December 2019	12
Directors' Declaration	17
Independent Auditor's Review Report	18
Corporate Directory	20

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Rimfire Pacific Mining NL and the entity it controlled at the end of, or during, the half-year ended 31 December 2019.

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,
- Andrew Greville – Non-Executive Director appointed 18 August 2017.

PRINCIPAL ACTIVITY

The principal activity of the group 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 \$530,451.

The key expenses which impacted the loss compared to the December 2018 half-year (loss \$468,000), were the non-cash costs relating to employee share options taken up during the period. The underlying operational loss is less than last year reflecting the cost-effective nature of the Company's operations, and the ongoing cost control / cash preservation measures being applied (including deferral of payments to Directors) to expenditure to ensure a high ratio of "in-ground" expenditure to administration costs continues to be achieved consistently over an extended period.

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 Fifield Project 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 the interpreted Ordovician Volcanic geology, and
- Monetise the 2011 Sorpresa gold and silver discovery and subsequent 2014 resource to provide a positive cash contribution to the business.

PROJECT ACTIVITY DETAIL

Health, Safety, Environment and Community

Health and Safety - There was one significant (high level) potential Safety related incident involving a contractor commuting on a public road during the last quarter. There were no injuries to personnel and the company has completed an incident investigation to learn from the event with no outstanding issues relating to the event. The Total Year to Date performance for Minor Injuries, Medical Treatment Injuries and Lost Time Injuries remains zero.

Environment - There has been one environmental incident during the last quarter. There was an estimated 20 litre spill of diesel fuel on the edge of a public road that passes through a Rimfire Exploration Licence. The area was fully remediated. All drill sites from the recent Phase 1 drilling program have been rehabilitated with routine ongoing monitoring of these sites to be undertaken in accordance with company environmental rehabilitation processes.

Community - In preparation for undertaking drilling activities there has been extensive landholder or landowner consultation and coordination meetings. During the drilling program there was daily communication with landholders to ensure company activities had minimal impact on farmers. There were no problems encountered with property landholders or landowners during the recent Phase 1 and Phase 2 drilling programs.

Sorpresa Discovery

Sorpresa 2019 Resource Estimation

During the Half Year, H&S Consultants Pty Ltd was engaged by Rimfire Pacific Mining NL to provide an update of their 2014 maiden Sorpresa Au / Ag Mineral Resource Estimate (ASX Announcement 23 Dec 2014). The update to the resource estimate was requested by Rimfire to allow inclusion of further drilling data and better quantify higher grade gold mineralisation.

Resources for Sorpresa are reported at separate cut-off grades for gold and silver (1.0 g/t Au and 85 g/t Ag) with material above both cut-off grades included in the gold resources (Table 1). The silver / gold factor of 85g/t is based on a gold price of US\$1,494.10 per ounce and a silver price of US\$17.58 per ounce using the Comex spot prices on 21 October 2019. This shows that there is a significant quantity of silver-rich mineralisation outside of the greater than 1.0 g/t Au material above a similar value-equivalent silver cut-off grade ie 85 grams of silver has equivalence of 1 gram gold.

The Mineral Resource Estimate for silver indicates significant potential upside in zones of silver rich mineralisation which have modelled gold grades of below 1g/t and are not included in the gold only cut-off grade tonnages.

Resource	Cut off	Category	Mt	Grade		Contained Metal	
				g/t Au	g/t Ag	Koz Au	Moz Ag
Gold	1.0 g/t Au	Measured	0.162	2.88	53	15.0	0.28
		Indicated	0.532	2.08	25	35.7	0.44
		Inferred	0.228	2.25	22	16.5	0.16
		Total	0.922	2.27	30	67.1	0.88
Silver	85 g/t Ag	Measured	0.027	0.50	171	0.4	0.15
		Indicated	0.509	0.37	133	6.0	2.18
		Inferred	0.062	0.33	116	0.6	0.23
		Total	0.598	0.37	133	7.1	2.56
Combined	1.0g/t Au & 85 g/t Ag	Measured	0.189	2.54	70	15.4	0.43
		Indicated	1.041	1.25	78	41.7	2.62
		Inferred	0.289	1.84	42	17.1	0.39
		Total	1.519	1.52	70	74.3	3.44

Table 1: Summary tabulation of 2019 Resource Estimation Results for Sorpresa

NB: The figures are rounded to include rounding errors and reflect precision of the estimates.

A breakdown of the final estimate by resource estimation confidence class and oxidation versus sulphide rock is presented in Table below at 1.0 g/t Au cut-off grade (Table 2). Measured and Indication resources comprise around 75% of the total resource with oxide and sulphide mineralisation occurring in roughly equal quantities, with oxide having slightly higher average gold grades. Full Details of the Resource Upgrade were announced on the ASX on 6 November 2019.

Category	Mt	g/t Au	g/t Ag	Bulk Density	Koz Au	Moz Ag
Measured	0.162	2.88	54	2.58	15.0	0.28
Indicated	0.532	2.08	26	2.63	35.7	0.44
Inferred	0.228	2.25	22	2.75	16.5	0.16
Oxide	0.468	2.36	22	2.55	35.5	0.34
Sulphide	0.454	2.17	37	2.76	31.6	0.54
Total	0.922	2.27	30	2.65	67.1	0.88

Table 2: Resources by Resource Category and Rock Oxidation Type at 1.0 g/t Au cut-off grade
Note: The figures are rounded to include rounding errors and reflect precision of the estimates.

Regional Discovery Program

Rimfire continues to focus on the discovery a large scale ore body in the broader Fifield area that is prospective for porphyry style gold or copper / gold systems in interpreted Ordovician Volcanics as Ordovician age rocks also host the nearby Cowal gold (Evolution Mining), Northparkes copper / gold (China Molybdenum) and Cadia Valley Operations copper / gold (Newcrest) mines within circa 150km of Fifield.

Phase 1 and Phase 2 drilling programs were undertaken in the key project areas of the Southern Area, Northern Area and the Central Area that also encompasses Sorpresa.

The Phase 1 drilling at the Northern Gold prospect that is 2km north of Sorpresa consisted of 2 RC holes totalling 165.5m. The Northern Gold prospect drilling intersected anomalous gold (0.15 ppm), copper (0.17 %), lead (120 ppm) and zinc (0.13%) (ASX Announcement 5Nov2019). The results are supportive of the IRGS model for mineralisation in the area (ASX Announcement: Sorpresa Basin IRGS Model 15 July 2019).

The Phase 1 aircore drilling at the Northern Area consisted of 11 holes totalling 408m (average depth 37m). Assays have confirmed elevated copper associated with a mafic diorite although with no observed significant rock alteration. At the Southern Area aircore drilling consisted of 14 holes totalling 634m (average depth 45m). The aircore drilling was designed to obtain bedrock samples that could provide lithological, geochemical and alteration information of basement rocks hidden below variable thicknesses of transported alluvial (not in situ) cover.

The Phase 2 drilling was also undertaken however these results are not yet available.

Total Drilling and Field Program work for the half-year

The main field work activities in the period were for the Phase 1 and 2 aircore drilling and RC drilling (Table 3).

Drilling Summary			
Drilling Type	Holes	Metres	Prospect Areas
Aircore	47	1,825	Northern Area, Southern Area
RCD	2	165.5	Northern Gold

Table 3: Summary of Field Program Work Sample Collection for Half Year to December 31, 2019

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. During the half-year a number of key activities and milestones on the Fifield Project were conducted and reached.

Tenement Position

The Company continues to maintain its tenements in the Fifield area covering an area of 915km².

The Company maintained its tenement interest in the Broken Hill area of 78km² with Perilya as operator.

CORPORATE ACTIVITIES

Management Changes

There have been no changes to the Company's management during the half year.

Annual General Meeting

During the half-year, the Company, held its Annual General Meeting. Andrew Greville was re-elected as a Director and all other resolutions were passed.

Cash, Funding and Capital Structure

The Company's cash at bank at 31 December 2019 was \$0.516 million.

A Non-Renounceable Rights Issue (Rights Issue) was undertaken during the half-year to raise approximately \$1.1 million before costs from the issue of 356,539,358 New Ordinary Shares. The Rights Issue (including Shortfall) successfully raised \$0.8 million before costs.

During October 2019 an investor led capital raising was also undertaken raising \$0.5m before costs.

The funds raised by the Rights Issue and placement provides additional working capital and enables Rimfire to continue with its Exploration and Sorpresa Evaluation work programs at the Fifield Project area in central NSW.

As at 31 December 2019 the capital structure of the company was:

- Fully Paid Ordinary Shares (RIM) 1,509,408,438
- Listed Options (RIMOB) 131,140,518
- Listed Options (RIMOC) 433,790,365
- Unlisted Options 74,000,000

COMMODITY PRICING FOR THE HALF YEAR

During the December Quarter 2019 the gold price continues to appreciate due to world market factors, finishing the half year with a 13% increase in value to USD 1,517.10 per ounce. The gold price continues to trade at greater than AUD 2,000 per ounce, trading at AUD 2,167 per ounce (using an exchange rate USD:AUD of 0.70). Gold and Silver Prices from www.kitco.com in New York in USD and Copper Prices from LME.com in USD.

Commodity	Price USD 1 Jul 2019	Price USD 31 Dec 2019	Dec 2019 Quarter % change
Gold (oz)	1,391.20	1,517.10	12.9%
Silver (oz)	15.14	17.82	17.7%
Copper (t)	6,484	6,116	(5.7)%

COMPETENT PERSONS DECLARATIONS

Competent Persons Declarations - Mineral Resources – Sorpresa

The information in this Report that relates to Mineral Resources for the Sorpresa deposit is based on information compiled by Mr Arnold van der Heyden, who is a Member and Chartered Professional (Geology) of the Australian Institute of Mining and Metallurgy and Managing Director of H&S Consultants Pty Ltd. Mr van der Heyden has sufficient experience relevant to the style of mineralization and type of deposit 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' (JORC Code). Mr van der Heyden consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Competent Persons Declarations – 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 Todd Axford who is deemed to be a Competent Person and is a Member of The Australasian Institute of Mining and Metallurgy. Mr Axford has over 24 years' experience in the mineral and mining industry. Mr Axford is employed by Geko-Co Pty Ltd and is a consulting geologist to the Company. Todd Axford 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'. Todd Axford 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

There are no events subsequent to the end of the Half Year.

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 7.



Ian McCubbing
Chairman

Dated in Melbourne, 10 March 2020

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61(0) 3 9286 8000

F +61(0) 3 9286 8199

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Rimfire Pacific Mining NL for the half year ended 31 December 2019, 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**

J S CROALL
Partner

Dated: 10 March 2020
Melbourne, VIC

7

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation



7

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	Consolidated Entity	
		31-Dec-19	31-Dec-18
		\$	\$
Revenue from continuing operations		2,725	4,783
Expenses:			
Employee benefits expense		(170,018)	(153,054)
Non-executive directors' fees		(56,667)	(73,333)
Professional costs		(51,345)	(42,096)
Occupancy costs		(20,275)	(22,380)
Travel costs		(3,396)	(94)
Marketing expense		(52,680)	(32,562)
Depreciation		(21,143)	(20,643)
Insurance		(7,081)	(10,601)
Share-based payment expense		(79,304)	(3,067)
Compliance costs		(40,913)	(43,216)
Loss on disposal of plant and equipment		3,248	(2,946)
Other administration expenses		(33,603)	(68,791)
Loss before income tax		(530,451)	(468,000)
Income tax benefit		-	-
Loss after income tax		(530,451)	(468,000)
Other comprehensive income		-	-
Total comprehensive loss for the year		(530,451)	(468,000)
Loss per share for the year attributable to the members of Rimfire Pacific Mining NL			
Basic loss per share (cents per share)	6	(0.04)	(0.05)
Diluted loss per share (cents per share)	6	(0.04)	(0.05)

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 2019

	Note	Consolidated Entity	
		31-Dec-19	30-Jun-19
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		516,114	95,706
Trade and other receivables		55,376	45,134
Other current assets		4,926	6,150
TOTAL CURRENT ASSETS		576,416	146,990
NON-CURRENT ASSETS			
Trade and other receivables		160,000	160,000
Property, plant and equipment		380,195	413,589
Exploration & evaluation costs	2	13,739,240	13,313,247
TOTAL NON-CURRENT ASSETS		14,279,435	13,886,836
TOTAL ASSETS		14,855,851	14,033,826
CURRENT LIABILITIES			
Trade and other payables	4	207,611	210,934
Provisions		59,344	39,226
TOTAL CURRENT LIABILITIES		266,955	250,160
NON-CURRENT LIABILITIES			
Provisions		3,902	2,812
TOTAL NON-CURRENT LIABILITIES		3,902	2,812
TOTAL LIABILITIES		270,857	252,972
NET ASSETS		14,584,994	13,780,854
EQUITY			
Contributed equity	3	32,334,282	31,078,996
Reserves		103,215	23,911
Accumulated losses		(17,852,504)	(17,322,053)
TOTAL EQUITY		14,584,994	13,780,854

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 2019

Consolidated Entity	Contributed Equity \$	Share based payment Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2019	31,078,996	23,911	(17,322,053)	13,780,854
Shares issued during the year	1,356,621	-	-	1,356,621
Share-based payment	-	79,304	-	79,304
Transaction costs related to share issues	(101,335)	-	-	(101,335)
Total comprehensive loss for the period	-	-	(530,451)	(530,451)
Balance at 31 December 2019	32,334,282	103,215	(17,852,504)	14,584,994
Balance at 1 July 2018	30,060,432	4,638	(16,446,548)	13,618,522
Shares issued during the year	1,135,265	-	-	1,135,265
Share-based payment	-	3,067	-	3,067
Transaction costs related to share issues	(128,490)	-	-	(128,490)
Total comprehensive loss for the period	-	-	(468,000)	(468,000)
Balance at 31 December 2018	31,067,207	7,705	(16,914,548)	14,160,364

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 2019

	Note	Consolidated Entity	
		31-Dec-19	31-Dec-18
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(424,285)	(423,718)
Interest received		2,725	5,862
Net cash used in operating activities		<u>(421,559)</u>	<u>(417,856)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for mining tenement exploration		(418,016)	(734,280)
Reimbursements of exploration expenditure		-	-
Purchase of property, plant and equipment		(1,404)	(1,787)
Proceeds from sale of property, plant and equipment		6,100	3,200
Net cash used in investing activities		<u>(413,320)</u>	<u>(732,867)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,350,621	1,127,765
Transaction costs associated with share issues		(95,335)	(117,923)
Net cash provided by financing activities		<u>1,255,287</u>	<u>1,009,842</u>
Net decrease in cash held		420,407	(140,881)
Cash at beginning of the year		95,706	893,597
Cash at end of the year		<u>516,114</u>	<u>752,716</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 2019

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 2019 have been prepared in accordance with requirements of the *Corporations Act 2001* and comply with Australian Accounting Standards including AASB 134 *Interim Financial Reporting*. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Company. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the company. The half-year report does not include notes of the type normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the financial statements of the company for the year ended 30 June 2019, together with any public announcements made during the half-year.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Company's last annual financial statements for the year ended 30 June 2019.

(a) Accounting policies

The Company 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 2019. New and revised standards and amendments thereof and interpretations effective for the current reporting period that are relevant to the Company include AASB 16 – Leases ('AASB 16').

The Group has assessed the implications of AASB 16 that are effective 1 July 2019, and has determined that their application to this financial statement is not relevant as the Group currently has no long term lease as it is in the process of negotiating a new lease for its premises.

However, upon adoption of AASB 16, the Group has changed its accounting policy as a lessee as follows:

Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line or other appropriate method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment.

The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Except for the impact disclosed above, the same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

(b) 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 \$530,451 and had net cash outflows from operating activities of \$421,559 for the half-year ended 31 December 2019.

These factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

- Directors have a number of external funding alternatives available such as a farm-out of exploration commitments, monetisation of Sorpresa or raising additional equity funds. The Company has a history of successfully undertaking capital raisings during the last 15 years and has entered into significant partnerships in the past; and

- The Board also has the ability to defer or reduce operating activities and exploration expenditure if necessary, whilst meeting minimum tenement expenditure commitments.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt that going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

2. EXPLORATION AND EVALUATION COSTS

	Half-Year Ended 31 Dec 19	Year Ended 30 Jun 19
	\$	\$
Opening balance	13,313,247	12,312,777
Additional expenditure	425,991	1,000,470
Closing balance	<u>13,739,239</u>	<u>13,313,247</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

3. CONTRIBUTED EQUITY

	Half-Year Ended 31-Dec-19	Year Ended 30-Jun-19	Half-Year Ended 31-Dec-19	Year Ended 30-Jun-19
	Number of Securities No.		Value of Securities \$	
<u>Issued Shares</u>				
Fully paid ordinary shares	1,069,618,073	943,477,555	31,078,996	30,060,432
Ordinary shares on issue at beginning of period				
<u>Movements during the period:</u>				
Shares issued:				
In the previous period (value net of costs)		126,140,518		1,018,564
24 July 2019	147,873,698		443,621	
2 August 2019	93,000,000		279,000	
6 September 2019	42,666,667		134,000	
18 October 2019	156,250,000		500,000	
Transaction costs relating to issues			-	101,335
Shares on issue at end of period	1,509,408,438	1,069,618,073	32,334,282	31,078,996

Listed Options

At the date of this report there were 131,140,518 issued and listed shares under option at an issue price of \$0.022 (2.2 cents) per option, exercisable before 1 May 2020, listed as RIMOB.

At the date of this report there were 433,790,365 issued and listed shares under option at an issue price of \$0.01 (1.0 cent) per option, exercisable before 1 May 2020, listed as RIMOC.

Unlisted Options

At the date of this report there were 74,000,000 unissued shares under option at various issue prices and vesting dates subject to vesting conditions.

4. TRADE AND OTHER PAYABLES

	Consolidated Entity	
	31-Dec-19	30-Jun-19
	\$	\$
Accrued Director Fees	78,511	63,381
Other Trade payables	129,100	147,552
Total Trade and other payables	207,611	210,934

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

5. 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.

6. EARNINGS PER SHARE

		Consolidated Entity	
		31-Dec-19	31-Dec-18
		\$	\$
a.	Reconciliation of Earnings to Loss		
	Loss used in the calculation of basic EPS	(530,451)	(468,000)
	Loss used in the calculation of dilutive EPS	(530,451)	(468,000)
b.	Weighted average number of ordinary shares outstanding during the half year used in calculation of basic EPS	1,365,872,855	979,406,176
	Potential ordinary shares	-	-
	Weighted average number of ordinary shares outstanding during the half year used in calculation of dilutive EPS	1,365,872,855	979,406,176
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)	(0.04)	(0.05)
	Diluted loss per share (cents per share)	(0.04)	(0.05)

7. EXPLORATION AND MINING LEASE COMMITMENTS

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

		Consolidated Entity	
		31-Dec-19	30-Jun-19
	Payable		
	- not later than 1 year	437,349	428,667
	- later than 1 year but not later than 5 years	<u>354,526</u>	<u>439,974</u>
		<u>791,875</u>	<u>868,641</u>

8. 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.

9. EVENTS SUBSEQUENT TO THE END OF HALF YEAR

There are no events subsequent to the end of the Half Year.

DIRECTORS' DECLARATION

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

- (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 2019 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, 10 March 2020

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Rimfire Pacific Mining NL which comprises the consolidated statement of financial position as at 31 December 2019, 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 of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company 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

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 2019 and 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*. As the auditor of Rimfire Pacific Mining NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Rimfire Pacific Mining NL, would be in the same terms if given to the directors as at the time of this auditor's report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the half-year financial report, which indicates the consolidated entity incurred a net loss of \$530,451 and incurred net cash outflows from operating activities of \$421,559 for the half-year ended 31 December 2019. As stated in Note 1, these conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Conclusion

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 NL 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 2019 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*.



RSM AUSTRALIA PARTNERS



J S CROALL
Partner

Dated: 10 March 2020
Melbourne, Victoria

CORPORATE DIRECTORY

Directors:	Ian McCubbing (Non-Executive Chairman) Craig Riley (Managing Director and CEO) Andrew Greville (Non-Executive Director)
Company Secretary:	Melanie Leydin
Registered Office:	Suite 411, 530 Little Collins Street Melbourne VIC 3000
Auditors:	RSM Australia Partners Melbourne VIC 3000
Company Lawyers:	Carton Solicitors Suite 211, 19 Milton Parade Malvern VIC 3144
Share Registry:	Computershare Investor Services Pty Ltd Yarra Falls 452 Johnston St Abbotsford VIC 3067 Tel: 1300 787 272
Bankers:	Westpac Banking Corporation 114 William Street Melbourne VIC 3000
Stock Exchange Listing:	Australian Securities Exchange Home Exchange – Melbourne
ASX Code:	RIM
Email Address:	rimfire@rimfire.com.au
Website Address:	www.rimfire.com.au