
Quarterly Report

For the quarter ended June 2020

Highlights

- ✓ Rimfire Pacific Mining NL (“Rimfire”) has formally executed Subscription, Earn-in and Joint Venture Agreements with Golden Plain Resources Pty Ltd (GPR) over the Fifield Project that includes the Sorpresa Gold Resource.
 - GPR will invest \$1,500,000 per year for three years to earn a 50.1% interest in the Joint Venture Area. GPR commits to spend \$1,500,000 in the first year with no withdrawal rights, with remaining payments for the first quarter of year 1 expected during the current Quarter;
 - Following the completion of the earn-in, GPR have committed to fund the development of the Sorpresa project, including Rimfire’s portion.
- ✓ Earn-in Budget to undertake the development of Sorpresa and ongoing exploration work in the earn-in area has been approved and planning work is in progress.
- ✓ Lodgement to the NSW Government of procedural documentation for an auger drilling program at the Valley Target that is approximately 5km west of the Kinkora Copper / RareX Mordialloc porphyry copper / gold target.
- ✓ Rimfire has secured an additional \$780,000 in Junior Mineral Exploration Incentive (JMEI) credits from the Australian Taxation Office (ATO) for the 2020/21 Income Tax Year.

Rimfire Pacific Mining NL (ASX: RIM) (“the Company” or “Rimfire”) is pleased to provide the June 2020 Quarterly Activity Report for activities undertaken at Fifield NSW.

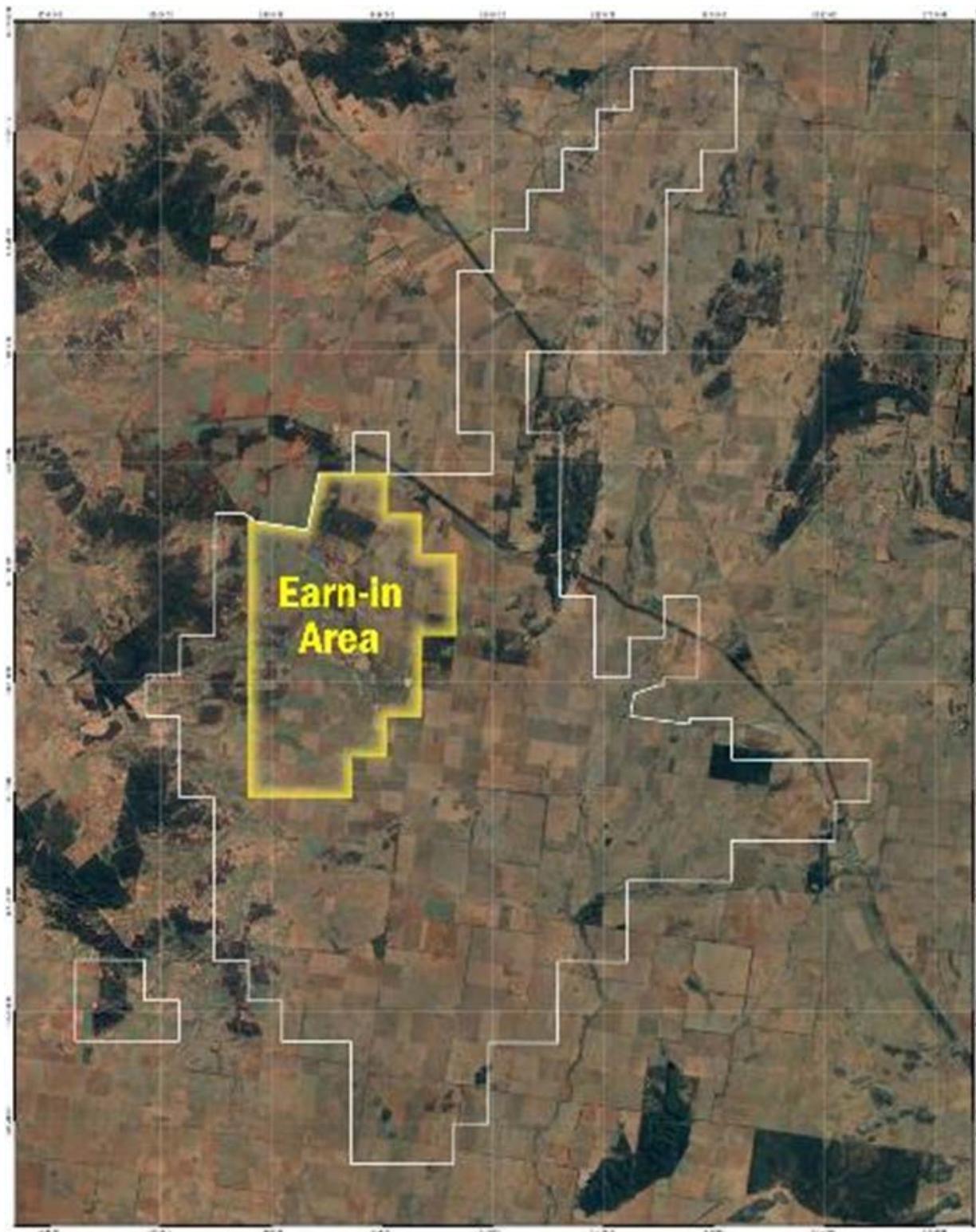
Early in the Quarter Rimfire executed Subscription, Earn-in and Joint Venture Agreements with Golden Plain Resources Pty Ltd (“GPR”) over the Fifield Project that includes the Sorpresa Gold Resource. Key commercial and operational aspects of the transaction include:

- a) GPR will invest \$1,500,000 per year for three years to earn a 50.1% interest in the Joint Venture Area. GPR commits to spend \$1,500,000 in the first year with no withdrawal rights;
- b) Of the \$1,500,000 annual investment \$1,200,000 will be for in-ground exploration and for technical work to obtain mine development approvals in the Earn-in Area and \$300,000 for Rimfire corporate purposes.
- c) Following the completion of the earn-in, GPR have committed to fund the development of the Sorpresa project (subject to government approval), including Rimfire’s portion. Rimfire will repay its share of the development costs from operating cash flows.
- d) The Earn-in Area consists of 103km² area that includes all of EL6241 and approximately half of EL8935.
- e) Rimfire will have control of the design and execution of the field work programs to be undertaken during the Earn-in period.

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On completion of the earn-in commitments, GPR and Rimfire will form an unincorporated Joint Venture over the Joint Venture Area ((Figure 1)). If the earn-in commitments (including the obligation to fund a Joint Venture approved mine development plan) are not met Rimfire will retain 100% ownership of the tenements.

Figure 1: Location Plan of Golden Plain Resources Earn-in Area



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During the June Quarter partial payment of funds due has been made with remaining funds due for quarter 1 of year 1 to be paid during the current Quarter. The remaining funds due have been delayed due to GPR awaiting settlement of another transaction that has been delayed due to a number of issues including Covid-19.

As part of Sorpresa program preplanning activities the tender documents for selection of lead Environmental Consulting Group to support completion of Environmental Impact Assessment (EIA) and Environmental Impact Statement (EIS) were completed and initial evaluation of key contractors undertaken. Drilling contracts are being finalised with a preferred contractor for the drilling programs to be completed within the earn-in area over the next 6 months.

The Earn-in Agreement with GPR covers approximately 10% of areal extent of the Exploration Licences held by Rimfire in the Fifield area. The Company will continue to fund and manage exploration programs on the other 90% of its ground in parallel to the work programs being undertaken in the Earn-in Area.

Operations

Inside GPR Earn-in Area

Following execution of the Earn-in Agreement with GPR a detailed budget and work program was developed and approved covering the next 12 months of field operations focusing on following activities;

- a) Drilling programs to support technical studies towards completing necessary engineering design work that will be necessary to obtain a Mine Development Approval from regulatory authorities for Sorpresa Project,
- b) Drilling program to test gold targets in vicinity (<1km) of existing Sorpresa Resource

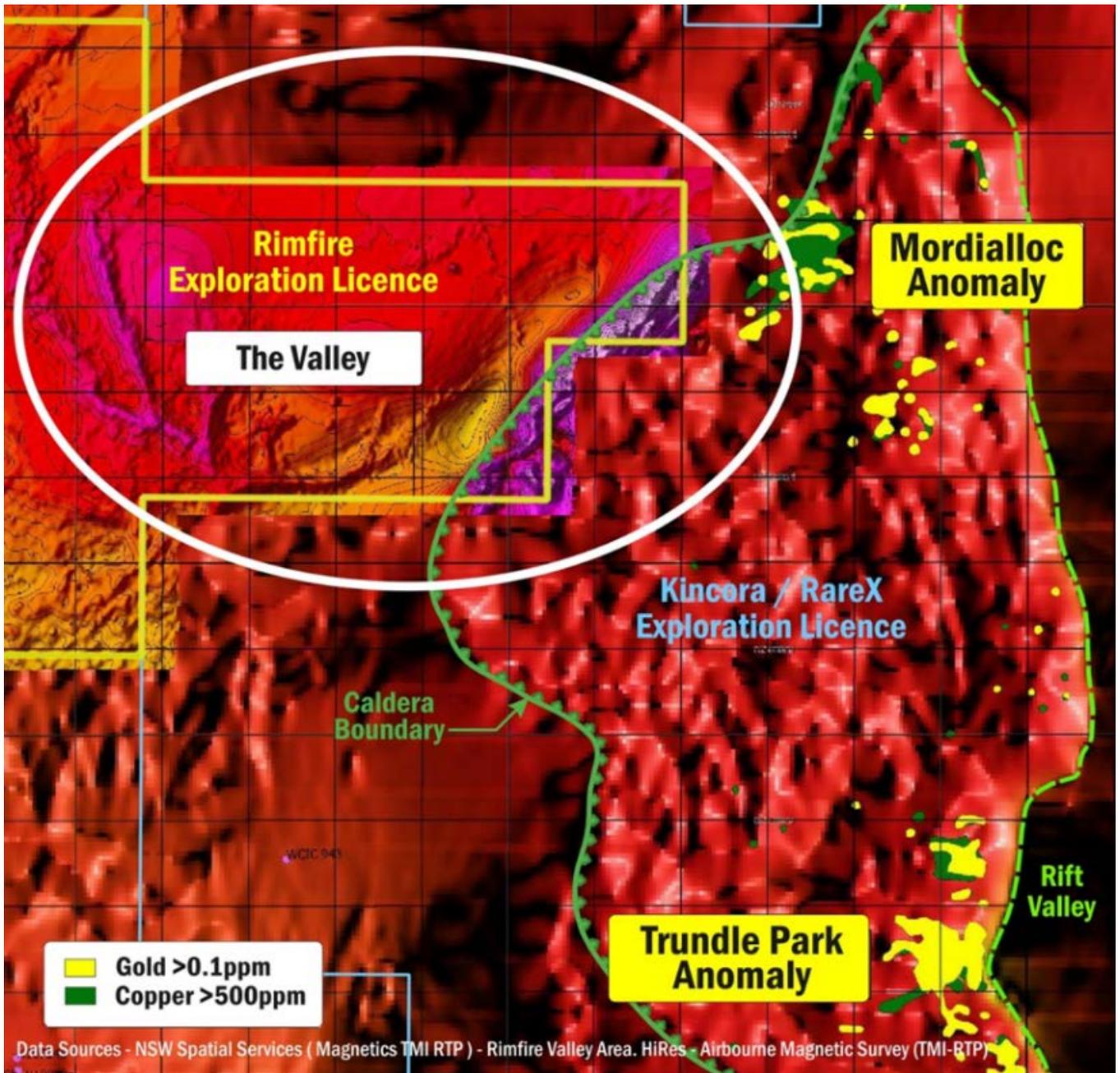
In preparation for planned additional drilling at Sorpresa for technical mine planning design studies (eg hydrology, geotechnical and metallurgical) the Company commenced the process of obtaining NSW Government procedural compliance documentation for an aircore, reverse circulation and diamond drilling program with the regulatory authority for this activity to be undertaken in the 2020 calendar year.

Area Outside Earn-in

During the quarter there was continuing work over the large area (circa 800km²) outside of the Earn-in Agreement area with significant work focussing on developing a better understanding of the geology of the Valley Target that is approximately 5km west of the Kincora Copper / RareX Mordialloc porphyry copper / gold target (Figure 2). The Company is also reprocessing the IP and magnetic data for the area to strengthen the 3D understanding of the area and assist in planning for Auger and RC drilling programs. The NSW Government procedural compliance documentation for an auger drilling program was lodged with the regulatory authority with this activity forecast to be undertaken before September 2020 subject to weather conditions, drill rig availability and an escalation in government directives for control of the spread of Covid-19.

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Figure 2: Location Plan of Valley Target



Health, Safety, Environment and Community

Health and Safety

There were no Health or Safety related incidents during the last quarter. The Total Year To Date performance for Minor Injuries, Medical Treatment Injuries and Lost Time Injuries remains zero.

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The Company continues to monitor the Covid-19 preventive measures authorities require business to apply when undertaking office or field activities. The recent spike in Covid-19 cases in NSW and Victoria is yet to impact significantly field operations. The company appreciates the ongoing support of the local community, employees and contractors during this period of abnormal business practices.

Environment

There has been recent further rainfall that has kept all dams at the Fifield project site full and fully saturated the surface soils. It is expected that further rainfall in the area could result in more extensive sheetwash flood events that could impact field operations.

Rehabilitation work has been completed for all drilling programs completed in the past year.

Community

There have been no significant community events during the past Quarter.

CORPORATE ACTIVITY

Cash, Capital Structure, Funding, Facilities and Investments

The Company's cash at bank at 30 June 2020 was \$0.3m.

Table 2 - Changes in Capital Structure

| Security Class | 31 March 2020 | 30 June 2020 |
|---|---------------|---------------|
| Ordinary Shares on Issue (RIM) | 1,509,418,384 | 1,584,571,527 |
| Listed Options – 2.2 cents, expire 1 May 2020 (RIMOB) | 131,140,518 | - |
| Listed Options – 1.0 cents, expire 1 May 2020 (RIMOC) | 433,780,419 | - |
| Unlisted Options – Various Prices and Vesting Dates | 74,000,000 | 74,000,000 |

Change in capital structure during the Quarter was due to the issue of 75m shares to GPR as part of the Earn-in executed during the June quarter and the exercise of 2,500 RIMOB Options and 150,643 RIMOC Options. During the quarter the listed RIMOB and RIMOC options ceased to trade due to their expiration on 1 May 2020.

As the Covid-19 pandemic has unfolded the company has endeavoured to reduce / defer operating costs where possible and is continuing to seek reductions / deferral in payments to directors and staff, suppliers and contractors as well as seeking to gain access to State and Federal government stimulus packages that have been released to soften the impact of the downturn in economy due to the Covid-19 pandemic.

Subsequent to the end of the Quarter, Rimfire was notified by the ATO that its application for a Junior Mineral Exploration Initiative (JMEI) credit allocation for the Income Tax Year of 2020/21 was successful and the ATO granted an allocation of \$780,000 in JMEI credits. This is in addition to the successful granting of \$550,000 secured for the 2019/20 income tax year.

The JMEI scheme has been put in place by the Federal Government to encourage investment in small mineral exploration companies that carry out greenfields mineral exploration in Australia. The JMEI scheme provides credits that allows greenfields mineral exploration companies to generate a tax incentive by allowing companies to give up a

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portion of their tax losses from eligible greenfields mineral exploration expenditure for distribution to investors. The JMEI credits are only available for Australian resident shareholders and generally these shareholders will be entitled to a refundable tax offset (for individual shareholders or superannuation funds) or franking credits (for companies).

Related party transactions of \$35k (section 6.1 and 6.2 of the June 2020 Quarter Appendix 5B) are payments of salary including statutory superannuation to Craig Riley (MD and CEO) for the June 2020 Quarter (note this amount is reduced as cost reduction activity continues within the company).

Commodity Pricing for the Quarter

During the June Quarter 2020 the gold price continues to appreciate, finishing the quarter with a 13% increase in value to USD 1,780 per ounce. The gold price continues to trade at greater than AUD 2,700 per ounce, trading at AUD 2,796 per ounce (using an exchange rate USD:AUD of 0.70). Silver and Copper also appreciated in value during the June Quarter with an increase of 31% and 26% respectively. Gold and Silver Prices from www.kitco.com in New York in USD and Copper and Cobalt Prices from LME.com in USD.

| Commodity | Price USD 31 Mar 2020 | Price USD 30 Jun 2020 | Jun 2020 Quarter % change | Price USD 30 Jul 2020 |
|-------------|-----------------------|-----------------------|---------------------------|-----------------------|
| Gold (oz) | 1,584.00 | 1,780.10 | 12.38% | 1,957.20 |
| Silver (oz) | 13.93 | 18.19 | 30.58% | 23.51 |
| Copper (t) | 4,797 | 6,038 | 25.87% | 6,433 |

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Appendix A - Rimfire Exploration Licences

Below is a listing of the exploration licences held by Rimfire Pacific Mining NL as at 30 June 2020.

| No. | Licence | Location | Interest | Interest Acquired / Farmed In During Quarter | Interest Reduced / Farmed Out During Quarter |
|-----|------------|-------------------------|----------|--|--|
| 1 | EL7959 | Fifield | 100% | - | - |
| 3 | EL7058 | Fifield | 100% | - | - |
| 4 | M(c)L305** | Fifield | 100% | - | - |
| 6 | EL8401 | Fifield | 100% | - | - |
| 7 | EL5565 | Fifield | 100% | - | - |
| 8 | EL8543 | Fifield | 100% | - | - |
| 9 | EL8542 | Fifield | 100% | - | - |
| 10 | EL6241** | Fifield | 100% | - | - |
| 11 | EL8804 | Greater Lake Cowal Area | 100% | - | - |
| 12 | EL8805 | Greater Lake Cowal Area | 100% | - | - |
| 13 | EL8935** | Fifield | 100% | - | - |
| 14 | EL5958* | Broken Hill | 10% | - | - |

*Perilya manages the tenement with Rimfire being free carried

** Subject to earn-in entered into during the June Quarter, however no interest in tenements to be ceded until earn-in conditions met in full

This announcement is authorised for release to the market by the Board of Directors of Rimfire Pacific Mining NL.

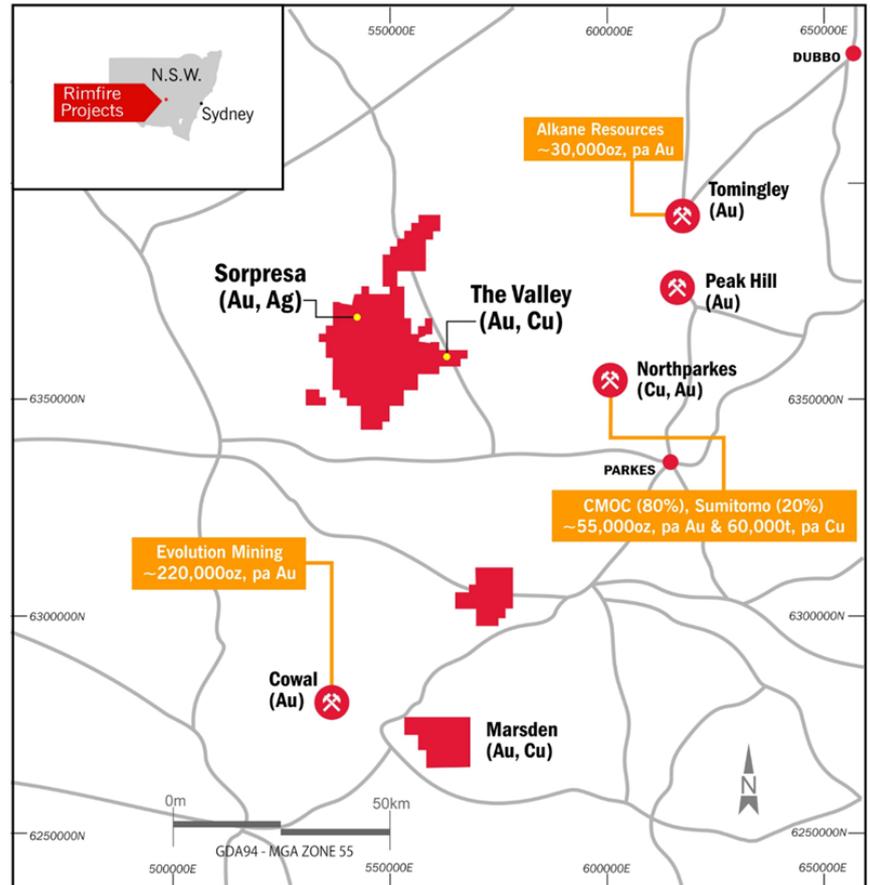
For further information please contact:

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ABOUT RIMFIRE

Rimfire Pacific Mining (RIM) is an ASX listed resources exploration company with its major focus at Fifiel in central NSW, located within the Lachlan Transverse Zone (LTZ). In 2011 the Company made a greenfields discovery, named “Sorpresa”, announcing a JORC Inferred and Indicated Maiden resource in 2014. The information provided in “About Rimfire” is available to view on the company’s website: [ASX Announcements](#).

Rimfire is exploring for a major copper / gold or gold mineralised system such as at Northparkes (Cu/Au) or Cowal (Au) on 915km² of Exploration Licences 100km west of Parkes in central NSW. Multiple prospects with potential for further gold discoveries exist in the area around Sorpresa which are part of Rimfire’s 681km² contiguous tenements. Rimfire also holds two exploration licences covering 234km²; located 40 to 60kms south of the Fifiel Project, in a prospective area now part of a moratorium associated with the MinEx Cooperative Research Centre program (minexcrc.com.au)



Competent Persons Declaration

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

Mr Riley has over 25 years’ experience in the mineral and mining industry. Mr Riley is employed by Rimfire Pacific Mining (RIM) and is an employee of the Company. Craig Riley has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Craig Riley consents to the inclusion of the matters based on the information in the form and context in which it appears.

Forward looking statements Disclaimer:

This document contains “forward looking statements” as defined or implied in common law and within the meaning of the Corporations Law. Such forward looking statements may include, without limitation, (1) estimates of future capital expenditure; (2) estimates of future cash costs; (3) statements regarding future exploration results and goals. Where the Company or any of its officers or Directors or representatives expresses an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and the Company or its officers or Directors or representatives as the case may be, believe to have a reasonable basis for implying such an expectation or belief. However, forward looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward looking statements. Such risks include, but are not limited to, commodity price fluctuation, currency fluctuation, political and operational risks, governmental regulations and judicial outcomes, financial markets and availability of key personnel. The Company does not undertake any obligation to publicly release revisions to any “forward looking statement”, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

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