# Quarterly Report

For the quarter ended September 2020

For personal use only

## Highlights

- ✓ Rimfire Pacific Mining NL ("Rimfire") has successfully raised $2.6m (before costs) from a private placement to professional and sophisticated investors and a fully underwritten SPP to shareholders
- ✓ Geological technical team have mobilised to site in preparation for drilling programs at "The Valley" and "Sorpresa Development Project"
- ✓ Drilling contract signed for a 59 hole aircore mine infrastructure program at Sorpresa
- ✓ Commercial discussions are in progress with the preferred drilling contractor to complete a 5 x 150m hole reverse circulation (RC) and diamond drilling program at "The Valley"
- ✓ Tender process in progress for selection of a Lead Environmental Studies Consultant for the "Sorpresa Development Project"
- ✓ First Quarter Earn-in exploration payment and the balance of General Administration Fee has been paid enabling the "Sorpresa Development Project" work programs to commence

Rimfire Pacific Mining NL (ASX: RIM) ("the Company" or "Rimfire") is pleased to provide the September 2020 Quarterly Activity Report for activities undertaken at the Lachlan Fold Belt projects in Fifield NSW and the significant strengthening of the Company's financial position.

The Company completed a successful capital raising of $2.6m (before costs) with a $2.1m placement to professional and sophisticated investors and a fully underwritten SPP of $0.5m, through the issue of 208 million shares at an issue price of $0.0125 (1.25 cents) per share. The net proceeds from the Placement and SPP strengthen the Company's balance sheet and will provide funding for ongoing exploration work for a significant size (> 1Moz gold +/- 1Mt copper) porphyry or skarn style copper-gold discovery outside the GPR Earn-in Area (GPR sole funding) including;

- ✓ "The Valley" - RC and diamond drilling of 5 Induced Polarisation (IP) geophysical features in areas where surface rock chip samples have elevated copper and gold geochemistry,
- ✓ Greater Cowal Area - Aircore drill testing of the bedrock beneath transported cover,
- ✓ General exploration activities, government compliance and project evaluation, and
- ✓ Ongoing working capital for the Company.

## Operations

### Sorpresa Development Project - GPR Earn-in Area

After the payment of the First Quarter Cash Call by GPR the second Earn-in Management Committee Meeting was held with approval obtained for the First Quarter "Sorpresa Development Project" work program. This initial program includes an aircore drilling program to test bedrock beneath key proposed Sorpresa mine development infrastructure such as the



Suite 142, Level 1, 1 Queens Road
Melbourne VIC 3004
Phone +61 (0)3 9620 5866
rimfire@rimfire.com.au
rimfire.com.au

process plant and overburden waste rock dumps. The successful contractor for this drilling program is McLeod Drilling who have previously completed drilling programs for Rimfire.

The Earn-in Management Committee has also approved the release of tenders for selection of the Lead Environmental Consultant to deliver the Environmental Impact Assessment (EIA) and Environmental Impact Statement (EIS) that are essential requirements for obtaining Development Consent for the Sorpresa project.

## Lachlan Fold Belt Projects – Outside Earn-in Area

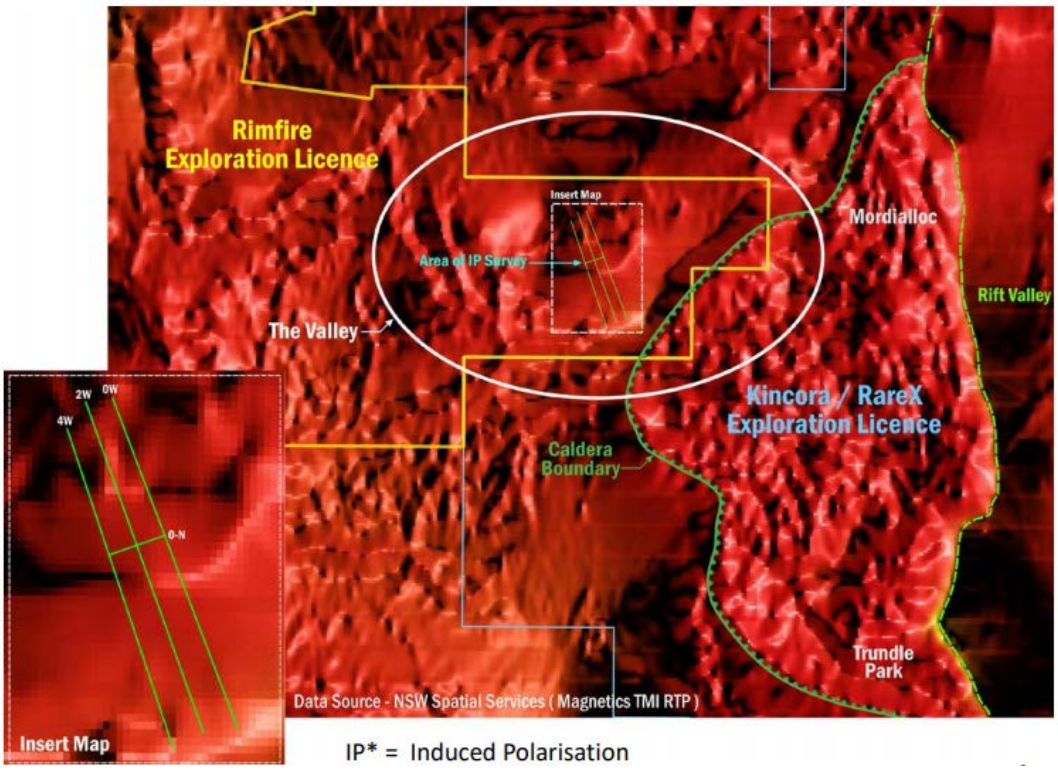
Following the successful capital raising the Company has mobilised it's technical team to site and has obtained approval from NSW State Government and Landholders for the drilling program activities planned at "The Valley".

The drilling program at "The Valley" is funded from proceeds from the recent capital raising and will be undertaken in parallel with the drilling programs planned for the "Sorpresa Development Project" to generate synergies and lower costs for both entities.

"The Valley" drilling program consists of 5 x 150m RC / diamond tail drill holes to test Induced Polarisation (IP) features (zones of anomalous chargeability and resistivity responses in the bedrock substrate). The results of this program are expected before Christmas however recent rain in the region will delay harvesting schedules which will impact mobilisation of drilling equipment as drill holes are located in fields with crops.

The Valley target is approximately 5km west of the Kincora Copper / RareX Mordialloc porphyry copper / gold target (Figure 1).

Figure 1: Location Plan of Valley Target




IP* = Induced Polarisation

Going for gold.



Suite 142, Level 1, 1 Queens Road
Melbourne VIC 3004
Phone +61 (0)3 9620 5866
rimfire@rimfire.com.au
rimfire.com.au

For personal use only

For personal use only

## 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. The Company continues to monitor the Covid-19 preventive measures authorities require business to apply when undertaking office or field activities. 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. The recent additional rainfall just prior to harvesting of crops has delayed the timing of harvest for many farmers. These events will delay some of the Rimfire drilling activities at "The Valley" as the Company continues to collaborate with farmers to ensure drilling operations have minimal impact on farming activities.

### Community

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

## CORPORATE ACTIVITY

### Cash, Capital Structure, Funding, Facilities and Investments

After completion of the $2.1m private placement to professional and sophisticated investors and the payment of the balance of the Earn-in Administration Fee, the Company's cash at bank at 30 September 2020 was $2.3m. During the September Quarter the Company also received $330k for payment of the first quarterly cash call for the Earn-in with GPR which is held in trust and drawn down as expenditure is made in the Earn-in Area which is not included in the balance above. Subsequent to the end of the Quarter, the Company received $500k from the fully underwritten SPP which is not included in the balance above.

**Table 1** - *Changes in Capital Structure*

| Security Class | 30 June 2020 | 30 September 2020 |
|---|---|---|
| Ordinary Shares on Issue (RIM) | 1,584,571,527 | 1,752,571,527 |
| Unlisted Options – Various Prices and Vesting Dates | 74,000,000 | 57,500,000 |

The change in the Company's capital structure during the Quarter was due to the issue of 168m shares to professional and sophisticated investors who participated in the placement executed during the September quarter. The 40m shares allotted from the recently completed SPP is not included in the numbers above. During the quarter 16.5m unlisted options lapsed.

The Company continues to maintain a tight rein on costs 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. Related party transactions of $84k (section 6.1 and 6.2 of the September 2020 Quarter Appendix 5B) are payments for salary (including statutory superannuation) to Craig Riley (MD and CEO) for the September 2020 Quarter, deferred salary from April 2020 to September 2020 to Craig Riley and payments made to Directors for deferred Director Fees covering the period of July 2019 to February 2020.



Suite 142, Level 1, 1 Queens Road
Melbourne VIC 3004
Phone +61 (0)3 9620 5866
rimfire@rimfire.com.au
rimfire.com.au

During 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 succesful granting of $550,000 secured for the 2019/20 income tax year. Completion of the Company's Tax Return for the Tax Year 2019/20 will trigger the relase of JMEI tax ceritifcates to eligible shareholders.

Continued increase in commodity prices due to global uncertainty and the increased focus on exploration companies in the market continues to generate renewed interest by companies and investors seeking partners and/or investment in companies that hold ground positions in highly prospective areas such as the Lachlan Fold Belt in central NSW, which is now being reported by media commentators as a "hotspot". The Company has a significant land tenure position in this region and as previously advised to the market as part of the Company's strategy, to evaluate opportunities with other companies or investors as they arise, that may support the growth and funding activity of the Company.

## Commodity Pricing for the Quarter

During the September Quarter 2020 the gold price continues to appreciate, finishing the quarter with a 6% increase in value to USD 1,891 per ounce. The gold price continues to trade at greater than AUD 2,600 per ounce, most recently trading at AUD 2,691 per ounce (using an exchange rate USD:AUD of 0.71, 28th October 2020). Silver and Copper also appreciated in value during the September Quarter with an increase of 29% and 10% respectively. Gold and Silver Prices from www.kitco.com in New York in USD and Copper and Cobalt Prices from LME.com in USD.

Table 2 – *Commodity Pricing*

| Commodity | USD | | %'age Change | AUD* | | %'age Change |
|---|---|---|---|---|---|---|
| | 30/06/20 | 30/09/20 | | 30/06/20 | 30/09/20 | |
| Gold (oz) | 1,780.10 | 1,891.00 | 6.2% | 2,543.00 | 2,644.76 | 4.0% |
| Silver (oz) | 18.19 | 23.50 | 29.2% | 25.99 | 32.86 | 26.5% |
| Copper (t) | 6,038 | 6,610 | 9.5% | 8,626 | 9,245 | 7.2% |

*Note: Using an exchange rate of AUD:USD 0.70 at 30 June 2020 and 0.715 at 30 September 2020

## Appendix A - Rimfire Exploration Licences

Below is a listing of the exploration licences held by Rimfire Pacific Mining NL as at 30 September 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:**

Craig Riley, Managing Director, +61 3 9620 5866

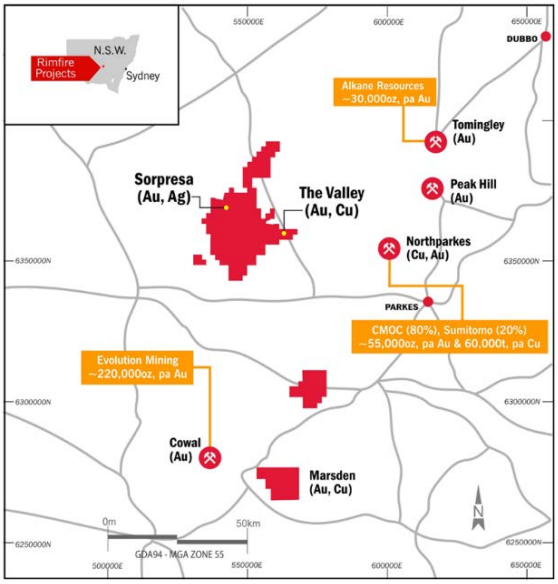


Suite 142, Level 1, 1 Queens Road
Melbourne VIC 3004
Phone +61 (0)3 9620 5866
rimfire@rimfire.com.au
rimfire.com.au

For personal use only

## ABOUT RIMFIRE

Rimfire Pacific Mining (RIM) is an ASX listed resources exploration company with its major focus at Fifield 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. In May 2020, Rimfire signed an Earn-in Agreement with Golden Plains Resources (GPR) covering an area of 103km$^2$ covering Sorpresa and surrounding area.




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. It includes multiple prospects with potential for further gold discoveries in the 103km$^2$ area within the GPR Earn-in area around Sorpresa with all work in this area funded by GPR. Rimfire retains responsibility for funding exploration programs over the rest of its Exploration Licences that also includes two licences covering 234km$^2$ located about 50kms south of the Fifield Project in a prospective area that is now part of 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.*



Suite 142, Level 1, 1 Queens Road
Melbourne VIC 3004
Phone +61 (0)3 9620 5866
rimfire@rimfire.com.au
rimfire.com.au

For personal use only