



# **Rimfire Pacific Mining Limited**

**ACN 006 911 744**

## **INTERIM REPORT 31 DECEMBER 2023**

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### General information

The financial statements cover Rimfire Pacific Mining Limited as a consolidated entity consisting of Rimfire Pacific Mining Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Rimfire Pacific Mining Limited's functional and presentation currency.

Rimfire Pacific Mining Limited is a listed public company limited by shares, incorporated and domiciled in Australia. A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors.

## DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "consolidated entity") consisting of Rimfire Pacific Mining Limited (**ASX: RIM**) referred to hereafter as "**Rimfire**", "the company" or "parent entity" and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

## DIRECTORS

The following persons were directors of Rimfire Pacific Mining Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

- Ian McCubbing – Independent, Non-Executive Director and Non-Executive Chairman,
- David Hutton – Managing Director and Chief Executive Officer,
- Andrew Knox – Independent, Non-Executive Director, and
- Greg Keane – Alternate Executive Director to Ian McCubbing.

## PRINCIPAL ACTIVITIES

During the financial half-year the principal continuing activities of the consolidated entity consisted of 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 \$691,476.

The key impact on the loss for the current half-year compared to the December 2022 half-year (comparative period) loss of \$270,608, was that the Corporate Fee payments that Golden Plains Resources Pty Ltd (GPR) were making in the comparison period under the Fifield Earn-in Binding Heads of Agreement, were not made after termination of this agreement in June 2023 (resulting in a net circa \$500k difference). Professional and Other Administration costs were circa 30% higher than the Comparison Period due to increased costs dealing with s249d notices and legal matters raised by entities associated with Mr Anton Billis.

## DIVIDENDS

No dividends were paid during the half-year, nor are any recommended.

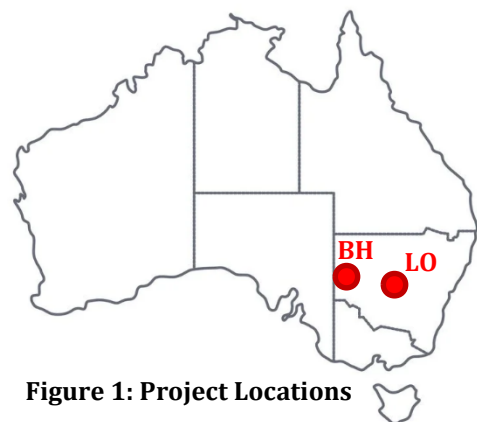
## REVIEW OF OPERATIONS

### Introduction and Operational Summary

Rimfire Pacific Mining is an ASX-listed Critical Minerals exploration company which is advancing a portfolio of projects within the highly prospective Lachlan Orogen ("LO") and Broken Hill ("BH") districts of New South Wales (*Figure 1*).

During the Half Year ended December 2023, (the "Half Year"), Rimfire's exploration activities were focused on its 100% - owned Broken Hill Cobalt Project where a ground magnetic survey and a heritage assessment were undertaken to assist in planning for the next phase of exploration at the project.

Subsequent to the Half Year, Rimfire substantially increased the size of the Broken Hill Cobalt Project with the acquisition of two Exploration Licences that lie adjacent to Rimfire's Bald Hill Cobalt Prospect from Castillo Copper Ltd (**ASX: CCZ**).



**Figure 1: Project Locations**

The Castillo tenements are considered prospective for Bald Hill - style cobalt (+/- copper) sulphide mineralisation and bedrock - hosted Rare Earth Element (REE) mineralisation associated with shear – hosted pegmatite occurrences.

Additionally, a geochemical review of the Melrose Nickel Cobalt Scandium prospect (Avondale Earn In Project) identified a new scandium search space (target) within unweathered serpentinised pyroxenite host rocks which lie beneath existing laterite - hosted mineralisation. All exploration activities at the Fifield and Avondale Earn In Projects are funded by Rimfire's exploration partner - Golden Plains Resources (GPR)

Melrose metallurgical test work continued with 7 leaching tests (out of 8 planned tests) completed. The test work results will underpin the development of a conceptual processing flowsheet for optimising recoveries of a combined nickel – cobalt – scandium product from high-grade mineralised material at Melrose.

Given that there have been no previous metallurgical studies of Melrose nickel – cobalt – scandium mineralisation, these results will build a strong foundation for further studies (if required) into commercialising the extraction of mineralised material from Melrose and other surrounding prospects.

## Operational Review – 100% owned projects

### Broken Hill Cobalt Project

Immediately following the Half Year, Rimfire executed a Tenement Purchase Agreement with BHA No.1 Pty Ltd, a wholly owned subsidiary of Castillo Copper Ltd (**ASX: CCZ**), to acquire an unencumbered 100% of their Exploration Licences 8572 and 8599 ("Castillo tenements") which lie adjacent to Rimfire's Bald Hill Cobalt Prospect, 30 kilometres west of Broken Hill, NSW (see *Rimfire's ASX Announcement dated 11 January 2024 and Figure 3*).

The Castillo tenements cover the same sequence of Proterozoic age deformed and metamorphosed gneiss, psammite, and amphibolite units that host the Bald Hill cobalt sulphide mineralisation.

An examination of the NSW Government Minview online GIS portal reveals several historic mineral occurrences that require follow up to better determine their geological significance and exploration potential.

Of initial interest are a cluster of gossanous, quartz veined and copper-stained occurrences within the northwestern portion of EL8572 (NSW Mineral Occurrences 181678, 181681, 181683 – 181684, 181686, and 181688) and multiple shear – hosted davidite – bearing pegmatite occurrences within the southern portion of EL8572 and EL8599 (NSW Mineral Occurrences 181344 – 181348). Davidite is a rare earth oxide mineral with chemical end members of either Lanthanum or Cerium (*Figure 3*).

- Bald Hill style cobalt (+/- copper) sulphide mineralisation hosted within quartz – albite – magnetite gneiss and psammopelitic composite gneiss, and
- Bedrock Rare Earth Element (REE) mineralisation associated with shear – hosted pegmatite occurrences.

Diamond drilling undertaken by Rimfire at Bald Hill during the Half Year successfully intersected high-grade cobalt (Co) associated with strongly disseminated to semi-massive sulphide (pyrite, pyrrhotite and trace chalcopyrite + sphalerite) mineralisation (*See Rimfire ASX Announcement dated 18 September 2023*), including;

- 125m @ 0.13% Co from 198 metres in FI2470 including 97m @ 0.15% Co,
- 58m @ 0.13% Co from 62 metres in FI2471 including 2m @ 0.24% Co and 17m @ 0.15% Co,
- 33m @ 0.11% Co from 58 metres in FI2469 including 4m @ 0.23% Co and 2m @ 0.21% Co, and
- 100m @ 0.08% Co from 71 metres in FI2470 including 68m @ 0.10% Co.

At the time of writing, Rimfire was reviewing the results of the Bald Hill ground magnetic surveying and heritage assessment work as well as negotiating land access negotiations at Broken Hill to facilitate field reconnaissance of the Castillo tenements.

### **Valley Copper Prospect**

Other than ongoing desktop review, no field work was undertaken during the Half Year on the 100% - owned Valley Copper Project which also lies within the Lachlan Orogen of New South Wales. Drilling previously undertaken by Rimfire at the Valley demonstrated that the project contains similar rock types to the host rocks of the Northparkes Copper Gold Mine which is located 34 kilometres east of the Valley.

Northparkes has total Measured and Indicated Resources (as at 31 December 2019) of 356Mt @ 0.55% copper, 0.20g.t gold (1.96Mt copper and 2.33Moz gold – refer to Northparkes website). Evolution Mining (ASX: EVN) recently purchased an 80% interest in the mine for up to US\$475M (see Evolution Mining's ASX Announcement dated 5 December 2023).

### **Cowal Copper Gold Project**

Following the September 2023 acquisition of the Porters Mount Project, which adjoins Rimfire's 100% - owned Cowal Copper Gold Project, the Company has carried out a detailed technical review of the expanded project area.

Given the size of the Company's project portfolio and current priorities Rimfire is considering various strategic options to generate value from the Cowal project which may include the introduction of an exploration partner and / or outright divestment.

### **Operational Review – Earn In Projects**

#### **New scandium search space at Melrose**

During the Half Year, Rimfire identified a new scandium search space (target) at Melrose Nickel Cobalt Scandium prospect beneath existing laterite - hosted mineralisation within serpentinised pyroxenite host rocks.

Melrose lies within the Avondale Earn In Project with all activities funded by Rimfire's exploration partner - Golden Plains Resources (GPR) and is located 70 kilometres northwest of Parkes within the highly prospective Lachlan Orogen of central New South Wales (*Figure 2*).

Nickel, cobalt, and scandium (Ni Co Sc) mineralisation at Melrose is present within a near surface flat – lying manganese and iron rich laterite horizon that overlies an east-dipping sequence of ultramafic and mafic intrusive rocks (microdiorite, gabbro, pyroxenite, wehrlite, dunite) bounded to the east against a granite and volcanoclastic sediments to the west.

The ultramafic rocks are heavily altered with serpentinite and magnetite is commonly present throughout.

Previous drilling by Rimfire has returned multiple strongly anomalous drill intercepts from the laterite horizon, e.g.;

- 21m @ 0.11% Ni, 0.07% Co, and 529ppm Sc, from 3 metres in FI2397 *including 9m @ 0.17% Ni, 0.15% Co and 688ppm Sc from 14 metres,*
- 2.3m @ 0.15% Ni, 0.08% Co and 461ppm Sc from 3 metres and 5.0m @ 0.68% Ni, 0.07% Co and 302ppm Sc from 16 metres in FI2398,
- 4.9m @ 0.36% Ni, 0.11% Co and 349ppm Sc from 5 metres, and 4.3m @ 0.42% Ni, 0.09% Co and 296ppm Sc from 10.1 metres in FI2399, and
- 10.0m @ 0.14% Ni, 0.10% Co and 456ppm Sc from 1 metre in FI2400 *including 5m @ 0.17% Ni, 0.17% Co and 568ppm Sc from 5 metres.*

The laterite – hosted mineralisation is present within a north northeast - south southwest trending zone that has been drilled over 900 metres strike length with widths ranging from 400 metres in the core of the magnetic complex to 50 metres in the northeast (as defined by a 100ppm Sc lower cut-off grade). Thickness ranges up to 16 metres in the core of the magnetic complex with mineralisation remaining open to the west.

Significantly, the thickest zones and highest-grade mineralisation are present over the serpentinised ultramafic intrusive rock types, with the highest scandium grades spatially associated over the pyroxenite.

To date Rimfire has been focussed on evaluating the laterite – hosted mineralisation, however a review of bedrock geochemistry has demonstrated that anomalous scandium (50 – 92ppm Sc) appears to be concentrated in pyroxenite rocks beneath the laterite. The prospectivity of the underlying basement rocks is poorly understood with only 4 wide spaced diamond holes having been drilled on one section into the fresh basement rocks at Melrose (See *Rimfire ASX Announcement dated 20 October 2022*).

While the significance of the pyroxenite – associated scandium is unknown at this time, given the size of the Melrose prospect, the broad widths of scandium intersected to date coupled with the lack of drilling beneath the laterite, Rimfire believes that the underlying pyroxenite represents a new scandium search space or target in addition to the high-grade laterite-hosted mineralisation at Melrose, and potentially throughout the surrounding project area.

### **Metallurgical test work**

Perth specialist metallurgical services group - Independent Metallurgical Operations Pty Ltd (IMO) is currently developing a conceptual processing flowsheet to optimise recoveries (at atmospheric pressures) of a combined nickel – cobalt – scandium product from high-grade mineralised laterite – hosted material from Melrose.

To underpin the studies, a bulk composite sample (260 kg) of high-grade nickel cobalt scandium mineralisation from Melrose (PQ quarter diamond drill core) was previously dispatched to IMO.

As previously announced, a representative sub-sample of the bulk composite sample was pulverised and analysed with assaying of various size fractions returning head assay grades of 0.33% nickel, 0.12% cobalt, and 380ppm scandium (see *Rimfire ASX Announcement dated 26 June 2023*).

IMO has now completed 7 leaching tests with an 8<sup>th</sup> (and final) test currently underway. All the tests are being conducted at atmospheric pressures and are investigating the effects of temperature, grind size, pH, reagent mix and residence time on the recovery of nickel, cobalt, and scandium.

The 8<sup>th</sup> test will be completed in the coming weeks with a final report expected by the end of February 2024.

### **New Murga scandium prospect identified at Fifield**

During the Half Year, wide spaced reconnaissance aircore drilling undertaken by Rimfire identified a new scandium prospect (called “Murga”) within the Company’s Fifield Project (see *Rimfire’s ASX Announcement dated 28 July 2023*).

A total of eleven holes (FI2425 to FI2435) were drilled to test the Murga North and Murga South magnetic anomalies which lie approximately 4 kilometres apart. One hole from both locations (FI2427 and 2434) were submitted for assay with both returning strongly anomalous scandium (Sc) only values from surface;

- 30m @ 184ppm Sc from 0 metres in FI2434 including 12m @ 224ppm Sc from 6 metres, and
- 15m @ 125ppm Sc from 3 metres in FI2427

The scandium anomalism occurs fundamentally within a strongly weathered saprolite horizon overlying magnetic ultramafic (pyroxenite) intrusive rocks. There is little or no nickel and / or cobalt anomalism associated with the

scandium anomalism, which is curious given that other scandium occurrences within the area (i.e., the Melrose prospect and Sunrise Energy Metals' adjacent Sunrise nickel cobalt scandium deposit) are all associated with elevated levels of nickel and cobalt – see *Rimfire's ASX Announcement dated 19 September 2022*).

Regionally the ultramafic units are interpreted from aeromagnetic data to lie within a large scale arcuate shaped mafic – ultramafic intrusive complex (the “Murga Intrusive Complex”) that extends over a strike length of 7 kilometres with a maximum width of 2 kilometres – (14km).

The Murga Intrusive Complex remains largely unexplored for scandium, with most of the previous exploration in the area focussed on platinum and gold and centred on the Sorpresa Gold Deposit which lies on Rimfire's Fifield Project immediately to the east.

Given the initial positive scandium drill results, the large-scale size of the Murga Intrusive Complex, the presence of multiple scandium auger anomalies and the lack of drilling, Murga potentially represents a significant and unique pure scandium opportunity for Rimfire.

Rimfire will now submit all the remaining 9 aircore drillholes from Murga for scandium analysis. Further aircore drilling is planned to test areas of the Murga Intrusive Complex with no previous sampling and to refine existing scandium auger anomalies.

### **Fifield and Avondale Earn In Projects Exploration Partner**

All exploration activities at the Fifield and Avondale are funded by Rimfire's exploration partner - Golden Plains Resources (GPR), the ownership of which is currently subject to a legal dispute. Rimfire has taken independent legal advice as to its obligations and rights with respect to this matter and continues to operate in accordance with that advice.

### **Tenement Position**

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. The Company continues to maintain its tenements in the Lachlan Oregon area of central NSW and in Broken Hill, covering an area of circa 1,424km<sup>2</sup>.

Ownership	Project	Lic No.	Units / Ha	Grant Date	Expiry Date	Mineral Focus
RIM 100%	Broken Hill	EL5958	27	24/06/2002	24/06/2025	Cobalt / Rare Earths
		EL8572*	19		23/05/2026	
		EL8599*	20		20/06/2026	
	The Valley	EL8401	2	22/10/2015	22/10/2024	Copper / Gold
		EL8542	5	23/03/2017	23/03/2026	
	Cowal	EL8329**	26	4/12/2014	4/12/2023	Copper / Gold
EL8904		44	31/10/2018	31/10/2024		
EL8805		39	31/10/2018	31/10/2024		
EL9397		91	22/04/2022	22/04/2025		
GPR Eaming upto 50.1%***	Fifield	EL6241	15	17/05/2004	17/05/2024	Scandium, Cobalt, PGE's
		EL8935	21	3/02/2020	3/02/2026	
		M(C)L305	1.9 Ha	18/11/2004	18/11/2027	
GPR Eaming upto 75%****	Avondale	EL5565	4	24/03/1999	24/03/2025	Scandium, Cobalt, PGE's
		EL5958	27	24/06/2002	24/06/2025	
		EL7058	35	1/02/2008	1/02/2026	
		EL7959	7	16/08/2012	16/08/2026	
		EL8401	98	22/10/2015	22/10/2024	
		EL8542	27	23/03/2017	23/03/2026	
		EL8543	1	27/03/2017	27/03/2026	
		EL8804	44	31/10/2018	31/10/2024	
		EL8805	39	31/10/2018	31/10/2024	
EL8935	40	3/02/2020	3/02/2026			

\* Acquired January 2024 from Castillo Copper Limited (ASXCCZ), awaiting for transaction completion

\*\* Acquired September 2023 from Plutonic Resources Limited, awaiting for renewal for transaction completion

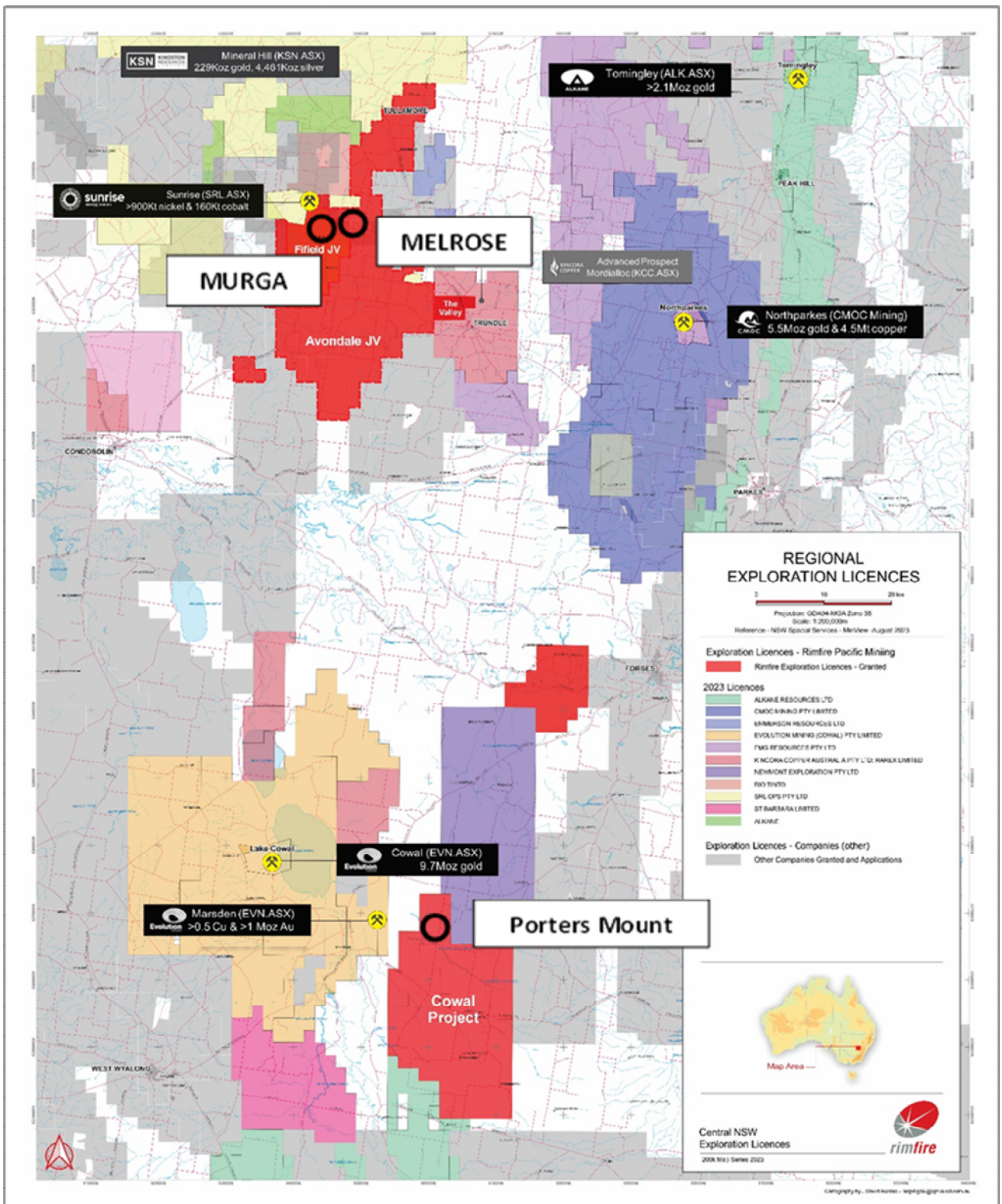
\*\*\* Subject to Fifield Project Eam-in, with no interest in tenements to be ceded until Eam-in conditions met in full

\*\*\*\* Subject to Avondale Project Eam-in, with no interest in tenements to be ceded until Eam-in conditions met in full



Figure 2: Lachlan Orogen Tenements

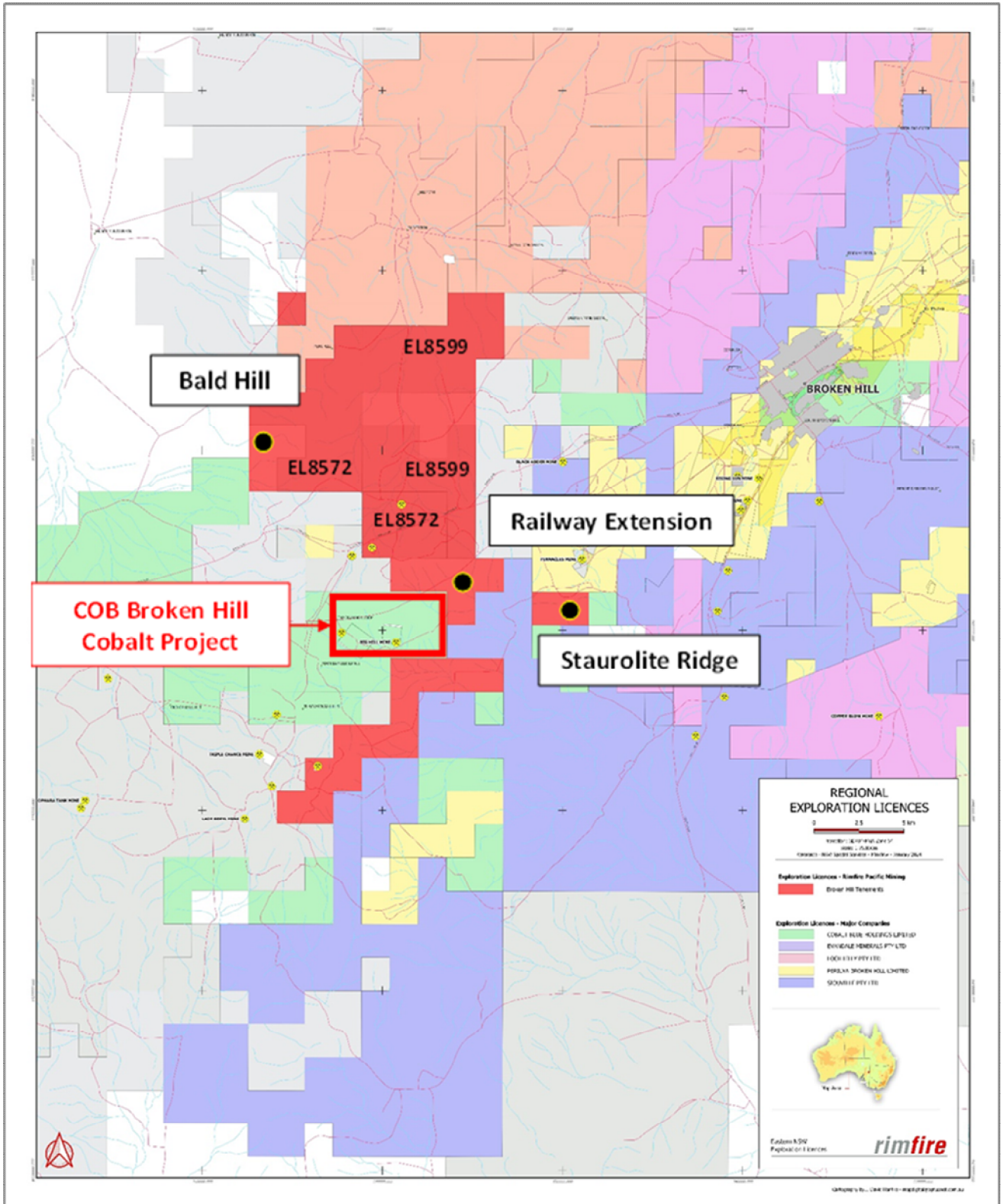
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Figure 3: Broken Hill Tenements



### Competent Persons Declaration – 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 David Hutton who is deemed to be a Competent Person and is a Fellow of The Australasian Institute of Mining and Metallurgy.

Mr Hutton has over 30 years' experience in the minerals industry and is the Managing Director and CEO of Rimfire Pacific Mining. Mr Hutton 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'.

Mr Hutton consents to the inclusion of the matters based on the information in the form and context in which it appears.

## CORPORATE ACTIVITIES

### Management Changes

None.

### Annual General Meeting

The Company held its Annual General Meeting on 20 November 2023, with a summary of the results for each Resolution put to the shareholders is shown below.

Resolution Details			Show of Hands or Poll	Number of votes cast on the poll (where applicable)			Res. Results	
Resolution	Res. Type	If s250U applies	S or P	For	Against	Abstain*	Carried/Not Carried	
1.	Adoption of Remuneration Report	Ordinary	N/A	P	908,041,127 96.78%	30,232,094 3.22%	526,605 -	Carried
2A.	Re-election of Mr. Ian McCubbing as a Director of the Company	Ordinary	N/A	P	1,002,039,621 99.80%	2,057,570 0.20%	1,053,929 -	Carried
2B.	Election of Mr. Oliver Douglas as a Director of the Company	Ordinary	N/A	P	146,769,206 14.96%	834,271,224 85.04%	24,110,690 -	Not Carried
2C.	Election of Mr. Roland Berzins as a Director of the Company	Ordinary	N/A	P	146,429,671 14.93%	834,610,759 85.07%	24,110,690 -	Not Carried
2D.	Removal of Mr. David Hutton as a Director of the Company	Ordinary	N/A	P	161,775,082 16.16%	839,513,227 83.84%	3,862,811 -	Not Carried
2E.	Removal of Mr. Andrew Knox as a Director of the Company	Ordinary	N/A	P	147,076,994 14.91%	839,313,209 85.09%	18,760,917 -	Not Carried
3.	Ratification of prior issue of shares under Placement	Ordinary	N/A	P	503,715,404 97.46%	13,147,242 2.54%	170,577,655 -	Carried
4.	Ratification of prior issue of free attaching unlisted options under Placement	Ordinary	N/A	P	496,137,345 93.05%	37,050,852 6.95%	154,252,104 -	Carried
5.	Renewal of approval under Equity Incentive Plan	Ordinary	N/A	P	727,818,364 95.87%	31,369,585 4.13%	242,807,505 -	Carried
6.	Approval of 10% additional placement capacity	Special	N/A	P	967,542,626 96.37%	36,412,353 3.63%	1,196,141 -	Carried

## Cash, Funding and Capital Structure

At 31<sup>st</sup> December 2023, Rimfire had access to \$1.2M of funding (plus an additional \$66K held in the Fifield and Avondale Earn In Project accounts for exploration activity on those Projects). During the Half Year ended December 2023, GPR contributed \$360k to Earn-ins and subsequent to the Half Year, Rimfire received an additional \$500K Cash Call payments from GPR for exploration programs to be conducted on the Fifield and Avondale Earn In Projects during the March 2024 Quarter.

During the Quarter 5,000,000 unquoted Options lapsed due to vesting conditions not being met.

With the lapsing of these Options and the Placements undertaken during the Half Year, the capital structure of the Company as at 31<sup>st</sup> December 2023 is:

- Ordinary Fully Paid Shares - 2,220,244,731
- Unquoted Options expiring various dates and prices – 110,300,000
- Unquoted Options expiring 28 February 2025 @ \$0.02 (2 cents) – 143,333,330

As detailed within this Report, upon satisfactory completion of the Castillo transaction, Rimfire will issue 8,064,516 Ordinary Shares at 1.86 cents per share (“Consideration Shares”) to Castillo Copper for the acquisition of the Castillo tenements at Broken Hill and a further 5,376,337 Ordinary Shares at 1.86 cents per share (“Royalty Holder Shares”) to the Royalty Holders for waiving all historic Royalties applicable to the Castillo tenements.

An additional 5,376,345 Ordinary Shares at 2.79 cents per share (“Subsequent Shares”) will also be issued to Castillo Copper if Rimfire’s share price 5-day VWAP is greater than 2.79 cents, which is 50% above the Consideration Shares Issue Price (**Subsequent Shares Issue Price**).

The Consideration Shares, Subsequent Shares and Royalty Holder Shares are subject to a 6-month escrow period and will be issued under Rimfire’s ASX Listing Rule 7.1 capacity.

## EVENTS SUBSEQUENT TO THE END OF THE HALF YEAR

Subsequent to the Half Year end, in January 2024, Rimfire announced the acquisition of EL8572 and EL8599 from Castillo Limited (ASX:CCZ), doubling Rimfire’s footprint in Broken Hill (as detailed in the Operations Review). The key acquisition terms being;

- Rimfire to issue Castillo Copper with 8,064,516 Rimfire Ordinary Shares (Consideration Shares) being \$150,000 worth of shares at an issue price of \$0.0186 [1.86 cents] (Consideration Shares Issue Price). The issue price is the 5-day Volume Weighted Average Price (VWAP) up to and including the last day of trading immediately before the date of execution of the Tenement Purchase Agreement, and
- Rimfire to issue an additional \$150,000 worth of Rimfire Ordinary Shares (5,376,345 Shares) at 2.79 cents per share (“Subsequent Shares”) to Castillo Copper if Rimfire’s share price 5-day VWAP is greater than 2.79 cents, which is 50% above the Consideration Shares Issue Price (Subsequent Shares Issue Price).

All Consideration Shares and Subsequent Shares are subject to a 6-month escrow period.

The Castillo tenements are subject to historic royalties of a 3% Net Smelter Return (EL8599) and a 1% Net Smelter Return (EL8572).

In return for the waiving of all Royalties, Rimfire has agreed to issue the individual Royalty holders with 5,376,337 Rimfire Ordinary Shares being \$100,000 worth of shares at the Consideration Shares Issue Price of \$0.0186 [1.86 cents] (Royalty Holder Shares).

All Royalty Holder Shares are subject to a 6-month escrow period.

At the time of writing, the transaction is still subject to completion.

The Consideration Shares, Subsequent Shares and Royalty Holder Shares will be issued under Rimfire's ASX Listing Rule 7.1 capacity.

There are no other matters or circumstances arisen since 31 December 2023, which has significantly affected, or may significantly affect the operations of the consolidated entity, the result of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



**Ian McCubbing**  
Chairman

Dated in Melbourne, 15 March 2024

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**RSM Australia Partners**

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Rimfire Pacific Mining Limited for the half year ended 31 December 2023, 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**



**R J MORILLO MALDONADO**  
Partner

Melbourne, Victoria  
Dated: 15 March 2024

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## FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	Consolidated Entity	
		31-Dec-23	31-Dec-22
		\$	\$
Revenue from continuing operations	2	21,191	1,515,407
Expenses:			
Employee benefits expense		(232,194)	(203,600)
Impairment of receivables		-	(1,018,182)
Non-executive directors' fees		(60,004)	(82,854)
Professional costs		(189,459)	(148,860)
Occupancy costs		(15,817)	(17,348)
Marketing expense		(31,690)	(32,046)
Depreciation		(9,843)	(14,068)
Insurance		(24,382)	(25,032)
Share-based payment expense		(57,204)	(145,057)
Share registry and listing expenses		(62,539)	(75,913)
Other administration expenses		(29,535)	(23,055)
Profit/(Loss) before income tax		(691,476)	(270,608)
Income tax expense		-	-
Profit/(Loss) after income tax		(691,476)	(270,608)
Other comprehensive income		-	-
Total comprehensive loss for the period		(691,476)	(270,608)
Loss per share attributable to the members of Rimfire Pacific Mining Ltd			
Basic loss per share (cents per share)	8	(0.03)	(0.01)
Diluted loss per share (cents per share)	8	(0.03)	(0.01)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.



# FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	Consolidated Entity	
		31-Dec-23	30-Jun-23
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,204,652	377,231
Trade and other receivables	6	84,134	72,741
Financial asset	10	66,304	77,275
Prepayments		15,680	12,920
<b>TOTAL CURRENT ASSETS</b>		<b>1,370,770</b>	<b>540,167</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables		155,000	155,000
Property, plant and equipment		320,175	314,761
Exploration and evaluation costs	4	16,212,722	15,949,760
<b>TOTAL NON-CURRENT ASSETS</b>		<b>16,687,897</b>	<b>16,419,521</b>
<b>TOTAL ASSETS</b>		<b>18,058,667</b>	<b>16,959,688</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	285,511	500,864
Provisions		79,928	57,053
Contract liability	10	72,175	41,550
<b>TOTAL CURRENT LIABILITIES</b>		<b>437,614</b>	<b>599,467</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits		1,098	19,787
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,098</b>	<b>19,787</b>
<b>TOTAL LIABILITIES</b>		<b>438,712</b>	<b>619,254</b>
<b>NET ASSETS</b>		<b>17,619,955</b>	<b>16,340,433</b>
<b>EQUITY</b>			
Contributed equity	5	38,208,681	36,294,888
Reserves		482,768	425,564
Accumulated losses		(21,071,494)	(20,380,018)
<b>TOTAL EQUITY</b>		<b>17,619,955</b>	<b>16,340,434</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

# FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Consolidated Entity	Contributed Equity	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2023</b>	<b>36,294,888</b>	<b>425,564</b>	<b>(20,380,018)</b>	<b>16,340,434</b>
Shares issued during the year	1,950,000	-	-	1,950,000
Share-based payment	-	57,204	-	57,204
Transaction costs related to share issues	(36,207)	-	-	(36,207)
Total comprehensive profit/(loss) for the period	-	-	(691,476)	(691,476)
<b>Balance at 31 December 2023</b>	<b>38,208,681</b>	<b>482,768</b>	<b>(21,071,494)</b>	<b>17,619,955</b>
<b>Balance at 1 July 2022</b>	<b>35,156,698</b>	<b>84,243</b>	<b>(19,565,685)</b>	<b>15,675,256</b>
Shares issued during the year	-	-	-	-
Share-based payment	-	145,057	-	145,057
Transaction costs related to share issues	-	-	-	-
Total comprehensive profit/(loss) for the period	-	-	(270,608)	(270,608)
<b>Balance at 31 December 2022</b>	<b>35,156,698</b>	<b>229,300</b>	<b>(19,836,293)</b>	<b>15,549,705</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	Consolidated Entity	
		31-Dec-23	31-Dec-22
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(635,478)	(639,767)
Other income		250	-
Corporate Charge received from GPR Earn-in		-	530,000
Interest received		3,006	581
Net cash used in operating activities		<u>(632,222)</u>	<u>(109,186)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for mining tenement exploration		(711,584)	(1,467,958)
Reimbursements of exploration expenditure charged to GPR Earn-in		251,227	1,445,200
Purchase of property, plant and equipment		-	(253)
Net cash used in investing activities		<u>(460,357)</u>	<u>(23,011)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		1,950,000	-
Transaction costs associated with share issues		(30,000)	-
Net cash provided by financing activities		<u>1,920,000</u>	<u>-</u>
Net Increase in cash held		827,421	(132,197)
Cash at beginning of the half-year		377,231	271,511
Cash at end of the half-year		<u>1,204,652</u>	<u>139,314</u>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

## SIGNIFICANT ACCOUNTING POLICIES

### Note 1 Material accounting policy information

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* ("AASB 134"). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

#### New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted

#### 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 \$691,476 and had net cash outflows from operating activities of \$632,222 for the six months ended 31 December 2023.

Notwithstanding the above matters, the Directors, after reviewing the consolidated entity's cash forecast for a period exceeding 12 months from the approval date of these financial statements, have concluded that it is reasonably foreseeable that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report. The Director's assessment considered the following factors:

- As at 31 December 2023, the consolidated entity has \$1.2m available in cash and cash equivalents;
- Since 31 December 2023, the consolidated entity has received \$0.5m from GPR for exploration programs to be conducted on the Fifield and Avondale Earn-In Projects;
- The non-executive directors have given an undertaking to exercise 25,000,000 share options of the company at an exercise price of \$0.0152 (1.52 cents) by no later than 15 September 2024. This undertaking is subject to the company not being successful in raising at least \$500,000 from the issue of additional ordinary shares or the exercise of other existing options;
- The consolidated entity has the ability to defer or reduce certain operating expenses and exploration expenditure, if necessary, whilst meeting minimum tenement expenditure commitments; and
- The Directors are considering a number of external funding alternatives such as a farm-out of exploration commitments and raising of additional equity funds. The consolidated entity has a history of successfully undertaking capital raisings (including the most recent raising of \$1.95m in the half-year to 31 December 2023, refer to Note 5).

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

### 2. REVENUE FROM CONTINUING OPERATIONS

	31-Dec-23	31-Dec-22
	\$	\$
Interest Income	3,006	15,328
Sundry Income	18,185	79
GPR Earn-In Corporate Fee	-	1,500,000
Total revenue from continuing operations	<u>21,191</u>	<u>1,515,407</u>

### 3. PROPERTY, PLANT AND EQUIPMENT

	31-Dec-23	30-Jun-23
	\$	\$
Property		
Freehold Land		
At cost	226,834	226,834
Total Land	<u>226,834</u>	<u>226,834</u>
Plant and Equipment		
At Cost	494,973	479,717
Accumulated depreciation	(401,631)	(391,790)
	<u>93,341</u>	<u>87,927</u>
Total Property, Plant and Equipment	<u>320,175</u>	<u>314,761</u>

### 4. EXPLORATION AND EVALUATION COSTS

	31-Dec-23	30-Jun-23
	\$	\$
Opening Balance	15,949,760	15,065,837
Additional expenditure	532,337	2,821,773
Reimbursed exploration expenditure	(269,375)	(1,849,350)
NSW Drilling Grant	-	(88,500)
Closing balance	<u>16,212,722</u>	<u>15,949,760</u>

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

### 5. CONTRIBUTED EQUITY

	Half-Year Ended 31-Dec-23	Year Ended 30-Jun-23	Half-Year Ended 31-Dec-23	Year Ended 30-Jun-23
	Number of Securities		Value of Securities \$	
Issued Shares				
Fully paid ordinary shares	2,220,244,731	2,005,244,731	38,208,681	36,294,888
Ordinary shares on issue at beginning of period	2,005,244,731	1,806,244,734	36,294,888	35,156,698
Movements during the period				
Shares issued	215,000,000	198,999,997	1,950,000	1,194,000
Transaction costs relating to issues			(36,207)	(55,810)
Shares on issue at end of period	2,220,244,731	2,005,244,731	38,208,681	36,294,888

#### Unlisted Options

At end of the Half Year, 31 December 2023, there were 253,633,330 unissued shares under option at various issue prices and vesting dates subject to vesting conditions.

### 6. TRADE AND OTHER RECEIVABLES

	31-Dec-23 \$	30-Jun-23 \$
Current		
Security Deposits & Other Current Assets	84,134	72,741
	<u>84,134</u>	<u>72,741</u>
Non-Current		
Security Deposits	155,000	155,000
	<u>155,000</u>	<u>155,000</u>

### 7. TRADE AND OTHER PAYABLES

	Consolidated Entity	
	31-Dec-23 \$	30-Jun-23 \$
Trade creditors	93,938	349,757
Accruals	139,099	113,564
Goods & Services Tax	5,780	(8,076)
Other payables	46,694	45,619
	<u>285,511</u>	<u>500,864</u>

### 8. 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.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

### 9. EARNINGS PER SHARE

	Consolidated Entity	
	31-Dec-23 \$	31-Dec-22 \$
<b>a. Reconciliation of Earnings to Loss</b>		
Loss used in the calculation of basic EPS	(691,476)	(270,608)
Loss used in the calculation of dilutive EPS	(691,476)	(270,608)
<b>b. Weighted average number of ordinary shares outstanding during the half year used in calculation of basic EPS</b>	2,100,244,731	1,806,244,735
Potential ordinary shares	-	-
Weighted average number of ordinary shares outstanding during the half year used in calculation of dilutive EPS	2,100,244,731	1,806,244,735
<b>c. Classification of securities</b>		
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.	-	-
<b>d. Ordinary shares issued between reporting date and time of completion of the financial report</b>		
Basic loss per share (cents per share)	(0.03)	(0.01)
Diluted loss per share (cents per share)	(0.03)	(0.01)

### 10. FINANCIAL ASSET & CONTRACT LIABILITY

Under the Fifield Project and Avondale Project Earn-in's, exploration expenditure is provided in advance and held separately to Rimfire's operating bank accounts and used to pay expenditure for activity conducted within the relevant Earn-in Area as it is incurred.

### 11. EXPLORATION AND MINING LEASE COMMITMENTS

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

	31-Dec-23 \$	30-Jun-23 \$
Payable		
- Not later than 1 year	478,521	435,990
- Later than 1 year but not later than 5 years	321,256	543,369
	<u>799,777</u>	<u>979,359</u>

### 12. 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.

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

### 13. EVENTS SUBSEQUENT TO THE END OF HALF YEAR

Subsequent to the Half Year end, in January 2024, Rimfire announced the acquisition of EL8572 and EL8599 from Castillo Limited (ASX:CCZ), doubling Rimfire's footprint in Broken Hill (as detailed in the Operations Review). The key acquisition terms being;

- Rimfire to issue Castillo Copper with 8,064,516 Rimfire Ordinary Shares (**Consideration Shares**) being \$150,000 worth of shares at an issue price of \$0.0186 [1.86 cents] (**Consideration Shares Issue Price**). The issue price is the 5-day Volume Weighted Average Price (VWAP) up to and including the last day of trading immediately before the date of execution of the Tenement Purchase Agreement, and
- Rimfire to issue an additional \$150,000 worth of Rimfire Ordinary Shares (5,376,345 Shares) at 2.79 cents per share ("Subsequent Shares") to Castillo Copper if Rimfire's share price 5-day VWAP is greater than 2.79 cents, which is 50% above the Consideration Shares Issue Price (Subsequent Shares Issue Price).

All Consideration Shares and Subsequent Shares are subject to a 6-month escrow period.

The Castillo tenements are subject to historic royalties of a 3% Net Smelter Return (EL8599) and a 1% Net Smelter Return (EL8572).

In return for the waiving of all Royalties, Rimfire has agreed to issue the individual Royalty holders with 5,376,337 Rimfire Ordinary Shares being \$100,000 worth of shares at the Consideration Shares Issue Price of \$0.0186 [1.86 cents] (**Royalty Holder Shares**).

All Royalty Holder Shares are subject to a 6-month escrow period.

At the time of writing, the transaction is still subject to completion.

The Consideration Shares, Subsequent Shares and Royalty Holder Shares will be issued under Rimfire's ASX Listing Rule 7.1 capacity.

There are no other matters or circumstances arisen since 31 December 2023, which has significantly affected, or may significantly affect the operations of the consolidated entity, the result of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

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# DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- 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 directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



**Ian McCubbing**  
**Chairman**

Dated in Melbourne, 15 March 2024

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## CORPORATE DIRECTORY

Directors:	Ian McCubbing (Non-Executive Chairman) David Hutton (Managing Director and CEO) Andrew Knox (Non-Executive Director) Greg Keane (Alternate Director for Ian McCubbing)
Company Secretary:	Stefan Ross
Registered Office:	Suite 142, 1 Queens Road Melbourne VIC 3004
Auditors:	RSM Australia Partners Level 27 120 Collins Street Melbourne VIC 3000
Company Lawyers:	Lennox Group Pty Ltd 8 Chapel Street Cremorne VIC 3121
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:	<u>RIM</u>
Email Address:	<a href="mailto:rimfire@rimfire.com.au">rimfire@rimfire.com.au</a>
Website Address:	<a href="http://www.rimfire.com.au">www.rimfire.com.au</a>

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

### Report on the Half-Year Financial Report

#### *Conclusion*

We have reviewed the accompanying half-year financial report of Rimfire Pacific Mining Limited ('the Company'), and its subsidiaries (together referred as 'the Consolidated entity'), which comprises the consolidated statement of financial position as at 31 December 2023, 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 then ended, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Consolidated entity does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ('ASRE 2410'). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Rimfire Pacific Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

### *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 for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2023 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*.

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.

A handwritten signature in black ink that reads "RSM".

**RSM AUSTRALIA PARTNERS**

A handwritten signature in black ink that reads "R J Morillo Maldonado".

**R J MORILLO MALDONADO**  
Partner

Melbourne, Victoria  
Dated: 15 March 2024

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