Directors' Report & Financial Statements

30 June 2015

DIRECTORS' REPORT

Your Directors present their report on the company and its controlled entity for the financial year ended 30 June 2015.

Directors

The names of Directors in office during the whole of the financial year and up to the date of this report:

John Gillett (appointed 17 July 2014)
John Kaminsky
Graham Billinghurst
Thomas Burrowes
Ramona Enconniere

Principal Activities

The principal activities of the consolidated entity during the financial year were the exploration and development of economic mineral deposits.

Review of Operations

The Company continued to make steady progress in the last year, with work focused exclusively in the 35km2 area at Fifield NSW, which includes the Sorpresa gold (Au) and silver (Ag) project area and the regional prospects located within 6km radius of Sorpresa.

The Company established a maiden resource at Sorpresa whilst continuing to search for discovery growth in the mineralisation potential in adjacent areas.

The countercyclical expenditure strategy adopted in the previous period was continued. Advantageous drilling rates coupled with the receipt of a drilling grant from the NSW Government ("New Frontiers" initiative) enabled the Company to perform more field work. The Company managed a high ratio of "in ground" expenditure (approximately 80%), thus minimising overheads and maximising opportunities to advance the discoveries at Fifield.

This approach enabled a solid market news flow from the operational results which contributed to the overall good performance of the Company, in extremely difficult market trading conditions, particularly for junior exploration companies.

A summary of the important outcomes in the reporting period included:

- **Establishing the Maiden Inferred and Indicated Mineral Resource for the Sorpresa Deposit** comprising of:
  - 6.4Mt for 125kOz of gold and 7.9Moz of silver (at 0.5g/t Au & 25g/t Ag cutoff)
  - An assessment of economic potential has commenced and will continue to be examined
- **Advances in the prospect portfolio of more than 30 targets within the 6km radius of Sorpresa** was prioritised and is undergoing various stages of preliminary testing, with some encouraging results for gold and copper
  - Yoes Lookout, Eclipse Trend and Carlisle underwent first pass RC drilling with creditable results
  - Follow up work is anticipated in 2015/16.
- **A copper signature appears to be emerging in the Fifield district**, accompanying the expanding gold signature
- **Drilling on the Eclipse Trend** gave some important results for gold and copper, **including high grade intersection in drill hole Fi 0588:**
  - **4m @ 6.5% Cu** ; 2.30g/t Au; 10g/t Ag, from 119m, Incl **2m @ 10.95% Cu**; 3.87g/t Au; 16.6g/t Ag

Metal zonation remains an observed feature of the regional Fifield geology, on kilometre scale and has been well highlighted again in emerging work on the Eclipse Trend and Yoes areas. The Company continues to develop its understanding of the mineralisation setting and its promising potential at Fifield, with additional mineralisation concepts undergoing regular review and consideration within this highly complex geological system.

The Company believes that the "wider project area" of 35km2 continues to have multi-million ounce gold equivalent potential. The dual strategy of pursuing the Sorpresa resource, in parallel with further discovery growth in the regional opportunities is a sensible balance in the Company's view.

The price of gold traded downwards from approximately USD1,350/oz to USD1,100/oz during the period, whilst silver traded from USD21/oz to USD15/oz respectively. In the Company's view, the commodity price outlook represents limited downside risk for gold and silver at these prices, particularly with the global financial environment which remains somewhat uncertain.

Mr John Gillett became a Non-Executive Director to the Board of the Company in July 2014 and subsequently was confirmed as Non-Executive Chairman in March 2015. Mr Gillett's considerable engineering, project and resources experience across a wide array of jurisdictions provides additional skills to the Board. This complements the Board, providing a contribution in expertise in the pursuit of a development path being examined for the Company's project areas.

The Board of Directors extends its appreciation to all personnel, partners, contractors and stakeholders, who have made valuable contributions to the Company's projects and work programs in the period.

Financial Position

The net assets of the consolidated entity have increased to $12,383,004 at 30 June 2015 from $12,077,162 at 30 June 2014. The Company continued to ensure that overhead costs during the financial year were carefully managed. monitored.

The Company was successful in raising further capital (approx. $1.093M) with a Rights Issue completed in December 2014. The Board sincerely acknowledges new and existing shareholders who participated in this finance.

Additionally, $1.163m in AusIndustry R&D funding was received in the period. Also, the Company was able to draw upon the grant that was awarded from the NSW Department of Resources and Industry, for New Frontiers Co-operative Drilling funds. This will provide a contribution of approx. $175,000 in the 2015~16 period, towards drilling programs undertaken by the Company, within the greater Sorpresa area. These funding sources were non dilutionary to shareholders.

The equity markets have continued their declines in both liquidity and value for most companies in the exploration sector, with a bear market operating now for the last 3 years. Despite this, the Company's shares have performed above the market sector indices for the last 4~5 years, outperforming many peers, in difficult trading conditions. Whilst risk capital remains fragile, drill results are being recognised by the market, as evidenced by the Company share price and volume (>21 million shares 22nd July 2015) movements associated with drill hole Fi 0588, which assayed 4m @ 6.5% Cu.

Although the commodity prices and resource equity markets remained depressed in the period, it is hard to see further sustained large downside at this juncture. It seems likely that a turning point is now being observed that will reflect modest improvements or a sustained sideways movement in the markets. The Company believes that considerable professional market investor funds designated for the resources sector will gradually be deployed over the next 2 years. The preference has been for these professional funds to seek late stage development projects, or existing operations, however, there is recognition that quality exploration areas should be able attract greater interest going forward in 2016.

Future Developments, Prospects and Business Strategies

The Company is committed to the emerging potential of the gold, silver and copper mineralisation being observed within the Fifield district, principally within the 6km radius of the known Sorpresa gold and silver resource project.

The vision and strategy being adopted by the Company can be summarised as follows:

- ❑ **Maintain an overall "Prospect Portfolio" exploration strategy at Fifield**
  - Looking for a multimillion ounce gold equivalent outcome
  - The Regional Prospects are to be developed in parallel with the advanced Sorpresa Project
  - This approach provides risk mitigation, and assists longevity in pursuit of discoveries
  - Commodity focus is Gold, Silver, Copper & Platinum – a good suite of metals

- ❑ **Enhance and highlight the Fifield district's appeal through discovery looking to attract partner interest**

- ❑ **Undertake frequent ranking assessment of the Prospect Priorities "Pyramid"**
  - This provides disciplined and efficient exploration focus
  - Therefore ensuring the opportunity to make the best discoveries possible

- **Continue resource growth at Sorpresa – examine its commercial context**
  - Look to a preliminary commercial understanding in 2015 ~16 – focus on higher grade lenses

- **Build more discoveries which should add value to the share price**
  - Aim for resource aggregation within 6km radius of Sorpresa
  - This recognises that the Company has a history of low cost discovery expertise

The regional potential at Fifield has been further enhanced with the emergence of the recent copper signature, particularly through the work at Eclipse Trend and Yoes areas. An application was made for additional exploration tenement area (approx. 200km2) to the east of Yoes.

The Sorpresa resource is undergoing further technical and economic appraisal, with additional metallurgy, pitshell analysis and process assessment. This also includes closer examination of the higher grade lenses, and in particular attempts to understand the structural controls operating on gold and silver, within Sorpresa. Similarly, discovery growth is being pursued looking to grow the Sorpresa resource, and the Company envisages this will be part of a dynamic and ongoing process in the next period.

Operating Results

The loss of the consolidated entity amounted to $720,794 (2014: $2,216,830).

Dividends

No dividends were paid during the financial year, nor are any recommended at 30 June 2015 (30 June 2014 : Nil).

No Significant Changes in State of Affairs

The Sorpresa Gold and Silver discovery at Fifield provides the core focus for the Company going forward. The Platinum potential remains important.

After Balance Date Events

No other matters or circumstances which have arisen since the end of the financial year have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Environmental Issues

The consolidated entity aims to ensure that the highest standard of environmental care is achieved. The Board maintains the responsibility to ensure that the consolidated entity's environment policies are adhered to and to ensure that the consolidated entity is aware of and is in compliance with all relevant environmental legislation. There have been no environmental breaches during the 2015 financial year.

Information on Directors

John Gillett **Non-Executive Director** ***Bachelor of Engineering Civil (Hons), Diploma of Business Management, FIE Aust, MICE (UK), CEng, MAICD***	
Experience And Expertise	John was appointed a Director of Rimfire Pacific Mining NL on 17th July 2014 and became Non-Executive Chairman on 3rd March 2015. He is a professional civil engineer with business experience in the resources industry, infrastructure and services to government over a 40 year period. He has gained company director, management, business development and project experience in large corporate and multinational businesses. He has lived and worked in Australia, USA, UK and Indonesia. John's areas of expertise include strategic and business planning for new businesses, feasibility studies, environmental impact studies, approvals, design and project/construction management for mining, water, transport and building projects. In addition, he brings sound commercial judgement, risk management skills, experience in regulatory compliance and government relationships to the board.
Other Current Directorships	None.
Former Directorships in Last 3 Years	None.
Special Responsibilities	Chairman of the Board (appointed 3 March 2015). Member of Risk and Audit Committee (appointed 26 September 2014). Chairman of Remuneration Committee (appointed 9 December 2014).

John Kaminsky **Managing Director and Chief Executive Officer** ***Bachelor of Applied Science (Chemistry) (RMIT), MBA (Melbourne Business School)***	
Experience And Expertise	John was appointed Director of Rimfire Pacific Mining NL and Axis Mining NL in April 2004. He brings strong strategic and international skills to the company and has more than 20 years' experience in international trade, including chemicals, plastics, metals, minerals, ores, concentrates and energy products. He assumed the role of Executive Chairman in December 2004 and became Managing Director and Chief Executive Officer on 3rd March 2015.
Other Current Directorships	None.
Former Directorships in Last 3 Years	None.
Special Responsibilities	Managing Director and Chief Executive Officer (appointed 3 March 2015). Executive Chairman (ceased 3 March 2015). Member of the Risk and Audit Committee (ceased 25 September 2014). Remuneration Committee (alternate to G Billinghurst) (ceased 8 December 2014).

Graham Billinghurst **Non-Executive Director and Secretary**	
Experience And Expertise	Graham was appointed Director of Rimfire Pacific Mining NL and Axis Mining NL in May 1999. He comes to the Board with an extensive background in investment banking and corporate development in the Australasian region. As an investment banker and finance director, he brings to the Board extensive corporate, financial and commercial expertise.
Other Current Directorships	None.
Former Directorships in Last 3 Years	None.
Special Responsibilities	Member of the Remuneration Committee.

Thomas Burrowes **Non-Executive Director** ***Bachelor of Economics (Hons), MBA (Melbourne Business School)***	
Experience And Expertise	Thomas was appointed Director of Rimfire Pacific Mining NL in December 2010. He has accrued extensive operational and management experience at Board level within junior Australian resource companies over the past 25 years. After an initial career in funds management he has held Executive directorship positions in 7 resource companies. He makes a valuable contribution with his depth of resource industry experience, public company involvement, exploration knowledge, financial market understanding, new project awareness and a wide range of industry contacts
Other Current Directorships	None.
Former Directorships in Last 3 Years	Stellar Resources Limited 2004 – May 2014 (Non-Executive Director).
Special Responsibilities	Chair of the Risk and Audit Committee. Member of the Remuneration Committee (re-appointed 9 December 2014).

Ramona Enconniere **Non-Executive Director** ***Bachelor of Commerce (University of Melbourne), MBA (Melbourne Business School)***	
Experience And Expertise	Ramona was appointed Director of Rimfire Pacific Mining NL in May 2005. She has professional affiliations with the Australian Society of CPA and the Australian Institute of Banking and Finance. She makes an excellent contribution to the Board through her experience gained in corporate banking and the funding of mergers and acquisitions, loan syndications, project financing, debt raising via capital markets/securitisation with Citibank, Bank of America, OCBC (Overseas-Chinese Bank Corporation) and National Australia Bank.
Other Current Directorships	None.
Former Directorships in Last 3 Years	None.
Special Responsibilities	Member of the Remuneration Committee (ceased to be Chair 8 December 2014). Member of the Risk and Audit Committee (ceased on 25 September 2014).

Meetings of Directors

During the financial year, meetings of Directors were held as detailed below.
Attendances by each Director during the year were:

	Directors' Meetings		**Risk and Audit Committee Meetings**		**Remuneration Committee Meetings**	
	Number Eligible to Attend	**Number Attended**	**Number Eligible to Attend**	**Number Attended**	**Number Eligible to Attend**	**Number Attended**
John Gillett	6	6	2	1	2	2
John Kaminsky	6	6	0	0	0	0
Graham Billinghurst	6	6	0	0	2	2
Thomas Burrowes	6	6	2	2	2	2
Ramona Enconniere	6	5	0	0	2	1

Shares held beneficially:

John Gillett	-
John Kaminsky	24,515,503
Graham Billinghurst	-
Thomas Burrowes	1,177,519
Ramona Enconniere	1,668,333

Shares in which there is a relevant interest:

John Gillett	4,252,834
John Kaminsky	5,322,666
Graham Billinghurst	18,990,356
Thomas Burrowes	-
Ramona Enconniere	10,248,837

Options

In association with the Share Rights Issue, 54,643,681 free options were issued during the year with an exercise price of 5 cents and an expiry date of 14 December 2015.

REMUNERATION REPORT (AUDITED)

The Remuneration Report, which has been audited, outlines the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The Remuneration Report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration for the year ended 30 June 2015
- Service agreements
- Share-based compensation
- Additional information

Principles used to determine the nature and amount of remuneration

The Board of Rimfire Pacific Mining NL established a Remuneration Committee to allow the Company to maintain its ability to attract and retain the best executives and Directors to run and manage the consolidated entity, as well as create alignment between Directors, executives and shareholders.

Remuneration policy is now under review, to meet the needs of the Company, to create a better alignment to industry practices for remuneration and to accommodate changes to law. The Remuneration Review Committee has benchmarked Company remuneration against comparable businesses and found that the Company has remunerated below the median of the industry, whilst the Company has performed well above industry metrics, on a number of measures. The Richard Schodde report (hyperlink: Exploration Industry Presentation AGM Nov 2014) (supported by other documentation on relative market cap of other exploration companies) shows Rimfire has performed superior to most peers. Low cost administration, low cost discovery, high enterprise value and above average cash reserves, were achieved with minimal dilutions.

The Company is reviewing the application of laws effective 1 July 2015 applicable to the use of employee share schemes and performance rights.

Remuneration policy for Directors and senior executives is reviewed annually by the Board and includes a mix, as determined by the Board on advice of the Remuneration Committee, and depending on the nature of employment agreements, of fixed remuneration, (which is based on factors such as capability, effectiveness, work tasks, responsibilities, length of service and experience), superannuation, fringe benefits, short term bonus, long term incentives including and wholly or partly in securities, subject to any necessary shareholder or regulatory approvals.

Reviews take into account the consolidated entity's performance, executive and Non-Executive Director performance and comparable information from industry, including other listed companies in the resources sector. Independent external advice is sought as required. The review for 2014/15 and the determinations for 2015/16 is still underway at the time of this report. Criteria for executive and director appraisal include:

- maintaining high standards of work place health and safety, environmental compliance and community liaison
- leading the development of strategy, and communicating this to stakeholders
- maintaining and adding to capital resources necessary to execute the company's strategy, with minimal dilution and costs to shareholders
- technical advancement in the exploration potential of the project areas
- managing operations and expenditure to efficient levels and within budgets,
- preserving financial and business integrity and managing risk under difficult industry conditions
- recruiting, managing and training personnel to ensure access to high levels of skill in the industry
- managing investor relations and Company communication
- ability to multi-skill and cover as much of the company's skill needs from in-house resources

With respect to executive appraisal, key performance criteria have included the maintenance of an adequate level of operating capital, maximising the economic cycle, managing expenditure to efficient levels, and management under difficult industry conditions. Developing and retaining exploration personnel expertise, therefore enabling the best possible examination and enhancement of the Company's exploration portfolio, is considered important, and this is required to be done whilst operating to high standards of governance, including work place safety.

The Board is aware of the need to maintain competitive remuneration to reward performance which benefits shareholders and advances the Company. To this end the current review is proposing to re-introduce short term bonus and long term incentive programs to motivate and reward those people who create shareholder value and make the greatest contribution to the Company.

The Board is constrained by financial resources in this regard and remuneration reviews for the last few years have not resulted in remuneration increases for Non-Executive Directors, the Chief Executive or senior professional staff. A new approach is being taken in the current review which the Board intends will benefit the key contributors in our team as well as shareholders. Pending the finalisation of this review, the Managing Director and Chief Executive Officer is currently on a roll-over of his previous arrangements with the Company. In 2014/15, there was no increase in his remuneration from the previous two reporting periods. There has been no change to the remuneration of Non-Executive Directors in the period. To align Directors' interests with shareholder interests, Directors are encouraged to hold shares in the Company.

Details of Remuneration for the Year Ended 30 June 2015

The remuneration for each Director of the consolidated entity and other Key Management Personnel during the year was as follows:

Benefits to senior executives and the Non-Executive Directors consisted exclusively of cash benefits in the period. A non-executive Director Pool of $200,000 was available in 2015 ($200,000 in 2014) and represents the maximum aggregate payments to Non-Executive Directors, in their capacities as Directors, that can be paid in any one year without requiring additional shareholder approval. The actual Non-Executive Director pool utilised in the 12 month period was $117,500 in total ($90,000 in 2014). This rate is below the industry norm.

2015	**Primary**		**Post Employment**	**Equity Compensation**	
Name of Director	**Salary, Fees & Commissions**	**Cash Bonus**	**Superannuation Contributions**	**Shares & Options**	**Total**
	$	$	$	$	$
Non-Executive Directors					
J Gillett	25,114	Nil	2,386	Nil	27,500
G Billinghurst	30,000	Nil	Nil	Nil	30,000
R Enconniere	30,000	Nil	Nil	Nil	30,000
T Burrowes	27,397	Nil	2,603	Nil	30,000
Executive Director					
J Kaminsky	238,532	Nil	22,661	Nil	261,193
	351,043	Nil	27,650	Nil	378,693

2014	**Primary**		**Post Employment**	**Equity Compensation**	
Name of Director	**Salary, Fees & Commissions**	**Cash Bonus**	**Superannuation Contributions**	**Shares & Options**	**Total**
	$	$	$	$	**$**
Non-Executive Directors					
G Billinghurst	30,000	Nil	Nil	Nil	30,000
R Enconniere	30,000	Nil	Nil	Nil	30,000
T Burrowes	27,460	Nil	2,540	Nil	30,000
Executive Director					
J Kaminsky	238,532	Nil	22,064	Nil	260,596
	325,992	Nil	24,604	Nil	350,596

Performance Income as a Proportion of Total Remuneration

No performance based bonuses were paid during the year ended 30 June 2015 (2014: nil).

Service Agreements

The Managing Director and Chief Executive Officer, Mr J Kaminsky, had an arrangement with the Company to provide services, and this was put in place with effect on 1 January 2012. Currently the contract basic conditions have rolled over, and a new agreement will be in place shortly.

The Non-Executive Directors have been appointed on an ongoing basis and the Company does not have any retirement benefit obligations upon their cessation as a Director.

Share Based Compensation of Directors & Executives

No shares or options were granted to Directors or Executives, exercised, expired or held during the years ended 30 June 2015 or 30 June 2014.

Additional Disclosures Relating to Key Management Personnel

Shareholdings

Number of Shares held by Key Management Personnel

2015 Parent Entity Directors	Balance 01/07/14	Received as Remuneration	Options Exercised	Net Change Other*	Balance 30/6/15
J Gillett (appointed 17 July 2014)	-	-	-	4,252,834	4,252,834
J Kaminsky	26,338,169	-	-	3,500,000	29,838,169
G Billinghurst	16,548,837	-	-	2,441,519	18,990,356
T Burrowes	1,009,302	-	-	168,217	1,177,519
R Enconniere	9,167,170	-	-	2,750,000	11,917,170
Total	53,063,478	-	-	13,112,570	66,176,048

* Net change other refers to shares purchased during the financial year.

2014 Parent Entity Directors	Balance 01/07/13	Received as Remuneration	Options Exercised	Net Change Other*	Balance 30/6/14
J Kaminsky	25,979,332	-	-	358,837	26,338,169
G Billinghurst	16,200,000	-	-	348,837	16,548,837
T Burrowes	800,000	-	-	209,302	1,009,302
R Enconniere	8,818,333	-	-	348,837	9,167,170
Total	51,797,665	-	-	1,265,813	53,063,478

* Net change other refers to shares purchased during the financial year.

Options

Number of Options held by Key Management Personnel

2015 Parent Entity Directors	Balance 01/07/14	Granted as Remuneration	Options Expired	Net Change Other*	Balance 30/06/15	Total Vested 30/06/15	Total 30/06/15
J Gillett**	-	-	-	2,421,834	2,421,834	2,421,834	2,421,834
J Kaminsky	-	-	-	3,500,000	3,500,000	3,500,000	3,500,000
G Billinghurst	-	-	-	2,441,519	2,441,519	2,441,519	2,441,519
T Burrowes	-	-	-	168,217	168,217	168,217	168,217
R Enconniere	-	-	-	2,750,000	2,750,000	2,750,000	2,750,000
Total	-	-	-	11,281,570	11,281,570	11,281,570	11,281,570

* Options granted as part of Rights Issue.
** John Gillett appointed on 17 July 2014.

2014 Parent Entity Directors	Balance 01/07/13	Received as Remuneration	Options Expired	Net Change Other	Balance 30/06/14	Total Vested 30/06/14	Net Change Other*
J Kaminsky	-	-	-	-	-	-	-
G Billinghurst	-	-	-	-	-	-	-
T Burrowes	-	-	-	-	-	-	-
R Enconniere	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

Executives

There were no executives other than the Managing Director and Chief Executive Officer, Mr John Kaminsky, at balance date.

OTHER MATTERS

Indemnifying Officers

The Company maintains a directors and officers insurance policy. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy, including the nature of the liability insured against and the amount of the premium.

The Company has not otherwise during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or any related body corporate against a liability incurred as such an officer or auditor.

Directors covered by the Directors & Officers Liability Insurance Policy at the time of this report are:

Mr John Gillett
Mr Graham Billinghurst
Ms Ramona Enconniere
Mr John Kaminsky
Mr Thomas Burrowes

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the financial year.

Auditor's Independence Declaration

The auditor independence declaration required under Section 307C of the Corporations Act 2001 forms part of this Directors' Report and is included on page 11.

Non-Audit Services

There were no non-audit services provided by BDO East Coast Partnership during the financial year.

Signed in accordance with a resolution of the Board of Directors.

Director John Gillett

Dated this 27th day of August 2015

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DECLARATION OF INDEPENDENCE BY SIMON SCALZO TO THE DIRECTORS OF RIMFIRE PACIFIC MINING NL

As lead auditor of Rimfire Pacific Mining NL for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Rimfire Pacific Mining NL and the entities it controlled during the period.

Simon Scalzo
Partner

BDO East Coast Partnership

Melbourne, 27 August 2015

Corporate Governance Statement

Introduction

The Directors of Rimfire Pacific Mining NL recognise the need for high standards of corporate governance and are focused on fulfilling their responsibilities individually and as a Board to all of the Company stakeholders. The Board supports the guidelines in the "Corporate Governance Principles and Recommendations" ("Principles") established by the ASX Corporate Governance Council.

Given the size and structure of the Company, the nature of its business, the stage of its development and the cost of strict and detailed compliance with all of the recommendations, the Company has adopted some modified systems, procedures and practices to allow it to reasonably meet the principles of good corporate governance, consistent with the guidelines and recommendations. At the end of this Corporate Governance Statement a table is included detailing the recommendations with which the Company does not strictly comply, including reasons for departure from any stated Principles.

The following sections outline the Company practices in complying with the Principles.

Principle 1: Lay Solid Foundations for Management and Oversight

During the reporting period, the Company appointed Mr John Gillett as independent Chairman of the Company, and Mr John Kaminsky moved to the role of Managing Director and Chief Executive Officer. This structure is in line with the ASX Principles of Governance. The respective roles of the Board and executive management are as follows:

1. The Board, in conjunction with the CEO, defines and sets the Company's business objectives and strategy. The role of the Board is to lead and oversee the management and direction of the Company, approve and monitor plans, budgets and organization, and oversee risk and compliance. The Board reports to Shareholders and regulators as required.

2. The CEO leads the Company in executing the Company strategy, and in managing all Company operations, finances, human resources, reporting and compliance. The CEO reports directly to the Board and regularly consults with the Chairman and individual Directors on matters of relevance and of individual expertise. The CEO is responsible for reporting on matters of compliance, takes responsibility for risk management processes and a review of executive management, remuneration practices and insurance needs of the Company.

The Directors are able and encouraged to seek external professional advice as may be required, depending on circumstance.

Directors are required to disclose and appropriately report matters that affect their independence and conform to the Company's trading policy governing dealings in the Company's securities, including any related financial instruments.

The Company undertakes various checks before appointing or putting forward to the Shareholders a new director and annually seeks confirmation of the Directors' good standing.

The Board has delegated all day to day management of the Company to the executive management, subject to any specific expertise requested by management of the Board, on a case by case basis. Major contracts for procurement and matters involving significant commitment of Company resources are required to be consulted with the Chairman, and submitted to the Board for approval where appropriate.

The Board has two committees to assist and advise on matters:

Remuneration Committee: This Committee advises the Board on the employment terms and conditions and remuneration for the CEO, Non-Executive Directors and senior management personnel. The Committee undertakes reviews of the CEO performance and remuneration at least annually and comprises all Directors except the CEO. During the reporting period, the Board undertook a review of Board performance as a whole and of individual Directors, and continues to review the board structure for an appropriate mix of skills. The appointment of Mr John Gillett as Director in July 2014 added to Board skills and diversity of backgrounds available to the Company.

Risk and Audit Committee: This Committee comprises two independent directors and other directors are invited to attend Risk and Audit meetings. The Committee meets as required to advise on half yearly and annual audits, and consults with the independent Auditors of the Company. The Company maintains appropriate insurances, registers of Workplace Health and Safety performance and other risk issues in the business.

Each member of the Board has committed to spending sufficient time to enable them to carry out their duties as a Director of Company. One third of the Directors retire annually and are free to seek re-election by Shareholders. The Company does not have a formal diversity policy, given the size of the Company, at this point in time. However, the Company applies the common sense principle that the person of the right experience, skills and aptitude for a particular vocational need will be chosen for a vacancy within the Company. This has resulted in diversity in the work place as "a natural outcome", rather than a formulated approach.

Board Composition by Gender			
Executive Directors		**Non-Executive Directors**	
Male	**Female**	**Male**	**Female**
1	Nil	3	1

Senior Executive Composition by Gender	
Male	**Female**
1	Nil

Principle 2: Structure the Board to Add Value

Composition of the Board

The ASX Corporate Governance Council recommends that composition of the Board be determined so as to provide a Company with a broad base of industry, business, technical, administrative and corporate skill and experience considered necessary to represent Shareholders and fulfill the business objectives of a Company.

The Board currently comprises an independent Non-Executive Chair, three independent Non–Executive Directors and the Managing Director/CEO.

As a junior exploration Company, the key performance criteria for the Directors and executives are their ability to bring ideas, judgement, business experience, risk assessment skills, and background in the exploration and mining industry. Our Directors have appropriate networks, knowledge of capital raising approaches, and experience in exploration for minerals and in project development. Directors and senior managers individually have professional skills in mining, geology, science, finance, banking, engineering and project development. They have experience in procuring services and contracts with suppliers, and in managing within modest resources. Efficiency and effectiveness are key performance measures.

Nomination of Other Board Members

Due to the small size of the Company, the responsibility for nominations is carried by the whole Board. As noted one new Board member was appointed in the reporting period and Board composition is under continuous review.

Independent Advice

Each of the Directors is entitled to seek independent advice at Company expense to assist them to carry out their responsibilities.

Principle 3: Act Ethically and Responsibly

Directors, officers, employees and consultants to the Company are required to observe high standards of behaviour and business ethics in conducting business on behalf of the Company.

Directors are required to disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director or the interests of any other party in so far as it affects the activities of the Company. A Director may not participate in any decision where he or she has a conflict of interest. The Board would act in accordance with the Corporations Act if conflict cannot be removed or if it persists.

Directors, staff and insiders are required to make disclosure of any share trading. A formal Trading Policy was released to the ASX at the end of 2010. The cornerstone of the Company policy in relation to share trading is that officers, employees and contractors are prohibited from trading whilst in possession of unpublished price sensitive information concerning the Company. That is information which a reasonable person would expect to have a material effect on the price or value of the Company securities. An officer must discuss the proposal to acquire or sell shares with the Chairman prior to doing so to ensure that there is no price sensitive information of which that officer might not be aware. The undertaking of any trading in securities by Directors must be notified to the Company and Chairman who makes disclosure to ASX within the required reporting time-table guidelines.

An extract of the Trading Policy is provided as follows:

> *A Representative in possession of price sensitive information which is not generally available to the market must not deal in the Company's securities at any time, either directly, or indirectly.*
>
> *In addition, each Representative is permitted to trade in the Company's securities throughout the year* ***except*** *during designated closed periods. The closed periods are between the end of the March, June, September and December quarters and the release of the Company's next quarterly report to the ASX, so long as the Company is required by the Listing Rules to lodge quarterly reports.*

Certain trading activity is not subject to the policy such as transfers to super funds where the transferor maintains the beneficial ownership of the securities. The full list of acceptable trading activity is listed in the full policy document as released in December 2010 to the ASX. There are exceptional circumstances where trading can occur outside the policy in cases of specific hardship. These details are outlined in detail in the full policy document.

Principle 4: Safeguard Integrity in Corporate Reporting

A Risk and Audit Committee operates within the Company.

The Committee consists of the following:

T Burrowes (Chair)	Non-Executive Director	
J Gillett	Non-Executive Director	(appointed 26 September 2014)
R Enconniere	Non-Executive Director	(ceased 25 September 2014)
J Kaminsky	Executive Director	(ceased 25 September 2014)

The main responsibilities of the Risk and Audit Committee are to:

1. Review the annual financial statements with the Managing Director and Chief Executive Officer and the external Auditors and make appropriate recommendations to the Board;
2. Review all regular financial reports to be made to the public and make appropriate recommendations to the Board prior to their release ;
3. Monitor compliance with statutory and Australian requirements for financial reporting;
4. Review reports from management and external Auditors on any significant proposed regulatory, accounting or reporting issues, to assess the potential impact on the Company's financial reporting process.
5. Review insurances, and other risk management processes within the Company

The Managing Director and Chief Executive Officer is required to state in writing that the Company's Financial Reports present a true and fair view in all material respects of the Company's financial condition and operational results in accordance with relevant accounting standards.

The Committee is also charged with the responsibilities of recommending to the Board the appointment, removal and remuneration of the external Auditors and reviewing the terms of their engagement and the scope and quality of the audit.

An analysis of fees paid to the external Auditors, including a breakdown of fees of non- audit services, is provided in the notes to the financial statements. It is the policy of the external Auditors to provide an annual declaration of their independence to the Board.

Each Board member is invited to join the Risk and Audit meetings with the external Auditors and the Auditor has access to each Board member.

The external Auditor is requested to attend the Annual General Meeting and be available to answer Shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Principle 5: Make Timely and Balanced Disclosure

The Managing Director and Chief Executive Officer has been nominated as the person responsible for communications with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirement in the ASX Listing Rules and overseeing and co-coordinating information disclosure to the ASX, analysts, brokers, Shareholders, the media and the public.

All material information concerning the Company, including its financial situation, performance and ownership are posted on the Company web site to ensure all investors have equal and timely access.

Principle 6: Respect the Rights of Shareholders

The Board recognises its responsibility to ensure that its Shareholders are informed of all major developments affecting the Company.

All Shareholders who nominate to do so receive a copy of the Company's Annual Report. The annual, half yearly and quarterly reports are prepared in accordance with the ASX Listing Rules and are posted on the Company's web site. Regular updates on operations are made via ASX releases, including access to any audiocast or video materials. Information on the Company is posted on the Company's website. This amongst other information includes all text in relation to any notices on meetings to be held by the Company. When analysts are briefed on aspects of the Company's operation, the material used in the presentation is released to the ASX and posted on the Company's website. The Company posts on its website concurrently any presentations made in public forums about Company activities.

Shareholders have the option to receive communications from and to communicate to the Company and its share registry electronically.

Principle 7: Recognise and Manage Risk

A key element of the Board's role is the assessment and management of risk. In the past, the Board exercised its responsibility to oversee risks in the Company through the Board as a whole. During the reporting period, the Board asked the Risk and Audit Committee to expand its responsibility to advise on risk.

The Company has always had a strong focus on risk in field activities, including workplace health and safety, business risk arising through equipment, community and environmental factors. The Company maintains a risk register and has built a safety and environmental culture into its operations, and monitors compliance with policy and legal requirements.

Inherent in the way the Company does business is to balance potential rewards with the cost of conducting exploration programs. The Company employs a number of strategies to mitigate its risks including using both in-house and contractor services, flexible employment arrangements to adjust resources to work loads, using low cost exploration and investigation techniques to define drill targets, and conduct of preliminary studies of options to better understand potential value creation for Shareholders.

The Company is conscious of the risk in maintenance of the database and securing this against accidental or malicious loss, theft or misuse. The Company undertakes peer review of prospects and priorities using by both internal personnel and external parties, to challenge exploration assumptions at various times.

Although the Company is not yet in production and sale of mineral commodities, investor views of our industry are influenced by commodity and currency price fluctuation. The Company does not rely on debt funding so that interest rate fluctuations are not a risk at this time. Where considered to be commercially viable in relation to risk mitigated or transferred, the Company takes out insurance policies appropriate to its business.

The Company has in place internal financial control processes. These include methods of ensuring value for money in procurement, probity in contracting and approvals of Company funds, appropriate use of signing authority, and dual signatures on bank accounts. External Auditors review our systems and our compliance with control policies.

Maintenance of solvency is a serious Board and Management responsibility. Careful monitoring of expenditures against budget is carried out continuously, and cash balances and forecasts are monitored to ensure the Company is able to meet its obligations as and when they arise. As the Company is substantially reliant on shareholder funding to continue its activities, the state of equity markets and an ongoing supportive response from shareholders to the capital raising needs of the Company are of primary importance.

From time to time the Board will need to authorise equity raisings, capital or joint operations with funding implications with other parties, and/or major capital expenditure. Other routine operating expenditures are the responsibility of management in accordance with programmes and budgets approved by the Board.

With a personnel complement of less than 10, the Company does not keep an internal audit function. The Board exercises its monitoring and supervisory responsibilities through:

1. Review of reporting and use of internal controls.
2. Compliance with the Corporations Act 2001, Australian Securities Exchange, Australian Taxation Office and Australian Securities and Investments Commission requirements.
3. Improving the quality of the management and accounting information through plans for upgrading its accounting software system.
4. Follow-up and rectification by management of any deficiencies in controls or procedures.

As part of the annual audit process, the Board receives annually, the assurance from the Managing Director and Chief Executive Officer by signed declaration.

Principle 8: Remunerate Fairly and Responsibly

A Remuneration Committee operates within the Company.

The committee currently consists of the following:

- J Gillett (appointed as member and Chair 9 December 2014).
- R Enconniere (ceased Chair 8 December 2014)
- G Billinghurst
- T Burrowes
- J Kaminsky (and alternate G Billinghurst) (ceased 8 December 2014).

The Remuneration Review Committee makes recommendations to the Board on remuneration and other terms of employment for the CEO, senior executives, and Non-Executive Directors. This is done by annual reviews of individual performance, comparison with industry data and with comparable companies. From time to time external remuneration consultants are engaged to verify Committee processes.

Depending on the employment status of Company personnel and applicable employment law, remuneration may include a base salary or fixed contract remuneration, plus defined benefits either included in all-in rates of pay or paid as additional benefits, such as superannuation, leaves, fringe benefits, short term incentive/bonus, and long term incentives (which may include shares, options on shares or performance rights).

Remuneration packages are set at affordable market levels and aim to attract and retain high calibre staff and align the interests of personnel with those of Shareholders. Remuneration of Non-Executive Directors is treated separately and determined by the Board within the maximum amount approved by the Shareholders from time to time. Currently, the annual pool established for payments to Non-Executive Directors is \$200,000 (2014: \$200,000) in aggregate. Not all of this pool is used at present.

Further information on Directors' and Executives' remuneration is set out in the Directors' Report and Remuneration Report.

Table of Departures and Explanations (from the recommendations of the ASX Corporate Governance Council)

Recommendation Reference (Principle Number reference)	Departure from Recommendation	Explanation for Departure
1.5	No formal policy exists for work place personnel diversity, which includes gender diversity.	The Company balances its skill needs with geographic, experience and personal attribute diversity, on merit.
2.1	No separate Nomination Committee currently exists.	As a small Company, it is more practical for the Board as a whole to take on the responsibility for new Director nominations. The Company has Director assessment guidelines it implements for potential new and existing Directors.
2.6	The process for performance evaluation of the Board, committees, individual Directors and key Executives. There is no separate section on the Company website currently devoted to Corporate Governance.	Corporate Governance is covered in the Annual Report and a new website is under construction to incorporate more information in the future.
3.1	No formal code of conduct has been established as to reporting and investigating unethical practices, except for conflict of interest and insider trading.	The business practices adopted by the Board recognise that proper compliance with legal and other obligations is mandatory for all Directors and the Company as a whole.
4.1	The structure of the Risk and Audit Committee comprises two independent Directors.	All Directors are invited to participate in Risk and Audit meetings.
4.1	The Risk and Audit Committee does not have a formal charter.	The Risk and Audit Committee role has been expanded and a new charter will be prepared.
5.1	Limited written policy and procedure exists to ensure that compliance with ASX Listing Rules disclosure requirements are met at senior management level.	ASX listing rules are complied with. External qualified professionals provide additional advice and support to the Company decision making process.
6.2	The Company has no formally designed communication strategy with Shareholders beyond ensuring continuous disclosure is met.	The Board is conscious of the need to continually keep Shareholders and markets advised. The ASX announcement platform and website are the main bases for communication with Shareholders. Detailed disclosures are provided.
7.1 and 7.2	There is a policy on management of risk in operations, but a broader risk policy is being developed..	A broader risk review and related insurance review of risks is planned.
7.3	The Company receives a statement of compliance under Section 295A concerning the integrity of the financial statements from the Managing Director and Chief Executive Officer, but the Company has no appointed Chief Financial Officer.	The Company complies with the guidelines through use of external services and has a qualified CPA as an internal financial and administrative officer. The Company and Board use external auditors and accountants to ensure compliance.

Schedule of Mining Tenements

Project Area	Units	Reference	Date Granted	Expiry Date	Registered Holder	State	Mineral Focus
Fifield	15	EL6241	17-May-04	16-May-18	100% Rimfire	NSW	Platinum/ Gold/Base Metal
Fifield	40	EL5534	23-Oct-98	22-Oct-15	100% Rimfire	NSW	Platinum/ Gold/Base Metal
Fifield	4	EL5565 [a]	24-Mar-99	23-Mar-15	100% Rimfire	NSW	Platinum
Fifield	35	EL7058	1-Feb-08	01-Feb-17	100% Rimfire	NSW	Platinum/ Gold/Base Metal
Fifield	1.9ha	MC305	18-Nov-04	17-Nov-19	100% Rimfire	NSW	Gold/Platinum/ Silver
Fifield	2ha	MC306	18-Nov-04	17-Nov-19	100% Rimfire	NSW	Gold/Platinum/ Silver
Fifield	7	EL7959	16-Aug-12	16-Aug-17	100% Rimfire	NSW	Gold/Base Metal
Broken Hill	54	EL5958 [a b]	24-Jun-02	23-Jun-15	100% Rimfire	NSW	Base Metals

Notes:

a - Renewal applications have been lodged.

b - Rimfire retains a 10% free carried interest. Perilya is the operator, holding a 90% interest.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated Entity 2015	2014
		$	$
Revenue from continuing operations	2	228,939	202,571
Expenses:			
Employee benefits expense		(358,594)	(265,728)
Non-executive directors' fees		(117,500)	(90,000)
Professional costs		(98,805)	(164,025)
Occupancy costs		(32,998)	(33,159)
Travel costs		(16,623)	(13,113)
Marketing expense		(87,511)	(65,679)
Depreciation		(51,720)	(46,513)
Insurance		(35,554)	(30,296)
Share registry and listing expenses		(48,925)	(49,226)
Impairment write off of exploration costs		(2,578)	(1,613,784)
Loss on disposal of plant and equipment		(16,325)	(4,337)
Other administration expenses		(82,600)	(43,541)
Loss before income tax	3	(720,794)	(2,216,830)
Income tax benefit	4	-	-
Loss after income tax		(720,794)	(2,216,830)
Other comprehensive income		-	-
Total comprehensive loss for the year		(720,794)	(2,216,830)
Loss per share for the year attributable to the members of Rimfire Pacific Mining NL			
Basic loss per share (cents per share)	6	(0.10)	(0.33)
Diluted loss per share (cents per share)	6	(0.10)	(0.33)

The above consolidated 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 30 JUNE 2015

	Note	Consolidated Entity 2015 $	2014 $
CURRENT ASSETS			
Cash and cash equivalents	7	1,297,896	2,355,073
Trade and other receivables	8	157,060	84,080
Other current assets	11	16,507	23,915
TOTAL CURRENT ASSETS		1,471,463	2,463,068
NON-CURRENT ASSETS			
Trade and other receivables	8	150,000	150,000
Property, plant and equipment	10	543,003	558,921
Exploration & evaluation costs	12	10,705,929	9,543,362
TOTAL NON-CURRENT ASSETS		11,398,932	10,252,283
TOTAL ASSETS		12,870,395	12,715,351
CURRENT LIABILITIES			
Trade and other payables	13	470,948	615,314
Provisions	14	16,443	22,875
TOTAL CURRENT LIABILITIES		487,391	638,189
TOTAL LIABILITIES		487,391	638,189
NET ASSETS		12,383,004	12,077,162
EQUITY			
Contributed equity	15	26,131,450	25,104,814
Accumulated losses		(13,748,446)	(13,027,652)
TOTAL EQUITY		12,383,004	12,077,162

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

Consolidated Entity

	Contributed Equity $	Accumulated Losses $	Total $
Balance at 1 July 2014	**25,104,814**	**(13,027,652)**	**12,077,162**
Shares issued during the year	1,124,874	-	1,124,874
Transaction costs related to share issues	(98,238)	-	(98,238)
Total comprehensive loss for the period	-	(720,794)	(720,794)
Balance at 30 June 2015	**26,131,450**	**(13,748,446)**	**12,383,004**
Balance at 1 July 2013	**21,861,063**	**(10,810,822)**	**11,050,241**
Shares issued during the year	3,320,784	-	3,320,784
Transaction costs related to share issues	(77,033)	-	(77,033)
Total comprehensive loss for the period	-	(2,216,830)	(2,216,830)
Balance at 30 June 2014	**25,104,814**	**(13,027,652)**	**12,077,162**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated Entity 2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(932,251)	(438,049)
Sundry income received		250	-
Interest received		47,666	61,498
Income tax offset received		185,527	135,974
Net cash (used) in operating activities	22a	(698,808)	(240,577)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(64,763)	(58,176)
Payment for exploration and evaluation costs		(2,369,253)	(2,494,064)
Proceeds from NSW government grant		31,122	-
Tax offsets received for investing activities		1,028,098	1,027,769
Proceeds from deposits		500	-
Proceeds from sale of property, plant and equipment		605	3,154
Net cash used in investing activities		(1,373,691)	(1,521,317)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,092,874	3,284,535
Transaction costs associated with share issues		(77,552)	(77,033)
Net cash provided by financing activities		1,015,322	3,207,502
Net (decrease)/increase in cash held		(1,057,177)	1,445,608
Cash at beginning of the year		2,355,073	909,465
Cash at end of the year	7	1,297,896	2,355,073

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1 Notes to the Consolidated Financial Statements

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Rimfire Pacific Mining NL is a profit orientated entity for the purpose of the financial report.

The financial report covers the economic entity of Rimfire Pacific Mining NL and its controlled entity. Rimfire Pacific Mining NL is a listed public company, incorporated and domiciled in Australia.

The principal activities of the consolidated entity during the financial year were the exploration and development of economic mineral deposits.

The financial report of Rimfire Pacific Mining NL and its controlled entity, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report was authorised for issue by Directors on the date of signing the directors' declaration.

The financial report is presented in Australian dollars, has been prepared on an accruals basis and is based on historical costs.

Accounting Policies

a. **Significant Judgements and Key Assumptions**

Judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements concern the future successful exploration and development of mining tenements including the saleability of mined resources.

The following key assumption has been made concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

It is assumed that the mining tenements currently being explored by the consolidated entity will be successfully developed with minerals being produced and commercially sold on the market at some future point, as yet unspecified. The production of saleable minerals is assumed to be at least sufficient to recover the costs of exploration and development. Should this assumption prove incorrect then material adjustments may have to be made for impairment losses in respect of capitalised exploration costs.

b. **Going Concern**

The consolidated entity incurred an operating loss of $720,964 and had cash outflows from operating activities of $698,808 for the year ended 30 June 2015. The ability of the consolidated entity to continue as a going concern is dependent on a number of factors, one being the continuation and availability of funds. These conditions indicate a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern.

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business for the following reasons:

- As at 30 June 2015, the consolidated entity had cash and cash equivalent of $1,297,896.

- Consolidated entity is anticipating the receipt of a R&D tax incentive in the next 12 months. This is consistent with previous years' cash inflows from the government grant.

- Directors have a number of external funding alternatives available such as a farm-out of exploration commitments or raising additional equity funds. The Company has a history of successfully undertaking capital raisings during the last 10 years.

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

Based on the consolidated entity successfully actioning the above, the directors believe that the consolidated entity will continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

Should the company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the company be unable to continue as a going concern and meet its debts as and when they fall due.

c. **Principles of Consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Rimfire Pacific Mining NL as at 30 June 2015 and the results of all subsidiaries for the year then ended. Rimfire Pacific Mining NL and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

d. **Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on the taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the consolidated statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Rimfire Pacific Mining NL and its wholly-owned Australian subsidiary have not formed an income tax consolidated group under the tax consolidation regime.

e. **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are measured on the cost basis, being the amounts which have been paid for the asset.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of property, plant and equipment, but excluding freehold land, is depreciated using a reducing balance method commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Leasehold improvements	15%
Plant and equipment	7.5%-30%
Office furniture	10%-40%
Motor Vehicles	19%

f. **Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

g. **Exploration Evaluation and Development Expenditure**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

h. **Impairment of Assets**

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit and Loss and Other Comprehensive Income.
Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.
Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of cash-generating unit to which the asset belongs.

i. **Employee Benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits expected to be settled within one year including entitlements arising from wages and salaries and annual leave, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Contributions are made by the consolidated entity to employee superannuation funds and are charged as expenses when incurred.

j. **Cash and cash equivalents**

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash includes cash on hand and deposits with banks or financial institutions net of bank overdrafts.

k. **Trade and Other Receivables**

Trade receivables and other receivables are recorded at amounts due less any allowance for doubtful debts.

l. **Trade and Other Payables**

Trade payables and other payables are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services. Payments are normally settled on 30 day terms.

m. **Financial Instruments**

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment loss has arisen. Impairment losses are recognised in the Statement of Profit and Loss and Comprehensive Income.

n. **Revenue Recognition**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.
All revenue is stated net of the amount of goods and services tax (GST).

o. **Government Grants**

Government grants relating to assets such as capitalised exploration expenditure are recognised in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset. Government grants relating to expenses are recognised in the profit and loss as other income.

p. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

q. **Earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to the owners of Rimfire Pacific Mining NL, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

r. **Segment Reporting**

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. Rimfire Pacific Mining NL does not have any separately reportable segments.

s. **Contributed Equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

t. **Equity Settled Compensation**

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees or contractors in exchange for the rendering of services. Equity-settled share-based compensation benefits have been provided to contractors in the current financial year.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees or contractors to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

u. **New, revised or amending Accounting Standards and Interpretations adopted**

All new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to Rimfire Pacific Mining NL and its subsidiary's operations and effective for annual reporting periods beginning on 1 July 2014 have been adopted by the consolidated entity.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

v. **New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2015. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 9 Financial Instruments and its consequential amendments
This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2018 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments
Part A of this Standard applies to annual reporting periods ending on or after 20 December 2013. Part B of this Standard applies to annual reporting periods beginning on or after 1 January 2014. Part C of this Standard applies to annual reporting periods beginning on or after 1 January 2015. Part A of this Standard makes various editorial corrections to Australian Accounting Standards. It updates references to the Framework in a manner that is consistent with the amendments made by the International Accounting Standards Board (IASB) in its corresponding pronouncements. Part B of this Standard makes amendments to particular Australian Accounting Standards to delete references to AASB 1031. Part C of this Standard amends AASB 9 Financial Instruments to add Chapter 6 Hedge accounting and makes consequential amendments to AASB 9and numerous other Standards. Part C also amends AASB 9 to permit requirements relating to the "own credit risk" of financial liabilities measured at fair value to be applied without applying the other requirements of AASB 9 at the same time. Furthermore, Part C of this Standard amends the mandatory effective date of AASB 9 so that AASB 9 is required to be applied for annual reporting periods beginning on or after 1 January 2017 instead of 1 January 2015. The adoption of these amendments will not have a material impact on the consolidated entity.

Note 2 Revenue

	Consolidated Entity	
	2015	2014
	$	$
Other income		
Interest	43,162	66,597
Research and development tax offset income *	185,527	135,974
Sundry Income	250	-
Total Revenue	228,939	202,571

* Additional funds of $1,028,098 received during the year (2014: $1,027,769) as part of the R&D tax offset has been applied against the Exploration Expenditure asset disclosed in Note 12.

Note 3 Loss for the Financial Year

	Consolidated Entity	
	2015	2014
	$	$
The net loss for the financial year has been arrived at after charging the following:		
Expenses		
Professional costs for R & D tax offset claim	12,997	93,099
Rental expense	22,682	22,683
Superannuation contribution expense	26,394	13,015
Superannuation contributions capitalised	84,026	92,405

Note 4 Income Tax Expense

	Consolidated Entity	
	2015	**2014**
	$	**$**
a. The prima facie tax/(benefit) on loss before tax is reconciled to the income tax as follows:		
Prima facie tax/(benefit) on loss before tax at 30% (2014: 30%)	(216,238)	(665,049)
Add:		
Tax effect of:		
- non-allowable items	3,300	10,875
- net current year tax losses not recognised, temporary differences and deductible exploration expenditure.	289,578	722,951
	76,640	68,777
Less:		
Tax effect of:		
- Research and Development tax offset income	(55,658)	(40,793)
- capitalised share placement costs	(20,982)	(27,984)
Income tax benefit/(expense) attributable to loss	-	-
The deferred tax asset arising from tax losses has not been recognised as an asset because recovery is not probable:		
Tax losses carried forward	5,716,987	5,599,474
Temporary differences – exploration costs	(3,211,779)	(2,863,008)
Temporary differences – other	69,025	93,526
Net Deferred tax asset not recognised	2,574,233	2,829,992
Balance of franking account at year end	-	-

Potential deferred tax assets attributable to tax losses carried forward have not been brought to account because Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable.

Future benefits attributable to temporary differences have not been brought to account as the Directors do not believe it is appropriate to regard the realisation of such benefits as probable. These benefits will only be obtained if:

(a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realized;
(b) the company continue to comply with the conditions for deductibility imposed by law, and
(c) no changes in tax legislation adversely affect the company in realizing the benefit from the deductibility for the loss.

Rimfire Pacific Mining NL and its wholly owned entity have not opted to enter the tax consolidation regime as at 30 June 2015.

Note 5 Auditor's Remuneration

	Consolidated Entity	
	2015	2014
	$	$
Remuneration of the auditor for:		
- auditing or reviewing the financial reports	38,180	36,990
	38,180	36,990

Note 6 Earnings per Share

		Consolidated Entity	
		2015	2014
		$	$
a.	**Reconciliation of Earnings to Loss**		
	Loss used in the calculation of basic EPS	(720,794)	(2,216,830)
	Loss used in the calculation of dilutive EPS	(720,794)	(2,216,830)
b.	Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	716,941,260	672,291,376
	Potential ordinary shares	-	-
	Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	716,941,260	672,291,376
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)	(0.10)	(0.33)
	Diluted loss per share (cents per share)	(0.10)	(0.33)

Note 7 Cash and Cash Equivalents

	Consolidated Entity	
	2015	2014
	$	$
Cash at bank and on hand	127,896	100,820
Short term deposits	1,170,000	2,254,253
	1,297,896	2,355,073

Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash at bank	127,896	100,820
Term deposits with maturity of 3 months or less	1,170,000	2,254,253
	1,297,896	2,355,073

Refer to Note 23 for the risk exposure analysis for cash and cash equivalents.

Note 8 Trade and Other Receivables

	Consolidated Entity	
	2015	2014
OTHER RECEIVABLES	$	$
CURRENT		
Security deposits	13,049	13,549
Interest receivable	3,038	7,542
Other receivables	140,973	62,989
	157,060	84,080
NON-CURRENT		
Security deposits	150,000	150,000

Refer to Note 23 for the risk exposure analysis for receivables. At the reporting date, no receivables were past due or impaired.

Note 9 Controlled Entity

	Country of Incorporation	Percentage Owned (%) 2015	2014
Parent Entity			
Rimfire Pacific Mining NL			
Subsidiary of Rimfire Pacific Mining NL			
Axis Mining NL	Australia	100	100

Note 10 Property, Plant and Equipment

	Consolidated Entity	
	2015	2014
	$	$
LAND		
Freehold land		
At cost	226,834	226,834
Total Land	226,834	226,834
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	460,943	452,253
Accumulated depreciation	(204,212)	(172,924)
	256,731	279,329
Motor Vehicle		
At cost	53,211	62,200
Accumulated depreciation	(29,263)	(27,232)
	23,948	34,968
Office Furniture		
At cost	86,098	52,369
Accumulated depreciation	(50,740)	(34,733)
	35,358	17,636

Note 10 Property, Plant and Equipment (Cont'd)

	Consolidated Entity	
	2015	**2014**
	$	**$**
Leasehold Improvements		
At cost	419	419
Accumulated depreciation	(288)	(265)
	131	154
Total Plant and Equipment	316,168	332,087
Total Property, Plant and Equipment	543,002	558,921

a. **Movements in Carrying Amounts**

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

2015	**Freehold Land**	**Motor Vehicles**	**Plant and Equipment**	**Office Furniture**	**Leasehold Improvements**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Consolidated Entity:						
Balance at the beginning of year	226,834	34,968	279,329	17,635	155	558,921
Additions	-	-	29,423	35,340	-	64,763
Disposals	-	(4,972)	(11,805)	(153)	-	(16,930)
Transfers	-	-	-	-	-	-
Depreciation expense	-	(6,048)	(28,185)	(17,464)	(24)	(51,721)
Depreciation capitalised	-	-	(12,031)	-	-	(12,031)
Carrying amount at the end of year	226,834	23,948	256,731	35,358	131	543,002

2014	**Freehold Land**	**Motor Vehicles**	**Plant and Equipment**	**Office Furniture**	**Leasehold Improvements**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Consolidated Entity:						
Balance at the beginning of year	226,834	44,937	277,319	16,582	2,628	568,300
Additions	-	3,600	42,204	12,372	-	58,176
Disposals	-	(5,568)	(702)	(1,221)	-	(7,491)
Transfers	-	-	4,863	(2,417)	(2,446)	-
Depreciation expense	-	(8,001)	(30,804)	(7,681)	(27)	(46,513)
Depreciation capitalised	-	-	(13,551)	-	-	(13,551)
Carrying amount at the end of year	226,834	34,968	279,329	17,635	155	558,921

Note 11 Other Assets

	Consolidated Entity	
	2015	2014
	$	$
CURRENT		
Prepaid expenses (insurance, rent, body corporate)	16,507	23,915

Note 12 Exploration & Evaluation Costs Carried Forward

	Consolidated Entity	
	2015	2014
	$	$
NON-CURRENT		
Exploration Expenditure		
Costs carried forward in respect of areas of interest in:		
– exploration and evaluation phases	10,705,929	9,543,362
Opening balance	9,543,362	9,555,471
Additional expenditure	2,190,665	2,629,444
Research and development tax offset	(1,028,098)	(1,027,769)
Impairment write off	-	(1,613,784)
Closing balance	10,705,929	9,543,362

Ultimate recoupment of these costs is dependent on successful development and commercial exploration or alternatively sale of the respective areas of interest.

No exploration expenditure was written off during 2015. Exploration expenditure written off during the 2014 year related to mining tenements EL6106 and EL6144. The company elected to concentrate exploration activity on more prospective areas of interest and consequently these tenements were not renewed.

Note 13 Trade and Other Payables

	Consolidated Entity	
	2015	2014
	$	$
CURRENT		
Trade creditors	154,622	394,461
Sundry creditors and accrued expenses	316,326	220,853
	470,948	615,314

Note 14 Provisions

	Consolidated Entity	
	2015	2014
	$	$
CURRENT		
Employee benefits	16,443	22,875

Note 15 Contributed Equity

	Consolidated Entity	
	2015	**2014**
	$	**$**
744,001,176 (2014: 687,757,495) fully paid ordinary shares	26,131,450	25,104,814
	26,131,450	25,104,814

a. **Ordinary shares**

At the beginning of the reporting period	25,104,814	21,861,063
Shares issued during the year		
— 18 December 2014	1,092,874	-
— 29 May 2015	32,000	-
— Shares issued in the previous year	-	3,320,784
Transaction costs relating to share issues	(98,238)	(77,033)
At reporting date	26,131,450	25,104,814

	2015	**2014**
	No.	**No.**
At the beginning of reporting period	687,757,495	610,529,976
Shares issued during year		
— 18 December 2014	54,643,681	-
— 29 May 2015	1,600,000	-
— Issued in the previous year	-	77,227,519
At reporting date	744,001,176	687,757,495

b. **Share-based payments**

On 29 May 2015, 1,600,000 shares were issued for capital raising costs ($21,000) and technical consultancy services ($11,000) at an issue price of $0.02 per share and a total transactional value of $32,000.

c. **Capital Management**

Management controls the capital of the consolidated entity in order to ensure that the Company remains a going concern as a primary objective and is able to deliver suitable exploration, as the circumstances allow. This is done, to the best of management's ability in the prevailing business and economic circumstances. The consolidated entity's debt and capital includes ordinary share capital, listed options and financial liabilities.

The Board may in the future adjust the capital structure to take advantage of favourable costs of capital and issue further shares in the market. The Board has no current plans to adjust the capital structure. There are no plans to distribute dividends in the next financial year.

The consolidated entity is not subject to any externally imposed capital requirements.

d. **Options**

In association with the Share Rights Issue, 54,643,681 free options were issued during the year with an exercise price of 5 cents and an expiry date of 14 December 2015 (2014 : Nil).

No options were exercised during the current financial year.

Note 16 Parent Entity Information

Set out below is the supplementary information about the parent entity.

	2015	2014
	$	$
Current assets	1,471,236	2,462,841
Total assets	12,870,168	12,715,124
Current liabilities	485,891	636,689
Total liabilities	485,891	636,689
Issued capital	26,131,450	25,104,814
Accumulated losses	(13,747,173)	(13,026,379)
Total equity	12,384,277	12,078,435
Loss of the parent entity	(720,794)	(2,216,830)
Comprehensive loss of the parent entity	(720,794)	(2,216,830)

Parent Entity Commitments:

All capital and operating commitments of the group have been entered into by the Parent Entity. Refer to note 17 for these commitments. The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1.

Note 17 Capital and Leasing Commitments

	Consolidated Entity	
	2015	2014
	$	$
a. Operating Lease Commitments		
Office & Other Premises		
Payable		
— not later than 1 year	17,011	22,682
— later than 1 year but not later than 5 years	-	17,011
	17,011	39,693

The office premises lease is a non-cancellable lease with a two-year term, with rent payable monthly in advance, and commenced on 1st April 2014. The lease agreement has a fixed yearly payment value of $22,682 per annum plus GST. The lease allows for sub-letting of all lease areas.

b. **Capital Expenditure Commitments**

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

	Consolidated Entity	
	2015	2014
Payable	$	$
— not later than 1 year	235,000	225,500
— later than 1 year but not later than 5 years	379,000	450,000
	614,000	675,500

Note 18 Contingent Liabilities and Contingent Assets

The Directors are not aware of any matters or circumstances which have arisen during or since the financial year which may significantly affect the operations of the consolidated entity, the results of those operations or state of affairs of the consolidated entity in future years.

Note 19 Segment Reporting

Business and Geographical Segments

The consolidated entity operates predominantly in one business and geographic segment, being mineral exploration and prospecting within Australia.

Segment information is presented using a "management approach", i.e. Segment information is provided on the same basis as information used for internal reporting purposes by the board of directors. At regular intervals, the board is provided management information at a group level for the group's cash position, the carrying values of exploration permits and a group cash flow forecast for the next 12 months of operation. On this basis, no segment information is included in these financial statements.

Note 20 Related Party Details

	2015 $	2014 $
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
Transactions with director related parties:		
(i) In the current financial year the wife of Mr J Kaminsky was paid in respect of administrative services.	22,579	21,174

Note 21 Events Occurring after the Reporting Period

There are no matters or circumstances which have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Note 22 Cash Flow Information

	Consolidated Entity	
	2015 $	2014 $
a. **Reconciliation of Cash Flow from Operations with Loss after Income Tax**		
Loss after income tax	(720,794)	(2,216,830)
Non-cash flows in loss		
Depreciation	51,720	46,513
Impairment write off on exploration costs	2,578	1,613,784
Loss on disposal of PPE	16,325	4,337
Changes in assets and liabilities relating to operations		
(Increase)/decrease in prepayments	7,408	(5,090)
(Increase)/decrease in other receivables	3,643	194,944
Increase/(decrease) in trade creditors and accruals	(53,256)	113,242
Increase/(decrease) in provisions	(6,432)	8,523
Cash flows used in operations	(698,808)	(240,577)

b. Cash not available for use
There was no cash as at the end of the year which was unavailable for use.

c. Non-cash Financing and Investing Activities
There were no non-cash financing and investing activities carried out during the year.

Note 23 Financial Risk Management

a. **Financial Risk Management Objectives and Policies**

The consolidated entity's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other risks.

Risk management is carried out by senior executives under policies approved by the Board of Directors. These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.

Market risk
Interest rate risk
The consolidated entity's main interest rate risk arises from its holdings of cash and cash equivalents on deposit. Deposits held at variable rates expose the consolidated entity to interest rate risk. Deposits held at fixed rates expose the consolidated entity to fair value risk. The consolidated entity's exposure to interest rate risk is set out in Note 23(b).

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity exposure to credit risk is limited to security deposits provided to landlords and other third parties. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Categorisation of financial instruments

Financial assets	**Note**	**Category**	**Carrying value 2015 $**	**Carrying value 2014 $**
Cash & cash equivalents	7	N/A	1,297,896	2,355,073
Trade and other receivables	8	Trade and other receivables at amortised cost	307,060	234,080
Financial liabilities				
Trade and other payables	13	Financial liabilities measured at amortised cost	470,948	615,314

Note 23 Financial Risk Management (Cont'd)

b. **Interest Rate Risk**

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates on classes of financial assets and financial liabilities, is as follows:

	Floating Interest Rate $		Fixed Interest Rate Maturing Within One Year $		Non-interest Bearing $		Total $	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Financial Assets								
Cash	126,946	99,869	1,170,000	2,254,253	950	950	1,297,896	2,355,072
Receivables	150,000	150,000	-	-	157,060	84,080	307,060	234,080
Other Financial Assets		-	-	-		-	-	-
Total Financial Assets	276,946	249,869	1,170,000	2,254,253	158,010	85,030	1,604,956	2,589,152
Financial Liabilities								
Trade and sundry creditors	-	-	-	-	470,948	615,314	470,948	615,314
Total Financial Liabilities	-	-	-	-	470,948	615,314	470,948	615,314
Net Financial Assets	276,946	249,869	1,170,000	2,254,253	(312,938)	(530,284)	1,134,008	1,973,838

Note 23 Financial Risk Management (Cont'd)

c. Net Fair Values

The carrying amounts of financial assets and liabilities approximate the net fair value unless otherwise stated.

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

Recognised financial instruments

Cash: The carrying amount approximates fair value.

Trade and other receivables: The carrying amount approximates fair value.

Term Deposits: The carrying amount approximates fair value.

Trade and other payables: The carrying amount approximates fair value.

d. Sensitivity Analysis

The group has performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 30 June 2015, the effect on loss after tax and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated Entity	
	2015 $	2014 $
Change in loss after tax		
- Increase in interest rate by 2%	5,539	4,997
- Decrease in interest rate by 2%	(5,539)	(4,997)
Change in equity		
- Increase in interest rate by 2%	5,539	4,997
- Decrease in interest rate by 2%	(5,539)	(4,997)

The above changes are based on the effect of an interest rate change in relation to funds held in deposit with financial institutions

Note 24 Company Details

The registered office and principal place of business of the Company is:

Rimfire Pacific Mining NL
"Exchange Tower"
Suite 411, 530 Little Collins Street
Melbourne VIC 3000

DIRECTORS' DECLARATION

In the directors' opinion:

1. the attached financial statements and notes and the Remuneration Report thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

2. the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

3. the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date;

4. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

5. The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors

Director John Gillett

Dated this 27th day of August 2015

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INDEPENDENT AUDITOR'S REPORT

To the members of Rimfire Pacific Mining NL

Report on the Financial Report

We have audited the accompanying financial report of Rimfire Pacific Mining NL, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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 year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, 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.

Opinion

In our opinion:

(a) the financial report of Rimfire Pacific Mining NL is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1b in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, along with other matters as set out in Note 1b, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 8 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Rimfire Pacific Mining NL for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Practice

BDO

Simon Scalzo
Partner

Melbourne, 27 August 2015

rimfire

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