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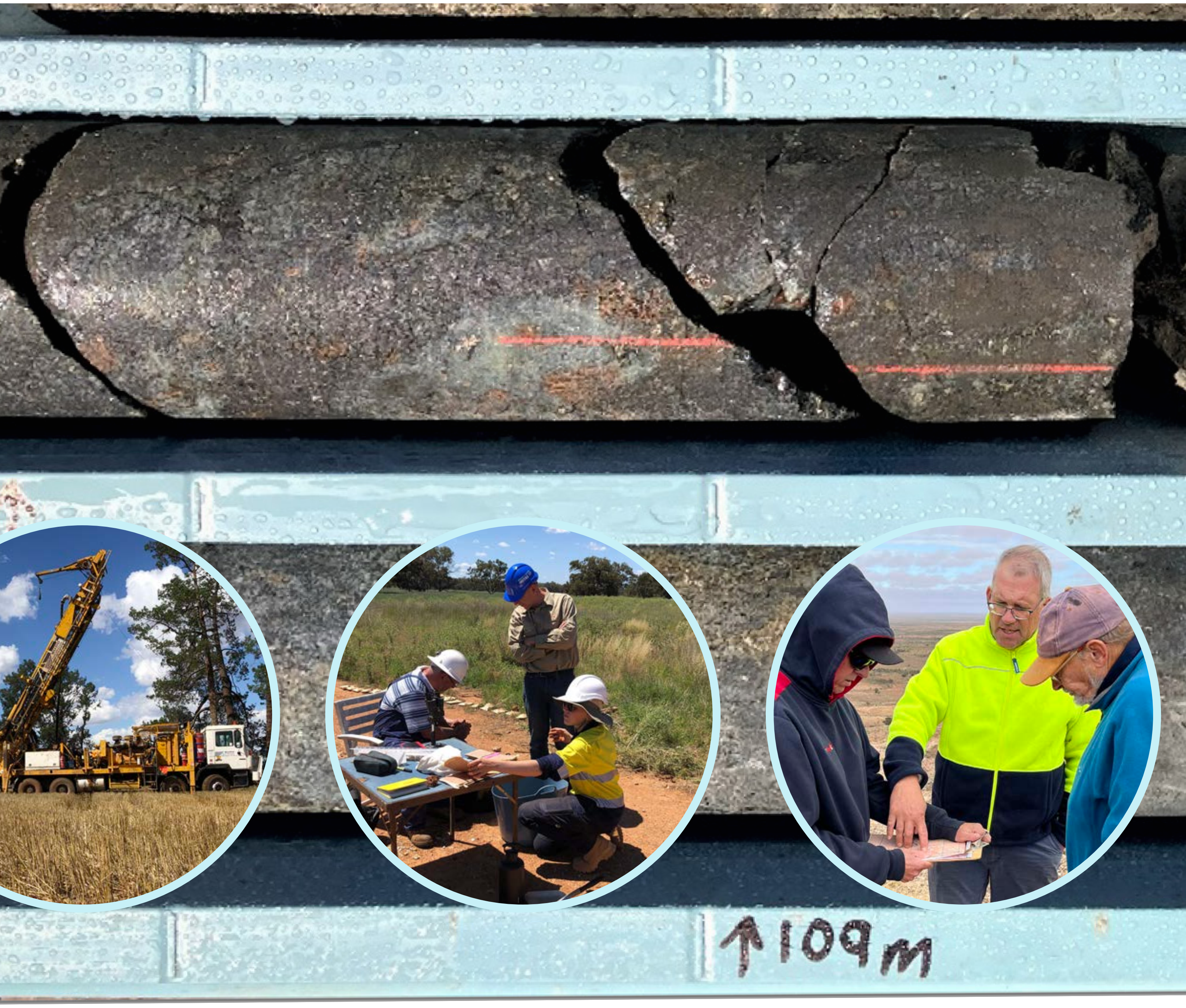
ANNUAL REPORT 2023

RIMFIRE PACIFIC MINING LIMITED

ABN: 59 006 911 744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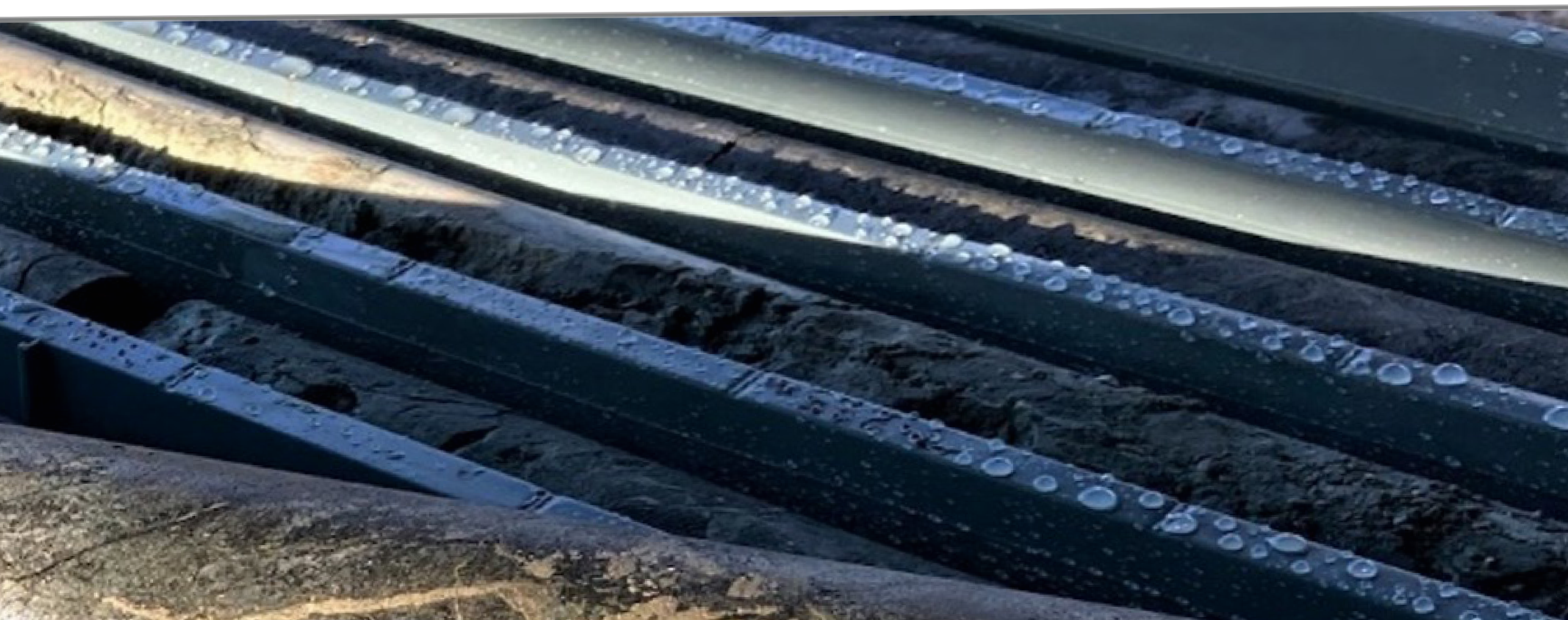

Corporate Governance Statement

The Company's 2023 Corporate Governance Statement has been released to ASX on 28 September 2023 and is available on the Company's website www.rimfire.com.au.


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Chairman's Report

Dear Fellow Shareholders,

I am pleased to report that Rimfire Pacific Mining Limited ("Rimfire" or "RIM" or "Company") has successfully continued with the advancement of our Critical Minerals projects that are located within the world-renowned Lachlan Orogen and Broken Hill Districts of New South Wales, Australia.

The companies highly experienced technical team continues to focus on making economic discoveries of nickel, cobalt, scandium, platinum, palladium (PGEs) and copper ("Critical Minerals"), Recently there have been some excellent exploration results delivered at the company's 100% owned Bald Hill Cobalt Prospect (within the Green View Cobalt Project in Broken Hill). Specifically, a 3-hole diamond drill program at Bald Hill has confirmed broad intercepts of ore-grade cobalt mineralisation which was first encountered in drilling completed in the early 1980's which had received no subsequent follow up work. Increases in cobalt demand, driven by the global electrification thematic and modern improvements to metallurgical recovery processes have greatly enhanced the value of cobalt discoveries in this geological setting and Bald Hill is now shaping up as one of the Company's priority prospects.

Additionally, Rimfire has conducted substantial work over the year at the Melrose and Kurrajong Prospects (Avondale Earn In Project). Exploration at Avondale is being undertaken in conjunction with our Exploration Partner, Golden Plains Resources Pty. Ltd. (GPR) and further strong news flow is expected over the coming months from both prospects.

During the next twelve months the Company will focus its exploration team and financial resources towards progressing the key prospects further along the development path as well as generating further exploration targets across our project portfolio.

Unfortunately during the last twelve months, there were a number of corporate issues that distracted the Company and consumed valuable financial resources and management time, and impacted the operations of our Exploration partner GPR. Despite these distractions the Company still managed to deliver excellent exploration results from a reduced exploration program and execute its strategy, albeit at a slower pace than planned. The current Directors were greatly heartened by the overwhelming support received from shareholders during this time and look forward to rewarding all stakeholders by continuing to deliver value-accretive exploration outcomes.

I would like to thank my fellow Board Members, employees, contractors and service providers for their continued hard work and professionalism over the past year and I would like to express our sincere thanks to our supportive existing and new shareholders of the Company.

Ian McCubbing
Chairman of the Board

Dated: 28 September 2023

Health, Safety, Environment and Community

During the year the Company has actively updated and implemented improvements to its site-based Health, Safety and Environment Management System.

Health

The Company has continued to monitor and comply with the COVID-19 preventive measures and controls authorities require business to apply when undertaking office or field activities.

Safety

There were no significant incidents or injuries during the period and the performance for Minor Injuries, Medical Treatment Injuries and Lost Time Injuries was zero.

Environment

During the start of the 2022 / 2023 Financial Year (the "period"), prolonged heavy rainfall in Central NSW led to flooding throughout the Company's project area which in turn negatively impacted on the delivery of the Company's field programs. Access to drill sites, were severely compromised by the rainfall and drill programs were delayed by several months during the period. Upon resumption of drilling, all drill programs were undertaken with no recorded safety and / or environmental incidents. The Company continues to collaborate with local landholders to ensure the Company's exploration work programs have minimal impact on farming activities and rehabilitation is completed to a high standard.

Community

In preparation for undertaking drilling activities there has been extensive landholder or landowner consultation and coordination meetings. During drilling programs there is regular communication with landholders to ensure company activities have minimal impact on farming activities.

Operations Report

Rimfire Pacific Mining Limited (ASX: RIM) is an ASX-listed exploration company focused on exploring for Critical Minerals within the Broken Hill and Lachlan Orogen districts of NSW. During the 2022 /2023 Financial Year (the "period"), Rimfire successfully carried out exploration on both its 100% owned projects and projects subject to earn-in agreements with its exploration partner – Golden Plains Resources.

Rimfire's 100% - owned Broken Hill (Green View) Cobalt Project is located immediately west of Broken Hill with a key target area being Railway Extension which covers the interpreted along strike extension to Cobalt Blue Holdings' Railway Cobalt Deposit (COB: ASX). It also contains another two key target areas, Bald Hill and Staurolite Ridge where historic drilling has identified cobalt mineralisation which (at the start of the reporting period) had not been followed up.

In the Lachlan Orogen, Rimfire has two copper – gold prospective Projects that are 100% owned by Rimfire:

- The Valley Project - located 5km west of Kincora Copper's Mordialloc porphyry copper-gold discovery (KCC.ASX), and
- The Cowal Project - located to the east of Evolution's Lake Cowal Copper / Gold mine (EVN.ASX).

Rimfire also has two other projects in the Lachlan Orogen, being funded by Rimfire's exploration partner - Golden Plains Resources (GPR): Avondale Project (GPR earning up to 75%) & Fifield Project (GPR earning up to 50.1%).

- Both projects are prospective for Critical Materials (PGEs, nickel, cobalt, scandium & copper) - which are essential for renewable energy, electrification, and green technologies.
- The development ready Sunrise Energy Metals Nickel – Cobalt - Scandium Project (ASX: SRL) is adjacent to both projects.
- The Fifield Project hosts the historical Platina Lead mine, the largest producer of platinum in Australia.

For more information on the JV's see:

ASX Announcement: 4 May 2020 – Rimfire enters into $4.5m Earn-in Agreement

ASX Announcement: 25 June 2021 - RIM Secures $7.5m Avondale Farm Out

Operations Report

Broken Hill Cobalt (Green View) Project (RIM 100%) – Cobalt, Copper

Rimfire has identified three high-grade cobalt targets (Bald Hill, Staurolite Ridge, and Railway Extension) on its **100% - owned Broken Hill Cobalt (Green View) Project** following a review of historic exploration activities.

The project is prospective for the discovery of economic critical minerals such as cobalt and copper, and covers a sequence of metamorphosed sediments, gneisses, and amphibolite of the Proterozoic – age Willyama Supergroup.

Given the project's location (20 - 30 kilometres west of Broken Hill – *Figure 1*) and the similarities between the project's underlying geology and the Broken Hill silver lead zinc deposits (owned separately by CBH Resources Ltd and Perilya Limited), Rimfire's project area has had a long history of mineral exploration but primarily for silver, lead, and zinc.

Modern cobalt exploration has been largely restricted to the area of Cobalt Blue's (ASX: COB) Broken Hill Cobalt Project which hosts the Pyrite Hill, Big Hill, and Railway Deposits (with a global Mineral Resource estimate comprising 118 Mt at 859 ppm (0.08%) cobalt equivalent (CoEq) [i.e., 687 ppm (0.07%) cobalt, 7.6% sulphur & 133 ppm nickel] for 81.1Kt contained cobalt using a 275 ppm CoEq cut-off (*see Cobalt Blue website*).

Cobalt Blue's deposits are characterised by moderate to steep dipping stratabound zones of disseminated to semi-massive cobalt – bearing pyrite mineralisation.

The deposits extend over some 5 km of strike and vary in thickness from 10 to 300 metres. The cobalt occurs exclusively as a substitute within the pyrite crystal lattice, and consequently, there is a strong correlation between pyrite content and cobalt grade. Cobalt Blue has developed a patented minerals processing technology for treating pyrite feedstocks targeting 85-90% recovery of cobalt from ore to product (as Mixed Hydroxide Precipitate or Cobalt Sulphate).

Cobalt Blue's development of new processing technology for pyrite – hosted cobalt mineralisation is a significant development for Broken Hill and will potentially enable the development of other cobalt deposits throughout the district that were previously viewed as being non-commercial due to their metallurgy.

Cobalt exploration was last undertaken on Rimfire's project in the early 1980's when North Broken Hill Pty Ltd conducted a program of geological mapping, IP geophysics and drilling at the Bald Hill prospect. Prior to this Broken Hill South Limited undertook IP geophysical surveying and diamond drilling of the Staurolite Ridge prospect in the early 1960's. In both cases, the exploration work was undertaken as part of programs targeting silver lead zinc mineralisation within the broader Broken Hill district.

Bald Hill Target

Cobalt (Co) mineralisation at Bald Hill occurs within a folded and outcropping gossanous quartz - albite +/- pyrite psammopelitic composite gneiss host rock unit. Induced Polarisation (IP) geophysical surveys undertaken by North Broken Hill Pty Ltd in 1980/1981 defined multiple IP chargeability anomalies associated with the quartz - albite +/- pyrite unit, drilling of which (BHR1 to BHR 5 – 651 metres) returned multiple high-grade drill intercepts.

- 58m @ 0.10% Co from 48 metres in BHR1/1A including *7m @ 0.17% Co from 63 metres, 6m @ 0.15% Co from 81 metres, and 6m @ 0.15% Co from 95 metres,*
- 15m @ 0.05% Co from 42 metres in BHR2,
- 5m @ 0.05% Co from 12 metres in BHR3,
- 7m @ 0.07% Co from 35 metres in BHR3,
- 7m @ 0.03% Co from 27 metres in BHR4, and
- 8m @ 0.06% Co from 25 metres in BHR5.

BHR1/1A was drilled into a north plunging fold hinge which appears to have significantly "thickened" the host rock. BHR2 and 3 were drilled approximately 270 metres away on the western limb of the fold hinge. BHR4 and 5 were drilled 500 metres to the southeast of BHR1/1A on the eastern limb of the fold hinge and were reported as failing to reach target depth due to ground conditions.

At surface the prospective quartz - albite +/- pyrite unit has a surface area of approximately 500 x 500 metres with multiple prospecting pits and shallow workings along the fold hinge.

The cobalt mineralisation is described in historic geological logs as being associated with increased sulphide (pyrite) content, with the highest grades occurring within zones of semi massive to massive pyrite. Minor copper anomalism (i.e., 3m @ 0.12% copper from 36 metres in BHR2) is also associated with the sulphide unit in a few holes.

Bald Hill is a high priority target for further work as there appears to have been no follow up drilling of the area since the original holes were drilled. During the period, Rimfire drilled 3 diamond holes *(FI2469 to FI2471 - 635.6 metres)* to validate and confirm the geological setting of cobalt sulphide mineralisation previously intersected at Bald Hill.

Each of the new holes intersected extensive semi – continuous zones of strongly disseminated semi-massive, and massive sulphides (pyrite and trace chalcopyrite + sphalerite) in proximity to historic drillhole BHR1/1A which intersected 58m @ 0.10% Co from 48 metres including - 7m @ 0.17% Co, 6m @ 0.15% Co, and 6m @ 0.15% Co *(See Rimfire's ASX Announcements dated 20 July and 29 June 2023).*

FI2469 intersected multiple zones of disseminated sulphide, semi – massive, and brecciated sulphides (pyrite) between 56.90 metres and 108.60 metres within a plagioclase – albite gneiss unit before passing into a barren quartz – potassium feldspar – biotite gneiss (footwall) unit. Magnetite is also associated with the sulphide mineralisation. The historical intercept of the adjacent 1981 drill Hole BHR1A, was confirmed with FI2469 providing a strong intercept of 33m @ 0.11% Co from 58m, including 4m @ 0.23% Co from 70 metres, and 2m @ 0.21% Co from 83 metres.

FI2470 intersected a semi-continuous zone of strongly disseminated semi – massive, and massive sulphide (pyrite +/- chalcopyrite and sphalerite) between 77.90 metres and 333.70 metres within a mixed sequence of plagioclase – albite gneiss, amphibolite, and psammite units, before passing into a barren quartz – potassium feldspar – biotite gneiss (footwall) unit. With the following strong cobalt intercepts encountered in FI2470;

- 125m @ 0.13% Co from 198m in FI2470 including 97m @ 0.15% Co from 226m,
- 100m @ 0.08% Co from 71m in FI2470 including 68m @ 0.10% Co from 71m.

FI2471 intersected multiple zones of disseminated sulphide, semi – massive, and brecciated sulphides (pyrite) between 63.2 metres and 88.5 metres within a plagioclase – albite gneiss unit before passing into a barren quartz – potassium feldspar – biotite gneiss (footwall) unit. With the following strong cobalt intercept encountered in FI247, 58m @ 0.13% Co from 62 metres, including 12m @ 0.24% Co from 67 metres and 17m @ 0.15% Co from 86 metres. FI2471 also intersected a ferruginous gossanous zone immediately up hole of the cobalt mineralisation, assaying of which returned strongly anomalous copper (Cu) - 6m @ 0.51% Cu from 56 metres. While the significance of the copper is unknown at this stage, the intercept adds to other examples of copper anomalism in surface rock chip samples at Bald Hill *(see Rimfire ASX Announcement dated 24 May 2023)* and suggests that there may be a copper rich component to the cobalt mineralised system.

Operations Report

Staurolite Ridge Target

At Staurolite Ridge exploration undertaken by Broken Hill South Limited in the early 1960's identified multiple IP chargeability anomalies (over a strike length of 3,050 metres) associated with gossanous outcrops and localised copper - staining. Given the presence of chalcopyrite (copper sulphide), Staurolite Ridge appears to have been explored primarily as a copper opportunity.

Four holes (SR1 to SR6 – 2,681 metres) were drilled in 1961/1962 to test the Staurolite Ridge IP chargeability anomaly with all holes intersecting varying degrees of sulphides (i.e., pyrrhotite, pyrite +/- chalcopyrite) ranging from disseminated to semi-massive sulphides within a distinctive siliceous garnet – staurolite "lode" horizon.

SR1 was drilled into the strongest part of the IP chargeability anomaly and intersected 88.4 metres (down hole width) of "strong" pyrite and pyrrhotite mineralisation, assaying of which returned.

- 61m @ 0.18% Co from 94.5 metres in SR1 including 15.25m @ 0.29% Co from 125.05 metres.

SR1 was the only hole analysed for cobalt despite the remaining five holes intersecting varying widths of disseminated sulphides.

SR2 (the closest other hole to SR1) was drilled approximately 400 metres to the south of SR1 on the same section, SR5 and SR6 were drilled approximately 700 metres east of SR1, and SR3 and SR4 were drilled 1,525 metres to the east of SR1.

There appears to have been no specific drill follow up of the SR1 cobalt intersection with the only other recorded drilling in the area being undertaken by A.S. Exploration Ventures (Seltrust Mining Corporation) in 1981/1982.

A.S. Exploration Ventures completed 5 percussion holes (NMH026 to NMH027, NMH029, and NMH030 to NMH031 – 393 metres) approximately 200 – 300 metres southwest of SR1, and 3 diamond holes (NMH028, NMH029A, and NMH032 – 1,055 metres) 400 – 500 metres north and northwest of SR1.

The A.S. Exploration Ventures holes were drilled to test magnetic anomalies separate from the original IP chargeability anomaly and except for two shallow percussion holes – NMH030 and 031, were never analysed for cobalt. Both holes intersection moderate cobalt anomalism (up to 40m @ 0.1% Co) within weathered sediments.

As such the original SR1 drill intercept appears to have never been specifically followed up and is a high priority for further work by Rimfire.

Railway Extension Target

The Railway Extension target directly lies north northeast and along strike from Cobalt Blue's Railway Cobalt Deposit which has a JORC Indicated and Inferred Resource of 68Mt @ 755 CoEq ppm for 40.9Kt of contained cobalt (Cobalt Blue website).

Cobalt mineralisation at the deposit is also associated with the quartz - albite +/- pyrite unit seen elsewhere on Rimfire's project, and geophysical (aeromagnetic and airborne EM) data plus geological data suggests that the host unit continues across the tenement boundary onto Rimfire's ground.

The quartz - albite +/- pyrite unit is interpreted to have approximately 800 metres of strike length within Rimfire's tenure at Railway Extension although drilling is needed to confirm if the extension contains the same grade and extent as the Railway Deposit to the west.

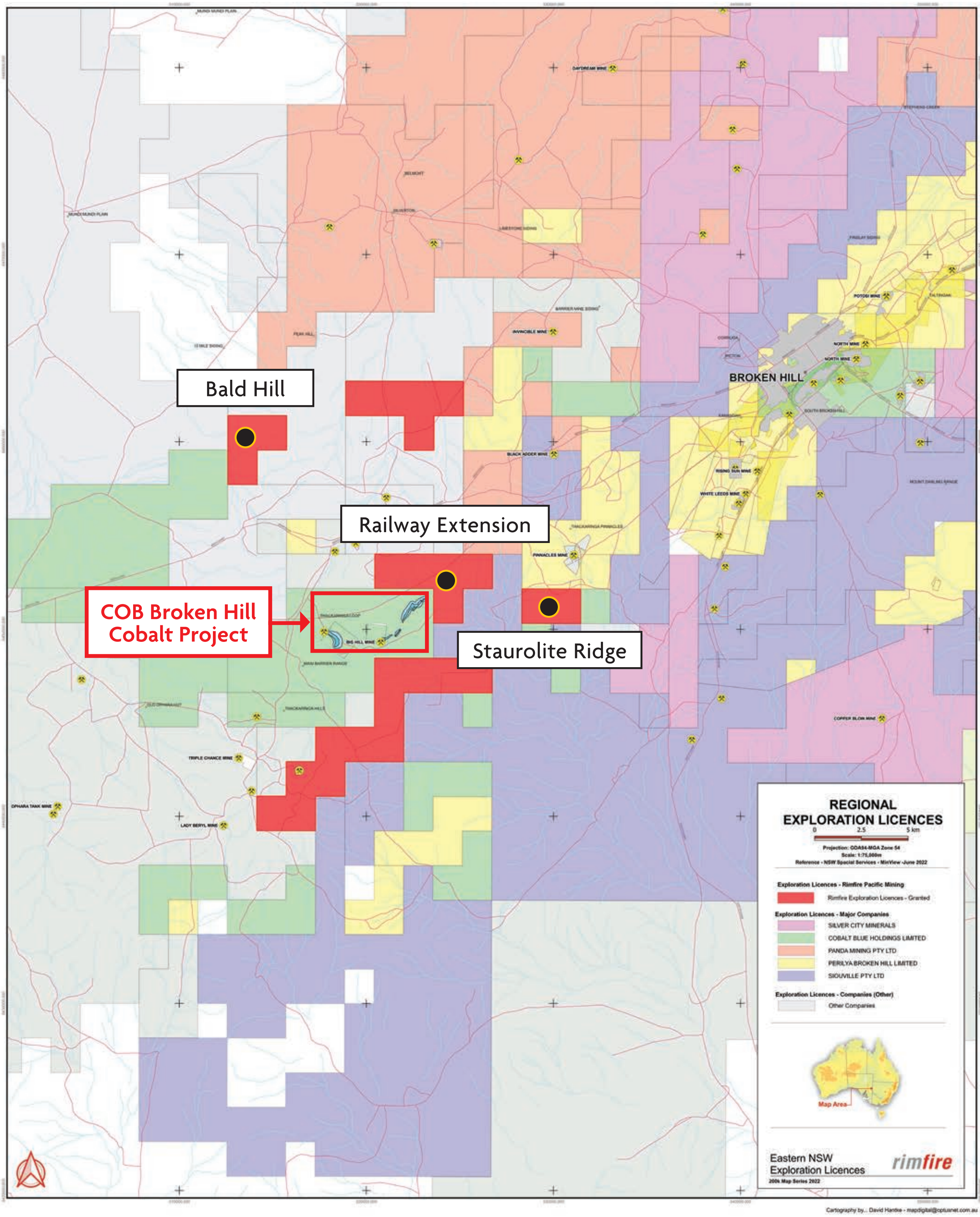

Figure 1: Broken Hill Tenement

Operations Report

Valley Project (RIM 100%) – Copper / Gold

At the Valley, Rimfire is targeting porphyry style copper - gold mineralisation within Ordovician age volcanic rocks like the nearby major Northparkes porphyry copper – gold mine *(Figure 2)*.

Primary activity during the period involved executing a RC / diamond drilling program, with analytical results received confirming the presence of copper mineralisation with anomalous values returned from two of the recent diamond drill holes *(See Rimfire's ASX Announcement dated 31 May 2023)*.

The drill program, comprising 2 diamond holes *(FI2404 and FI2405 -1,128.3 metres*) and 2 Reverse Circulation holes *(FI2406 and FI2407 - 201 metres)*, was carried out to test a high-priority copper (+gold) target potentially indicative of a buried porphyry copper gold system.

An earlier reconnaissance hole drilled by Rimfire in 2021 (FI2079) at the Valley confirmed the prospectivity of the area by intersecting a sequence of strong propylitic and epidote-chlorite altered volcanoclastic, and polymictic conglomerate rocks interpreted to be Ordovician – age Raggatt Volcanics like the host rocks seen at the Northparkes deposit.

Subsequent reprocessing of geophysical data highlighted a cluster of magnetic features (within a broad circular magnetic anomaly that has an approximate area of 3.75km^2) adjacent to FI2079 and FI2081 that were interpreted to be represent bodies of Ordovician – age intrusive rocks (andesites and monzonites) that could be the source of the copper anomalism seen in the drillholes.

Of the recent drilling, diamond drill hole FI2404 intersected zones of weakly disseminated sulphide (pyrite) within favorable Ordovician – aged volcanoclastic rocks as well as multiple zones of weak disseminated, veinlet, and shear zone – hosted sulphide (pyrite + coarse grained chalcopyrite) mineralisation within the overlying Devonian rocks, assaying of which returned;

- 4m @ 1.17% copper from 511 metres *including 1m @ 3.62% copper from 511 metres*, and
- 4m @ 0.06% copper from 466 metres *including 1m @ 0.10% copper from 466 metres*

The second diamond drill hole (FI2405) intersected zones of weak calcite vein – hosted pyrite, chalcopyrite and bornite within the overlying Devonian rocks as well as a broad zone of weak fracture – hosted chalcopyrite and bornite mineralisation within favorable Ordovician – aged extrusive rocks, assaying of which returned;

- 2m @ 0.10% copper from 312 metres, and
- 1m @ 0.57% copper from 327 metres

The results obtained from the recent drilling are encouraging. Given the size of the Valley target, the porphyry style of mineralisation being sought and the relative lack of drilling, further drilling is required to test the broader system and determine the representivity of results to date and the prospectivity of the location

In January 2022, Rimfire was awarded $185,675 by the Department of Regional NSW, Mining, Exploration and Geoscience group under the competitive, peer reviewed New Frontiers Cooperative Drilling Grant program, and circa $88,500 of this funding was utilized offset the cost of drilling at the Valley *(see Rimfire ASX Announcements dated 27th July 2021 and 12th January 2022)*.

Cowal Project (RIM 100%) – Copper / Gold

The Company has defined a new priority copper drill target ("LFB022") which lies immediately 60 kilometres southwest of Parkes within the highly prospective Lachlan Orogen of New South Wales (see Figure 2 and Rimfire's ASX Announcement dated 7 December 2022).

Rimfire's Cowal Copper Gold Project (500km^2) covers the northern end of the 35 km long x 20 km wide Ordovician Currumburra Volcanic Complex which is interpreted to be the eastern margin of a very large stratovolcano (centred on Lake Cowal) which hosts the Cowal Gold Deposit and adjacent Marsden Copper Gold Deposit.

Both Cowal and Marsden are owned by Evolution Mining (ASX: EVN) and host Total Mineral Resources of 305.3Mt @ 0.98g/t gold (9.6Moz gold), and 123Mt @ 0.27g/t gold, 0.46% copper (1.05Moz gold and 560Kt copper) respectively. (see Evolution Mining's Resource and Reserve Statement as at December 2021).

The Ordovician Currumburra volcanic complex comprises a north south trending zone of andesitic volcanics and associated sediments, intruded by plugs and dykes ranging in composition from diorite to monzonite. The Ordovician volcanics do not outcrop and are locally overlain by the thin flat lying late Ordovician to early Silurian Jingerangle Formation cherty siltstone.

While the prospective Ordovician units do not outcrop, they can be readily mapped using magnetic and gravity geophysical data as well as drillhole geological information. A prominent north-south trending gravity ridge within the East Cowal project clearly defines the location of the Currumburra volcanics as well as the northwest trending Marsden Lineament - a key structural control to localising copper gold mineralisation throughout the district.

Historic exploration throughout the project area has typically comprised reconnaissance air core drilling and diamond drilling from which multiple mineral occurrences have been defined along the north south trending gravity ridge.

Drilling by Goldminco Corporation in 2004 immediately south of Rimfire's tenure, intersected broad zones of porphyry – style copper and gold mineralisation at the Imola and Silverstone prospects. Diamond drilling returned 96m @ 0.7g/t gold in CBD01 at Imola, and 74m @ 0.15% copper from at Silverstone. Both prospects are reported to be Ordovician in age and are associated with small monzonite plugs and K feldspar alteration. The Silverstone intercept is described as associated specifically with haematite, biotite, magnetite, and K-feldspar altered intrusives and volcanics, chalcopyrite and bornite disseminations and veinlets.

Immediately north of Rimfire's tenure, drilling by Capital Mining in 2008 intersected 28m @ 0.47 g/t gold from 740 metres at the Porters Mount prospect. Porters Mount is described as a gold bearing diatreme breccia and potential high sulphidation epithermal-style alteration system overlying a deeper porphyry copper-gold deposit. (Information sourced from Capital Mining Limited's Annual Report for the period ending 28 June 2008 on EL6591). Subsequent to the end of the period Rimfire acquired the Porters Mount Project *(see Rimfire's ASX Announcement dated 11 September 2023)* and is currently compiling and integrating all historic data for the Porters Mount Project in the Cowal Project database ahead of prioritising drill targets, undertaking stakeholder liaison and planning a drill program..

Within Rimfire's tenure at the LFB022 target, reconnaissance aircore drilling by Clancy Exploration Limited in late 2008, has defined a 3 x 1.5 km copper in saprolite anomaly (using a +400ppm copper contour) with a maximum individual (2 metre composite) aircore sample value of 0.14% copper in CBAC044. The anomaly overlies the intersection of the north south gravity ridge and the southern boundary of the northwest trending Marsden Lineament. *(Information sourced from Clancy Exploration Limited's Annual Report for the period ending 21 May 2009 on EL6784 "Currumburrama").*

While historic diamond drilling has failed to find the source of the copper anomaly, a large area to south remains untested due to thin veneer of post Ordovician cover (the early Silurian Jingerangle Formation).

Significantly the untested southern area coincides with a magnetic low feature which is interpreted by Rimfire to be an intrusive unit and possible source of the copper in saprolite anomaly.

Operations Report

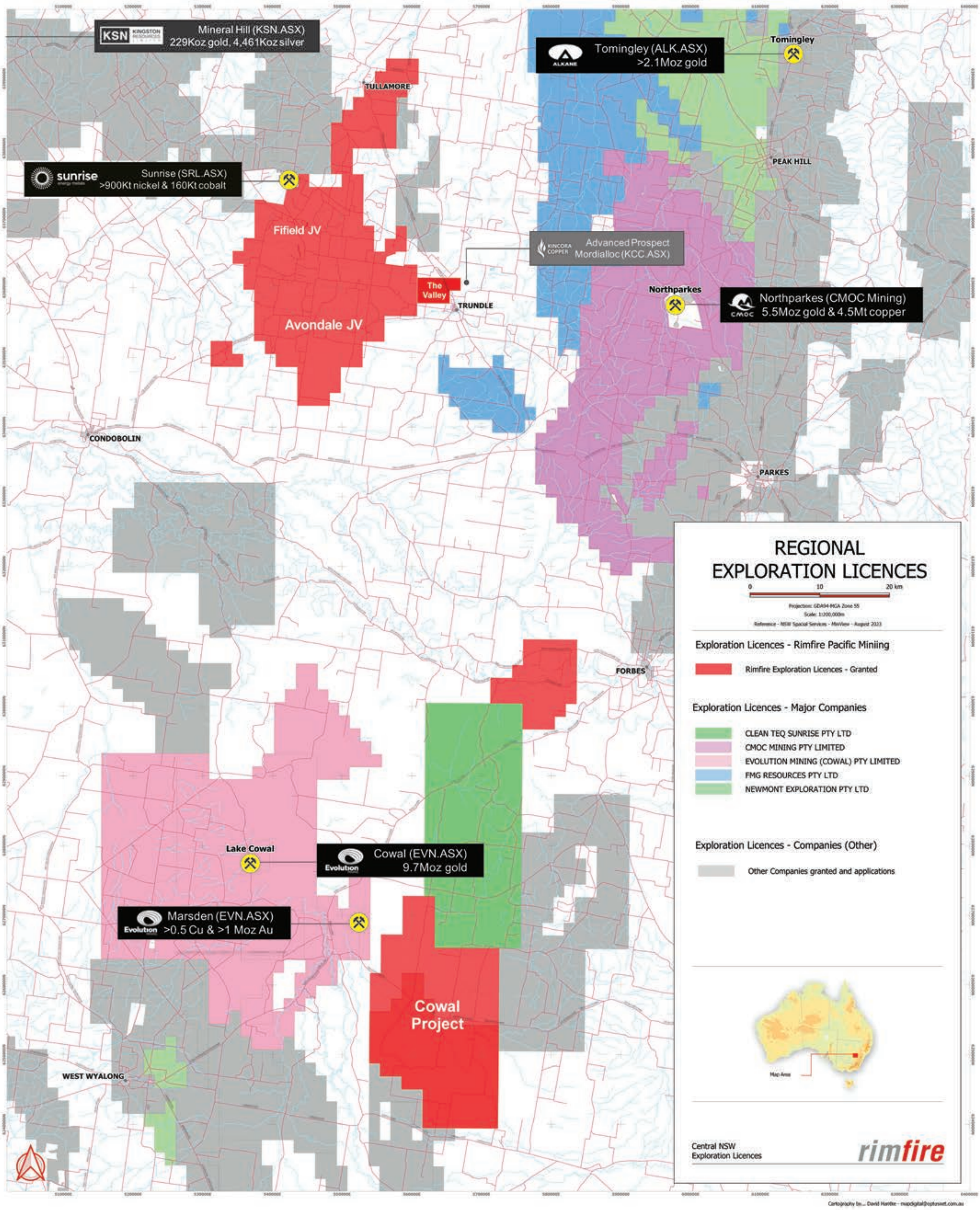

Figure 2 : Location Plan of major Lachlan Fold Belt Projects

Earn-in Projects (Fifield and Avondale) - Nickel, Cobalt, Scandium, Gold and PGEs (GPR earning up to 50.1% and 75% respectively)

All exploration activities at the Fifield and Avondale Earn In projects *(Figure 2)* are funded by Rimfire's exploration partner - Golden Plains Resources (GPR), the ownership of which remains subject to a legal dispute. Rimfire has taken independent legal advice as to its obligations and rights with respect to this matter and continues to operate in accordance with that advice.

Avondale Project (GPR earning up to 75%) – Nickel, Cobalt, Scandium and PGE's

Melrose nickel cobalt scandium prospect

Aircore drilling undertaken during the period extended the area of nickel cobalt scandium mineralisation and confirmed the geological setting of the Melrose prospect. Separately head assaying of a 260kg composite bulk sample undertaken during metallurgical test work, has confirmed the high-grade nature of the Melrose mineralisation *(See Rimfire's ASX Announcement dated 26 June 2023).*

Melrose lies within the Company's Avondale Project which is located 70 kilometres northwest of Parkes within the highly prospective Lachlan Orogen of central New South Wales.

20 aircore holes *(FI2408 to FI2442 – 904 metres)* were drilled at Melrose. Vertical holes were drilled along fence lines and access tracks north and south of a prominent magnetic anomaly that lies centrally within the prospect area to determine the extent of nickel cobalt scandium mineralisation at Melrose and confirm the prospect's geological setting.

Geologically Melrose is underlain by an east-dipping sequence of ultramafic and mafic intrusive rocks (microdiorite, gabbro, pyroxenite, wehrlite, dunite) that are bounded to the east against a granite and volcaniclastic sediments to the west. The ultramafic rocks are heavily altered with serpentinite and magnetite commonly present throughout. The presence of abundant magnetite explains the Melrose magnetic anomaly.

The basement rocks are strongly weathered with an overlying flat – lying manganese and iron rich (laterite) horizon present, assaying of which has shown to be strongly anomalous in nickel – cobalt – scandium (Ni Co Sc) mineralisation.

Drilling previously undertaken by Rimfire has returned multiple strongly anomalous drill intercepts from the laterite horizon, e.g.;

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

From the drilling undertaken to date at Melrose, the following geological observations can be made.

- The nickel cobalt scandium mineralised laterite zone trends in a north northeast - south southwest direction over ~ 900 metres strike length with width ranging from a maximum of ~ 400 metres in the core of the magnetic complex to a width of ~ 50 metres in the northeast.
- The nickel and cobalt mineralisation remain open to the southwest into areas of no drilling.
- The scandium mineralisation remains open to the west.
- Mineralisation thickness ranges from ~ 16 metres in the core of the magnetic complex to < 3 metres to the northeast.
- The thickest laterite zones and higher-grade nickel cobalt and scandium mineralisation overlies the ultramafic rock types, with the highest scandium grades spatially associated with the pyroxenite. The thinner laterite zones and lower grade mineralisation in the northeast overlies microdiorite rimming the pyroxenite.

Operations Report

Avondale Project (Continued)

Additional to the aircore drilling, Perth specialist metallurgical services group - Independent Metallurgical Operations Pty Ltd (IMO) is currently developing a conceptual processing flowsheet with the aim of optimising recoveries and production of a nickel – cobalt – scandium product from high-grade mineralised material from Melrose.

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

A representative sub-sample of the bulk composite sample was pulverised and analysed with the assaying of various size fractions returning grades ranging from 0.218% to 0.437% nickel (head assay grade of 0.33% nickel), 0.08% to 0.15% cobalt (head assay grade of 0.12% cobalt), and 290ppm to 470ppm scandium (head assay grade of 380ppm scandium).

These results support previously obtained drill assay intercepts and reinforce Rimfire's belief that Melrose represents a potentially significant high grade nickel cobalt scandium mineral opportunity.

At the time of writing, IMO had completed scrubbing tests and atmospheric leaching was underway.

Fifield Project (GPR earning up to 50.1%) – Scandium, Gold and PGEs

Murga scandium prospect

After the period, Rimfire announced that recent wide spaced reconnaissance aircore drilling has identified a new scandium prospect (called "Murga") within the Company's Fifield Project *(see Rimfire's ASX Announcement dated 28 July 2023).*

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

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

The scandium anomalism occurs fundamentally within a strongly weathered saprolite horizon overlying magnetic ultramafic (pyroxenite) intrusive rocks. There is little or no nickel and / or cobalt anomalism associated with the scandium anomalism, which is curious given that other scandium occurrences within the area (i.e., the Melrose prospect and Sunrise Energy Metals' adjacent Sunrise nickel cobalt scandium deposit) are all associated with elevated levels of nickel and cobalt – *see Rimfire's ASX Announcement dated 19 September 2022).*

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

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

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

Rimfire will now submit all the remaining 9 aircore drillholes from Murga for scandium analysis.

Further aircore drilling is planned to test areas of the Murga Intrusive Complex with no previous sampling and to refine existing scandium auger anomalies.

Jacks Lookout – Potential expansion of Sorpresa Mineralisation

A diamond hole (FI2401) drilled at the Jacks Lookout target during the period intersected broad zones of strong gold anomalism 1 kilometre east of the Sorpresa Gold Silver Deposit.

FI2401 was drilled as part of a larger 3,000 metre drill program targeting primary platinum + palladium (PGEs) mineralisation within ultramafics at the Company's Fifield and Avondale Earn In Projects in central

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New South Wales *(see Figure 2 and Rimfire's ASX Announcement dated 14 November 2022).*

Jack's Lookout lies adjacent to the Platina Lead which was previously mined for coarse alluvial platinum and gold in the 1880's through to the early 1900's and together with other Leads in the area (all of which are on Rimfire tenure) remains Australia's largest dedicated area for platinum production with an estimated 20,000 ounces of platinum and 6,200 ounces of gold produced during this period.

Of the leads, Platina Lead was the most important with an estimated 17,000 ounces of platinum produced at a grade of between 5 - 13g/t platinum and 4,400 ounces of gold produced at a grade of between 1.5 - 4.6g/t gold *(refer to Geology and Mineral Deposits of Australia and Papua New Guinea – AusIMM Monograph No. 14 published 1990).*

FI2401 was specifically drilled to test a prominent magnetic anomaly located immediately north of the Platina Lead workings that was originally interpreted to represent an ultramafic intrusive body potentially prospective for PGEs.

Instead of intersecting an ultramafic intrusive unit, FI2401 intersected a magnetic mafic intrusive (monzodiorite) before passing into a heavily veined and brecciated sequence of siliceous and sulphidic (pyrite – sphalerite – galena) carbonaceous shales. The hole was originally planned to be drilled to 250 metres was extended to a final depth of 450 metres due to the abundance of sulphides encountered in the drill core, particularly sphalerite and arsenopyrite both known to be closely related to Sorpresa gold silver mineralisation.

Assaying of the drillhole has returned broad zones of strong gold (+/- silver and zinc) anomalism within the siliceous and sulphidic carbonaceous sediments;

- 5m @ 3.23g/t gold and 24g/t silver from 320 metres in FI2401, and
- 61m @ 0.14g/t gold from 355 metres in FI2401 *including 21m @ 0.18g/t gold, 0.21% zinc from 355 metres, 8m @ 0.23g/t gold, 0.17% zinc from 382 metres, and 17m @ 0.14g/t gold from 399 metres.*

The drill results are significant given that the siliceous and sulphidic carbonaceous shale unit that hosts the gold (+/- silver and zinc) anomalism at Jack's Lookout is the same rock unit (the "Sorpresa Beds") that hosts the Sorpresa Gold Silver Deposit, which lies 1 kilometre west of Jack's Lookout.

Sorpresa hosts a 2012 JORC Code compliant Total Combined Resource (1g/t gold and 85g/t silver cut off) of 1.519Mt @ 1.52g/t gold and 70g/t silver (74.3Koz gold and 3.44Moz silver) and remains open in all directions *(see Rimfire's ASX Announcement dated 6 November 2019).*

The mineralised Sorpresa Beds dip to the east and continue for another 600 metres east and down dip of Sorpresa to the Jack's Lookout drillhole FI2401. Apart from one shallow historic reverse circulation drillhole and surface auger drilling, the 600 metre "gap" between the two locations is effectively untested.

Recognition of the Sorpresa Beds at Jacks Lookout expands the known extent of gold and silver - prospective host rocks at Fifield and significantly increases the exploration search space for identification of extensions to the existing Sorpresa deposit and / or new gold silver discoveries within the area.

It is also possible that Sorpresa and Jacks Lookout are the source of the alluvial gold mineralisation previously mined at the Platina Lead given their proximity.

The intersection of a broad zone of strong gold (+/- silver and zinc) anomalism in an area of no previous drilling at Jack's Lookout has resulted in Rimfire's technical team developing a new geological model and targeting criteria for the formation of high-grade gold mineralisation throughout the Sorpresa area at Fifield.

Detailed geological logging of diamond drill core from FI2401 has confirmed that the highest-grade gold mineralisation (i.e., 5m @ 3.23g/t gold and 24g/t silver from 320 metres) in the hole occurs at the intersection of the shallowly dipping Sorpresa Beds and a cross-cutting steeply dipping fault breccia.

The fault breccia is interpreted to be a conduit for mineralising fluids to interact with the Sorpresa Beds (which represent a chemically favourable host rock) and form high grade gold + silver mineralisation.

As such the intersection of the two geological features represents a compelling exploration target and Rimfire's technical team is currently working to identify those areas where the target position might exist at shallow depths.

The FI2401 high-grade drill intercept occurs within an area of no previous drilling so follow-up drilling is required to better understand the original intercept and to test the new targeting criteria.

Directors' Report

Your Directors present the following report on Rimfire Pacific Mining Limited ("the Company") and its controlled entities (together referred to as "the Consolidated Entity") for the financial year ended 30 June 2023.

Directors

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

Ian McCubbing (Non-Executive Chairman),
David Hutton (Managing Director and Chief Executive Officer),
Andrew Knox (Non-Executive Director),
Misha Collins (Non-independent, Non-Executive Director), ceased on 2 June 2023,
Greg Keane (Alternate Director to Ian McCubbing, appointed 17 August 2022).

Principal Activities

The principal activities of the Consolidated entity during the financial year were the exploration for and evaluation of mineral deposits.

Review of Operations

Rimfire Pacific Mining Limited (ASX: RIM) is an ASX-listed exploration company focused on exploring for Critical Minerals within the Broken Hill and Lachlan Orogen districts of NSW.

The Company actively enacts a process of review, rating and prioritising key prospect opportunities to progress and grow the pipeline for new discoveries.

Full details of the progression of discovery activity undertaken during the period are contained in the Operations Section of this Annual Report.

Junior Resource Sector Outlook and Financial Position

The global outlook for the resources sector continues to be mixed depending on mineral commodity type, with Critical Minerals growing in importance in the junior resource sector.

In addition to the Company's traditional focus on gold and copper, the Company is also exploring for Critical Minerals such as Nickel, Cobalt, Scandium, Platinum, and Palladium (PGEs).

Critical Minerals are in increasing demand due to their importance in the changing needs of the world for minerals to help fuel and store alternate sources of energy.

The Consolidated Entities cash at bank at 30 June 2023 was $0.4m. An additional $0.02m was held collectively in the Fifield and Avondale Project Accounts at 30 June 2023.

Fifield Earn In Heads of Agreement

During the period, GPR decided not to make a final corporate payment of $700K that was due by 14 June 2023, under the terms of the Binding Heads of Agreement which imposed additional funding obligations on GPR and gave GPR the right to earn an additional 9.9% interest in the Fifield Project (taking GPR's total potential interest to 60%).

Consequently, Rimfire terminated the Fifield Binding Heads of Agreement and all future exploration activities plus GPR's ongoing funding obligations will continue under the terms of the original Fifield Project Earn In Agreement (see Rimfire's ASX Announcement dated 4 May 2020).

Under the terms of the Fifield Project Earn In Agreement, GPR has the right to earn a 50.1% interest (and enter into a Joint Venture Agreement) in the project area by paying further exploration payments of $700K through the cash call process.

In addition, under the Earn In Agreement, GPR must provide a fully committed, irrevocable, and binding proposal to Rimfire for the provision of Funding to fully fund Rimfire's interest in the JVA from the Joint Ownership Acquisition Date through to the start of commercial production of the development. If Rimfire accepts GPR's funding proposal, Rimfire will repay the funding provided from future net earnings of the mine.

Under the Fifield and Avondale Project Agreements, cash calls are made in advance based on agreed forecast expenditure and the funds are deposited into the Company's accounts for payments on expenditure incurred by the respective projects.

Shareholder Meetings

Five shareholder meetings were held during the financial year, two of which were in response to notices received under section 249D of the *Corporations Act.*

- A General Meeting was held on the 25th of August 2022, where the issue of unlisted options subject to vesting conditions was approved by shareholders to be issued to Mr David Hutton (30,000,000), Mr Ian McCubbing (15,000,000) and Mr Andrew Knox (10,000,000).
- The Annual General Meeting was held on the 24th of November 2022, where all Resolutions were passed with strong shareholder support.
- A General Meeting was held on the 19th of May 2023 to approve the issue of shares to Directors and Senior Management that participated in the February 2023 placement (28,333,331 shares @$0.006cps, raising $170K) and the ratification of the prior issue of shares and unlisted options also issued during the February 2023 placement. All resolutions were passed and after payment of the shares these were allotted taking the total number of shares on issue to 2,005,244,731.
- A General Meeting was held on the 2nd of June 2023 to consider a shareholder notice to remove Mr Misha Collins as a Director of Rimfire. 76% of total shares cast voted in favour of the Resolution.
- A General Meeting was held on the 15th of June 2023 to consider a shareholder notice to remove Mr Ian McCubbing, Mr David Hutton, and Mr Andrew Knox as Directors of the Rimfire and to appoint Mr Anthony (Anton) Billis, Mr Oliver Douglas, and Mr Roland Berzins as Directors of the Board of Rimfire.

  Over 50% of the Company's total issued capital cast votes in the meeting, with ~78% of total shares cast in favour of keeping the existing Board (Mr Ian McCubbing, Mr David Hutton, and Mr Andrew Knox), and voting against the appointment of a new Board (Mr Anthony (Anton) Billis, Mr Oliver Douglas and Mr Roland Berzins).

Considerable legal and professional services costs were incurred by the Company during the period relating to the Section 249d notices and other legal matters raised by entities associated with Mr Anton Billis, the GPR ownership dispute, and legal and financial work undertaken due to matters and queries raised by Mr Misha Collins, a former Director of the Company totaling circa $200,000.

Capital Structure

As at 30 June 2023 the capital structure of the Company was;

- 2,005,244,731 Ordinary Shares on Issue (RIM)
- 120,300,000 Unlisted options ordinary shares (Options), various prices and vesting dates

Operating Results

The loss of the Consolidated entity amounted to $814,333 in the period (2022: $912,954).

Dividends

No dividends were paid during the financial year, nor are any recommended at 30 June 2023 (30 June 2022: Nil).

Risks and Uncertainties

The Company is subject to both risks specific to the Company and the Company's business activities, as well as general risks.

Future funding risks

The Company is involved in exploration for minerals in Australia and yet to generate revenues. The Company has a cash and cash equivalents balance of $377,231 and net assets of $16,340,234. The Company may require substantial additional financing in the future to sufficiently fund exploration commitments and its other longer-term objectives.

As the Company is still in the early stages of exploration development it has the ability to control the level of its operations and hence the level of its expenditure over the next 12 months. However, the Company's ability to raise additional funds will be subject to, among other things, factors beyond the control of the Company and its Directors, including cyclical factors affecting the economy and share markets generally. If for any reason the Company was unable to raise future funds, its ability to meet the exploration commitments and future development would be significantly affected.

The Directors regularly review the spending pattern and ability to raise additional funding to ensure the Company's ability to generate sufficient cash inflows to settle its creditors and other liabilities.

Directors' Report

Earn-in and Joint Venture Operations risks

The Company participates in a number of Earn-ins which if the Earn-in partner meets its commitments will crystallise into joint ventures. This is a is a common form of business arrangement designed to share risk and other costs, and until the Joint Venture is crystallised, the Company maintains management control. Under a joint venture operating agreement, the Company may not control the approval of work programs and budgets and a Joint Venture Partner may vote to participate in certain activities without the approval of the Company. As a result, the Company may experience a dilution of its interest or may not gain the benefit of the activity, except at a significant cost penalty later in time.

Failure to reach agreement on exploration, development and production activities may have a material impact on the Company's business. Failure of the Company's Joint Venture Partner's to meet financial and other obligations may have an adverse impact on the Company's business.

Environmental and social risks

The Consolidated Entity holds participating interests in a number of exploration tenements across Australia. The various authorities granting such tenements require the Company to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. The long-term viability of the Company is closely associated to the wellbeing of the communities and environments in which the Company conduct operations. At any stage of the asset life cycle, the Company's operations and activities may have or be seen to have significant adverse impacts on communities and environments. In these circumstances, the Company may fail to meet the evolving expectations of our stakeholders (including investors, governments, employees, suppliers, customers and community members) whose support is needed to realise our strategy and purpose. This could lead to loss of stakeholder support or regulatory approvals, increased taxes and regulation, enforcement action, litigation or class actions, or otherwise impact our licence to operate and adversely affect our reputation, fund raising capability, ability to attract and retain talent, operational continuity and financial performance.

Dependence on service providers and third-party collaborators

There is no guarantee that the Company will be able to find suitable third-party providers and third-partly collaborators to complete the exploration work. The Company therefore is exposed to the risk that any of these parties can experience problems related to operations, financial strength or other issues, and collaborative agreements may be terminable by the Company's partners. Non-performance, suspension or termination of relevant agreements could negatively impact the progress or success of the Company's exploration efforts, financial condition and results of operations.

Reliance on key personnel

The Company's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including those employed on a contractual basis. The loss of the services of such personnel or the reduced ability to recruit additional personnel could have an adverse effect on the performance of the Company.

The Company maintains a mixture of permanent staff and expert consultants to advance its programs and ensure access to multiple skill sets. The Company, through the Remuneration and Nomination Committee (or in its absence the Board) reviews remunerations to human resources regularly.

IT system failure and cyber security risks

Any information technology system is potentially vulnerable to interruption and/or damage from a number of sources, including but not limited to computer viruses, cyber security attacks and other security breaches, power, systems, internet and data network failures, and natural disasters.

The Company is committed to preventing and reducing cyber security risks. IT services are outsourced to a reputable third-party services provider.

Exploration risk

Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things:

- securing and maintaining title to mineral exploration projects;
- discovery and proving up, or acquiring, an economically recoverable resource or reserve;
- access to adequate capital throughout the acquisition/discovery and project development phases;
- obtaining required development consents and approvals necessary for the acquisition, mineral exploitation, development, and production phases; and
- accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants, and employees.

There can be no assurance that exploration on the Company's projects, or any other exploration properties that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited. The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company. The Company is entirely dependent upon its projects, which are the sole potential source of future revenue, and any adverse development affecting these projects would have a material adverse effect on the Group, its business, prospects, results of operations and financial condition.

Grant of future authorisations to explore and mine

If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licences and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.

Resource and reserve estimates

Whilst the Company intends to undertake exploration activities with the aim of defining new resources, no assurances can be given that the exploration will result in the determination of a resource. Even if a resource is identified, no assurance can be provided that this can be economically extracted. Resource and reserve estimates are expressions of judgement based on knowledge, experience, and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available or commodity prices change. In addition, by their very nature, resource and reserve estimates are imprecise and depend to some extent on interpretation which may prove to be inaccurate.

Future profitability

The Company is in the growth stage of its development and is currently making losses. The Company's performance will be impacted by, among other things, the success of its exploration activities, economic conditions in the markets in which it operates, competition factors and any regulatory developments. Accordingly, the extent of future profits (if any) and the time required to achieve sustained profitability are uncertain and cannot be reliably predicted.

After Balance Date Events

In July 2023, Rimfire was also awarded exploration credits of $500,000 under the Federal Government's Junior Minerals Exploration Incentive (JMEI) program for distribution during the 2023 / 2024 Financial Year to eligible shareholders.

During August 2023, Rimfire raised $0.8 million through a share placement pursuant to Section 708 of the *Corporations Act* (Cth). The placement comprised the issue of a total of 100,000,000 fully paid ordinary shares at an issue price of $0.008 (0.8 cents) per share, raising $0.8M, to sophisticated investors eligible under section 708 of the Corporations Act (Cth). The issue price represented a 26% premium to the 5 - trading day VWAP to 28 July 2023. In addition,100,000,000 free attaching unlisted options were issued on a one (1) for one (1) basis for every new share subscribed for and issued under the placement with an exercise price of $0.02 (2 cents) each, and an expiry date of 28 February 2025.

Directors' Report

In September 2023, Rimfire announced the 100% acquisition of the Porters Mount Project which adjoins Rimfire's 100% owned Cowal Copper Gold Project, which increases the size of the Cowal project 450km2 and enhances the Cowal Project further with areas of mineralized anomalies and further features that require follow up.

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.

Licence and Environmental Compliance

The Consolidated entity aims to ensure the Company achieves a high standard of environmental care. 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.

Information on Directors

Ian McCubbing

Independent Non-Executive Chairman

Member of Audit Committee

Chairman of Remuneration and Nomination Committee

Bachelor of Commerce (Hons), MBA (Ex), CA, GAICD

Mr McCubbing was appointed Director and Chairman of the Board in July 2016 and possesses a strong commercial background in the resources industry.

Mr McCubbing is a Chartered Accountant with more than 30 years' experience, principally in the areas of accounting, corporate finance and mergers and acquisition. He spent more than 15 years working with ASX200 and other listed companies in senior finance roles, including positions as Finance Director and Chief Finance Officer in mining and industrial companies.

During the past three years Mr McCubbing has also served as a director on the following ASX listed companies;

- Swick Mining Services Ltd (Non-Executive Director from August 2010 to February 2022), and
- Prominence Energy Ltd (Non-Executive Chairman from 25 October 2016 to 16 May 2022 and stepped back into the role of Non-Executive Chairman from 9 December 2022 to current.

Shareholding: 34,666,669 ordinary shares and 15,000,000 unlisted Options subject to vesting conditions.

David Hutton

Managing Director and Chief Executive Officer

Bachelor of Science (Hons), Fellow of the AusIMM and Member of Australian Institute of Geoscientists (AIG)

Mr Hutton joined Rimfire in October 2021 as Non-executive Director and was appointed Managing Director and CEO in June 2022.

Mr Hutton is a geologist who has over 30 years' experience in both exploration and mining throughout Australia and overseas who has been involved with the discovery and / or delineation of numerous precious and base metal deposits.

As MD / CEO of ASX listed exploration companies for over 10 years he also has significant corporate strategy, business networking and stakeholder engagement skills.

During the past three years Mr Hutton has also served as Managing Director and CEO of ASX listed Mithril Resources Ltd (from June 2012 to May 2020).

Shareholding: 3,155,666 ordinary shares and 30,000,000 unlisted Options subject to vesting conditions.

Andrew Knox

Independent Non-Executive Director

Chairman of Audit Committee

Member of Nomination and Remuneration Committee

Bachelor of Commerce, CA, CPA, FAICD

Mr Knox was appointed a Director in March 2020 and brings a strong commercial background in strategy and fund raising for micro and low capital companies in the oil and gas and mining industries.

Mr Knox has over 35 years' of resources experience throughout Australasia, South East Asia and North America. Mr Knox provides additional significant experience in financial and commercial activities, involving acquisitions, Merger and Acquisition (M&A) and capital raisings.

During the past three years Mr Knox has also served as a director on the following ASX listed companies;

- Red Sky Energy (CEO and Managing Director since July 2018).

Shareholding: 21,222,915 ordinary shares and 10,000,000 unlisted Options subject to vesting conditions.

Misha Collins

Non-Independent Non-Executive Director

Bachelor of Engineering in Metallurgy (First Class Honours), Graduate Certificate in Banking and Finance, Graduate Diploma in Applied Finance and Investment, CFA program completion, member of AIMM, AICD and CFA charter holder

Ceased with the Company on 2 June 2023.

Mr Collins was appointed a Director in July 2021 and brings 23 years of experience in the resources industry.

Mr Collins' experience in resources has been as a mining executive, financial analyst, and company director, including time with BHP, Bankers Trust / BT Funds Management, ING Australia and most recently was Chief Executive Officer of Cassidy Gold Corporation and has acted as adviser to several significant debt and equity transactions in the gold mining industry.

During the past three years Mr Collins has also served as a director on the following ASX listed companies;

- Sihayo Gold (Non-Executive Director since 2008 including Chairman in 2009 to 2010 and 2013 to 2020).

Shareholding: 1,000,000 ordinary shares at time of cessation.

Information on Directors

Greg Keane

CFO / Alternate Director to Ian McCubbing

Bachelor of Business Accounting, MBA, Postgraduate – Corporate Governance, CPA, CSA

Mr Keane was appointed CFO in May 2017 and Alternate Director to Ian McCubbing on 17th August 2022 and is an experienced commercial and financial professional.

With over 19 years' experience, in the Mineral Resources Industry (both mining and exploration), Mr Keane has gained significant experience and exposure in defining and implementing operational, commercial and financial strategy. His career has involved hands-on management of resources companies accounting, information technology, human resources, logistics, supply and contracts and other support services functions, both within Australia and overseas.

During the past three years Mr Keane did not hold any other ASX listed company directorships.

Shareholding: 7,306,044 ordinary shares and 20,000,000 unlisted Options subject to vesting conditions.

Stefan Ross

Company Secretary (Appointed 2 July 2021)

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Mr Ross was appointed as Company Secretary in July 2021. Mr Ross has over 10 years of experience in accounting and secretarial services for ASX listed companies. His extensive experience includes ASX compliance, corporate governance control and implementation, statutory financial reporting, shareholder meeting requirements, capital raising management, and board and secretarial support. Stefan has a Bachelor of Business majoring in Accounting.

Meetings of Directors

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During the financial year, meetings of Directors were held and attendances by each Director are detailed below.

	Director's Meetings		Audit Committee Meetings		Rem. and Nom. Committee Meetings	
	No. Eligible to Attend	Number Attended	No. Eligible to Attend	Number Attended	No. Eligible to Attend	Number Attended
Ian McCubbing	23	22	2	2	1	1
David Hutton	23	23	-	-	-	-
Andrew Knox	23	23	2	2	1	1
Misha Collins	22	20	2	2	1	1
Greg Keane*	1	1	-	-	-	-

Note: Mr Greg Keane attended one meeting during the year in his capacity as Alternate Director for Ian McCubbing. For other meetings, Mr Keane attends in his capacity as CFO, and not in his capacity as an Alternate Director.

Remuneration Report (Audited)

The Remuneration Report, which has been audited, outlines the Key Management Personnel (KMP) 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:

1. Principles used to determine the nature and amount of remuneration
2. Details of remuneration for the year ended 30 June 2022
3. Employment contracts
4. Share based compensation of Directors and Key Management Personnel
5. Additional Disclosures relating to Key Management Personnel
6. Shareholding
7. Five-year summary of key financial data

1. Principles used to determine the nature and amount of remuneration

The Board of Rimfire Pacific Mining Limited uses the Remuneration and Nomination Committee to review and consistently apply the Company Policy to allow the Company to maintain its ability to attract and retain suitable executives and Directors to run and manage the Consolidated entity, as well as create alignment between Directors, executives and shareholders.

The Company Policy, implemented via the Remuneration and Nomination Committee, is to benchmark Company remuneration against comparable businesses and ensure that remuneration is comparable, but also within the financial capability of the Company at the time of assessment.

Remuneration policy for Directors and senior executives is reviewed annually by the Board. Depending on the nature of employment agreements, remuneration comprises a fixed component, (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 (which may include shares, options on shares or performance rights), subject to any necessary shareholder or regulatory approvals. During the year the Company did not engage remuneration consultants to provide advice on the Company's remuneration policy.

The policy requires reviews taking 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. There is currently no link between the policy and the Company's earnings and shareholder wealth because the Company is still in the exploration phase and is not generating revenue. Instead, the criteria for executive and Director appraisal include:

- Maintaining high standards of workplace, health and safety, environmental compliance and community liaison,
- Leading the development of strategy, and communicating to stakeholders,
- Maintaining capital resources necessary to execute the Company's strategy, with minimal dilution and costs to shareholders,
- Technical advancement in the discovery 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.

The Board is aware of the need to maintain competitive remuneration to reward performance which benefits shareholders and advances the Company. To this end, a review of the 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 was undertaken last year. A long-term equity incentive plan for employees was approved by shareholders at the Company's 24 November 2020 AGM.

There has been no change to the cash remuneration of Non-Executive Directors. During the Financial Year, unlisted options were approved by shareholders to be issued to Mr Ian McCubbing (15,000,000 unlisted Options subject to vesting conditions) and Mr Andrew Knox (10,000,000 unlisted Options subject to vesting conditions). To align Directors' interests with shareholder interests, Directors are encouraged to hold shares in the Company. Withheld salary payments from Senior Management whilst on reduced salaries when the Company was undertaking cost reduction activity, have also been paid during the period.

The remuneration policy review undertaken in 2018 will be revisited as required to ensure it continues to meet the needs of the Company, creates better alignment to industry practices for remuneration and to accommodate changes to law. The Company has reviewed the application of laws in relation to the use of employee share schemes and performance rights.

At the 2022 AGM the Company received 99.37% of 'for' votes in relation to its remuneration report for the year ended 30 June 2022. No feedback was received from shareholders in relation to its remuneration practices at the 2022 AGM.

2. Details of Remuneration for the Year Ended 30 June 2023

Benefits to senior executives and the Non-Executive Directors consisted primarily of cash benefits. The Non-Executive Director Pool is $240,000 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 for the Year ended 30 June 2023 was $136,822 (2022: $167,536).

Table 1: Remuneration Details

The following table details, in respect to the financial years ended 30 June 2023 and 2022, the components of remuneration for key management personnel of the Consolidated entity.

Key Management Personnel		Primary					Total Direct Employee Cash Benefit	Post Employment		Equity	Total
Non-Executive Directors		Salary and Fees	Accrued Salary*	Bonus - STI	Annual Leave/Sick Leave	Termination		Super	Long Service Leave Accruals**	Options	
I McCubbing	FY 2023	49,918	5,000	-	-	-	54,918	5,241	-	56,933	117,092
	FY 2022	60,000		-	-	-	60,000	-	-	-	60,000
A Greville*	FY 2023	-	-	-	-	-	-	-	-	-	-
	FY 2022	16,021	-	-	-	-	16,021	-	-	-	16,021
A Knox	FY 2023	36,667	3,333	-	-	-	40,000	-	-	37,956	77,955
	FY 2022	39,697	-	-	-	-	39,697	-	-	-	39,697
M Collins*	FY 2023	36,663	-	-	-	-	36,663	-	-	-	36,663
	FY 2022	39,551	-	-	-	-	39,551	-	-	-	39,551
D Hutton*	FY 2023	-	-	-	-	-	-	-	-	-	-
	FY 2022	12,267	-	-	-	-	12,267	-	-	-	12,267
Executive Directors											
C Riley*	FY 2023	-	-	-	-	-	-	-	-	-	-
	FY 2022	158,392	-	24,341	4,264	44,323	231,320	17,385	(2,883)	(9,123)	236,699
D Hutton*	FY 2023	173,073	-	-	17,950	-	191,024	20,293	728	135,017	347,062
	FY 2022	88,159	-	-	-	-	88,159	615	-	-	88,775
G Keane*	FY 2023	144,281	-	-	14,559	-	158,840	17,201	6,136	13,714	195,891
	FY 2022	-	-	-	-	-	-	-	-	-	-
Total	FY 2023	440,601	8,333	-	32,510	-	481,444	42,735	6,864	243,620	774,663
Total	FY 2022	414,088		24,341	4,264	44,323	487,016	18,001	(2,883)	(9,123)	493,010

* *Note:*

- *M Collins ceased with the Company on 2 June 2023.*
- *A Greville ceased with the Company on 18 November 2021.*
- *C Riley ceased with the Company on 29 April 2022.*
- *D Hutton was appointed Non-executive Director on 15 October 2021, Executive Director on 7th February 2022, and Managing Director and CEO on 15 June 2022.*
- *G Keane was appointed as Alternate Director on 17 August 2022*
- *Accrued Salary is Salary accrued during the period that was not paid.*
- *Annual Leave includes Annual Leave taken and accrued during the period, whilst Sick Leave is only what was taken during the period.*
- *Long Service Leave is the amount accrued for the period, this is not available until Long Service Leave requirements are met.*

Remuneration Report (Audited)

Performance Income as a Proportion of Total Remuneration

No bonuses were paid to the Managing Director during the year ended 30 June 2023 (2022: $24,341 paid to Craig Riley).

Transactions Between Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless stated. In the current period, the Company incurred an expense of $5,280 (2022:$nil) for office rent provided by Terrace Minerals Pty Ltd, a director related entity of Mr David Hutton. The rent provided was based on commercial market terms and conditions.

3. Employment Contracts

An Executive Services Agreement is in place with the CEO and Managing Director, My David Hutton, effective from 15 June 2022. Under the terms of the Agreement, the termination provisions are 3 months' notice by the company or the employee. Mr Hutton is entitled to an annual salary of $200,000 plus superannuation (80% full time equivalent). The Agreement also includes a STI component of up to 40% of annual base salary and a LTI that was set at 30m options and approved by shareholders at a General Meeting held 25 August 2022.

An Employment Agreement is in place with the Chief Financial Officer, Mr Greg Keane. There is no fixed term. Under the terms of the Agreement, the termination provisions are 1 months' notice by the company or the employee. Mr Keane is entitled to an annual salary of $200,000 inclusive of superannuation. The Agreement also includes an STI component of up to 20% of annual base salary.

The Non-Executive Directors have been appointed on an ongoing basis and have no retirement benefit allowances (neither current nor accrued), and the Company has no obligations upon their cessation from office.

Table 2: Shareholding Details

The following table details, in respect to the financial years ended 30 June 2023 and 2022, the shareholdings for key management personnel of the Group.

Key Management Personnel		Beginning Balance	Received as Remuneration	Shares Acquired	Shares Sold	Net Change Other*	Closing Balance
Non- Executive Directors							
I McCubbing	**FY 2023**	**14,209,849**	**-**	**20,456,820**	**-**	**-**	**34,666,669**
	FY 2022	14,209,849	-	-	-	-	14,209,849
A Greville*	**FY 2023**	**-**	-	-	-	**-**	**-**
	FY 2022	4,600,000	-	-	-	(4,600,000)	-
A Knox	**FY 2023**	**12,889,582**	**-**	**8,333,333**	**-**	**-**	**21,222,915**
	FY 2022	12,889,582	-	-	-	-	12,889,582
M Collins*	**FY 2023**	**4,600,000**	**-**	**-**	**(3,600,000)**	**(1,000,000)**	**-**
	FY 2022	-	-	-	-	4,600,000	4,600,000
D Hutton	**FY 2023**	**-**	**-**	**-**	**-**	**-**	**-**
	FY 2022	-	-	-	-	-	-
Executive Directors and KMPs							
C Riley*	**FY 2023**	**-**	**-**	**-**	**-**	**-**	**-**
	FY 2022	8,033,830	-	-	-	(8,033,830)	-
D Hutton	**FY 2023**	**-**	**-**	**3,155,666**	**-**	**-**	**3,155,666**
	FY 2022	-	-	-	-	-	-
G Keane*	**FY 2023**	**-**	**-**	**1,666,666**	**-**	**5,639,378**	**7,306,044**
	FY 2022	-	-	-	-	-	-
Total FY 2023		**31,699,431**	**-**	**33,612,485**	**(3,600,000)**	**4,639,378**	**66,351,294**
Total FY 2022		39,733,261	-	-	-	(8,033,830)	31,699,431

* *Notes regarding "Net Change Other":*

- *A Greville ceased with the Company on 18 November 2021*
- *C Riley ceased with the Company on 29 April 2022*
- *M Collins started with the Company on 2 July 2021 and ceased with the Company on 2 June 2023.*
- *G Keane was appointed as Alternate Director on 17 August 2022.*

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4. Share Based Compensation of Directors & Key Management Personnel

Options were granted to Directors and granted to Key Management Personnel during the year ended 30 June 2023 (2022: nil) as per Table 3 below.

5. Additional Disclosures Relating to Key Management Personnel

None.

6. Shareholding

Details provided in Tables 2 and 3.

Table 3: Option Details

The following table details, in respect to the financial years ended 30 June 2023 and 2022, the Options held for each key management person of the Group.

Key Management Personnel		Beginning Balance	Options Acquired*	Options Exercised	Options Lapsed	Net Change Other*	Closing Balance
Non- Executive Directors							
I McCubbing	**FY 2023**	**-**	**15,000,000**	**-**	**-**	**-**	**15,000,000**
	FY 2022	-	-	-	-	-	-
A Greville	**FY 2023**	**-**	-	-	**-**	**-**	**-**
	FY 2022	-	-	-	-	-	-
A Knox	**FY 2023**	**-**	**10,000,000**	**-**	**-**	**-**	**10,000,000**
	FY 2022		-	-	-		-
M Collins	**FY 2023**		**-**	**-**	**-**		**-**
	FY 2022	-	-	-	-	-	
D Hutton	**FY 2023**		**-**	**-**	**-**		**-**
	FY 2022	-	-	-	-		-
Executive Directors		**-**	-	-	-	-	
C Riley*	**FY 2023**		**-**	**-**	**-**		**-**
	FY 2022	20,000,000	-	-	(20,000,000)	-	-
D Hutton	**FY 2023**	**-**	**30,000,000**	**-**	**-**	**-**	**30,000,000**
	FY 2022	-	-	-	-	-	-
G Keane*	**FY 2023**	**-**	**-**	**-**	**-**	**20,000,000**	**20,000,000**
	FY 2022	-	-	-	-	-	-
Total FY 2023		**-**	**55,000,000**	**-**	**-**	**20,000,000**	**75,000,000**
Total FY 2022		20,000,000	-	-	(20,000,000)	-	-

* *Note:*
- *C Riley ceased with the Company on 29 April 2022 and all unvested Options lapsed upon termination.*
- *Non Executive Director / Managing Director and CEO Options granted during the period were approved by shareholders at the Shareholder Meeting held 25 August 2022, except for the grant of options to M Collins as Resolution 4 relating to this was withdrawn before the meeting.*
- *G Keane was appointed as Alternate Director on 17 August 2022.*

Non-Executive Director / Managing Director and CEO Options granted during the period were approved by shareholders at the Shareholder Meeting held 25 August 2022, further details of these Options is provided right.

Executives

There were no executives other than Mr David Hutton and Mr Greg Keane at balance date.

Key Details - Managing Director	**Tranche 1**	**Tranche 2**	**Tranche 3**
Fair value per Option	0.0052	0.0055	0.0058
No. of MD Options	10,000,000	10,000,000	10,000,000
Exercise Price	0.0154	0.0154	0.0154
Vesting Date	30/08/2022	15/06/2023	15/12/2023
Expiry Date	15/06/2026	15/06/2026	15/06/2026
Key Details - Non-Executive Directors	**Tranche 1**	**Tranche 2**	**Tranche 3**
Indicative fair value per Option	0.0052	0.0055	0.0058
No. of Non Exec Dir Options	8,333,333	8,333,333	8,333,334
Exercise Price	0.0152	0.0152	0.0152
Vesting Date	30/08/2022	30/08/2023	1/03/2024
Expiry Date	30/08/2026	30/08/2026	30/08/2026

Remuneration Report (Audited)

7. Five Year Summary of Key Financial Data

The earnings of the company for the five years to 30 June 2023 are summarised below:

	2023 $	**2022 $**	**2021 $**	**2020 $**	**2019 $**
Revenue and Other Income	838,695	304,988	650,456	52,846	5,628
Net Profit / (Loss) before tax	(814,533)	(912,954)	(373,704)	(956,975)	(875,505)
Net Profit / (Loss) after tax	(814,533)	(912,954)	(373,704)	(956,975)	(875,505)

Share Price beginning financial year ($)	0.008	0.009	0.007	0.003	0.011
Share price end financial year ($)	0.005	0.008	0.009	0.007	0.003
Basic loss per share (cents per share)	(0.044)	(0.050)	(0.020)	(0.070)	(0.080)

End of audited remuneration report.

Directors' Report (continued)

Unissued shares under option

During the Financial Period 60,000,000 Options were granted to:

Employee Options, service based vesting conditions	
(exercisable at 1.54 cents by 15 June 2026)	30,000,000
Employee Options, service based vesting conditions	
(exercisable at 1.52 cents by 30 August 2026)	25,000,000
Unlisted Options – Broker	
(exercisable at 2.00 cents by 28 February 2025)	5,000,000

As at 30 June 2023 the breakdown of unlisted Options remaining at balance date are listed below:

Employee Options, performance based vesting conditions	
(exercisable at 1.10 cents by 31 December 2023)	5,000,000
Employee Options, service based vesting conditions	
(exercisable at 1.25 cents by 9 March 2026)	40,000,000
Employee Options, service based vesting conditions	
(exercisable at 1.25 cents by 29 April 2026)	15,300,000
Employee Options, service based vesting conditions	
(exercisable at 1.54 cents by 15 June 2026)	30,000,000
Employee Options, service based vesting conditions	
(exercisable at 1.52 cents by 30 August 2026)	25,000,000
Unlisted Options – Broker	
(exercisable at 2.00 cents by 28 February 2025)	5,000,000

No shares were issued as a result of the exercise of an Option during the year.

The holders of Options do not have the right, by virtue of the option, to participate in any share issue, dividend or voting of members of the Company.

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.

Indemnity and Insurance of Auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

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.

Non-Audit Services

RSM Australia Partners provided non-audit services during the financial year with the provision of Option Valuation advice relating to Director options granted.

The board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the audit committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the imposed by the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the audit committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, RSM, and its network firms for audit and non-audit services provided during the year are set out in Note 7 of the Financial Statements.

Auditor's Independence Declaration

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

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the *Corporations Act 2001.*

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

Chairman	Ian McCubbing
Dated this	28th day of September 2023

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Rimfire Pacific Mining Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

R J MORILLO MALDONADO
Partner

Dated: 28 September 2023
Melbourne, Victoria

Financial Statements

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NOTES TO THE FINANCIAL STATEMENTS

Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2023

	Note	Consolidated Entity	
		30 Jun 2023	30 Jun 2022
		$	$
Other income	4	838,695	304,988
Expenses:			
Employee benefits expense		(422,053)	(470,581)
Non-executive directors' fees		(136,822)	(167,536)
Professional costs		(260,753)	(181,010)
Occupancy costs		(30,943)	(9,523)
Marketing expense		(57,046)	(42,476)
Depreciation		(29,527)	(56,269)
Insurance		(51,027)	(23,888)
Share-based payment expense		(333,271)	(71,895)
Share registry and listing expenses		(132,668)	(64,282)
Other administration expenses		(198,918)	(130,482)
Loss before income tax	5	(814,333)	(912,954)
Income tax benefit	6	-	-
Loss after income tax		(814,333)	(912,954)
Other comprehensive income		-	-
Total comprehensive loss for the year		(814,333)	(912,954)

Loss per share for the year attributable to the members of Rimfire Pacific Mining Limited			
Basic loss per share (cents per share)	8	(0.04)	(0.05)
Diluted loss per share (cents per share)	8	(0.04)	(0.05)

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 2023

	Note	Consolidated Entity 30 Jun 2023 $	30 Jun 2022 $
CURRENT ASSETS			
Cash and cash equivalents	9	377,231	271,511
Trade and other receivables	10	72,741	78,115
Financial asset	11	77,275	325,353
Prepayments		12,920	14,802
TOTAL CURRENT ASSETS		540,167	689,781
NON-CURRENT ASSETS			
Trade and other receivables	10	155,000	160,000
Property, plant and equipment	12	314,761	361,873
Exploration and evaluation costs	13	15,949,760	15,065,837
TOTAL NON-CURRENT ASSETS		16,419,521	15,587,710
TOTAL ASSETS		16,959,689	16,277,491
CURRENT LIABILITIES			
Trade and other payables	14	500,864	149,480
Employee benefits	16	57,053	50,184
Contract liability	15	41,550	390,901
TOTAL CURRENT LIABILITIES		599,467	590,565
NON-CURRENT LIABILITIES			
Employee benefits	16	19,787	11,670
TOTAL NON-CURRENT LIABILITIES		19,787	11,670
TOTAL LIABILITIES		619,254	602,235
NET ASSETS		16,340,434	15,675,256
EQUITY			
Issued Capital	17	36,294,888	35,156,698
Reserves	17	425,564	84,243
Accumulated losses		(20,380,018)	(19,565,685)
TOTAL EQUITY		16,340,434	15,675,256

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 2023

Consolidated Entity	Contributed equity $	Reserves $	Accumulated losses $	Total $
Balance at 1 July 2022	35,156,698	84,243	(19,565,685)	15,675,256
Loss after income tax expense for the year	-	-	(814,333)	(814,333)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	35,156,698	84,243	(20,380,018)	14,860,923
Transaction with owners in their capacity as owners:				
Shares issued during the year	1,194,000	-	-	1,194,000
Share-based payment	-	341,321	-	341,321
Transaction costs related to share issues	(55,810)	-	-	(55,810)
Balance at 30 June 2023	**36,294,888**	**425,564**	**(20,380,018)**	**16,340,434**

Balance at 1 July 2021	**35,156,698**	**12,348**	**(18,652,731)**	**16,516,315**
Loss after income tax expense for the year	-	-	(912,954)	(912,954)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	35,156,698	12,348	(19,565,685)	15,603,361
Transaction with owners in their capacity as owners:				
Share-based payment	-	71,895	-	71,895
Balance at 30 June 2022	**35,156,698**	**84,243**	**(19,565,685)**	**15,675,256**

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 2023

	Note	Consolidated Entity 30 Jun 2023 $	Consolidated Entity 30 Jun 2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,164,490)	(1,285,432)
Receipts from administration fee charged to GPR Earn-in		919,070	330,000
Interest received		3,176	111
Government grants and tax incentives		88,850	-
Interest on lease liability		-	(154)
Net cash used in operating activities		(153,394)	(955,475)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for mining tenement exploration		(2,860,991)	(2,125,266)
Proceeds from reimbursement of GPR Earn-in exploration expenditure		1,975,614	1,796,306
Purchase of property, plant and equipment		(1,749)	(1,990)
Net cash used in investing activities		(887,126)	(330,950)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,194,000	-
Transaction costs associated with share issues		(47,760)	-
Repayment of lease liability		-	(9,535)
Net cash provided by/(used in) financing activities		1,146,240	(9,535)
Net Increase in cash held		105,720	(1,295,960)
Cash and cash equivalents at beginning of the year		271,511	1,567,471
Cash and cash equivalents at end of the year		377,231	271,511

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

Notes to the Financial Statements

Note 1 General Information

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

Rimfire Pacific Mining Limited is a listed public company limited by shares, incorporated and registered in Australia. Its registered office and principal place of business are detailed on page 62.

Note 2 Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and are effective for the current financial reporting period, being the year end 30 June 2023.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Restatement of comparatives

There can be a restatement of comparatives through either a correction of error, a change in accounting policy or a reclassification.

Parent Entity Information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 19.

Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Rimfire Pacific Mining Limited (company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Rimfire Pacific Mining Limited 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.

Operating segments

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 Limited does not have any separately reportable segments.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Rimfire Pacific Mining Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Consolidated entity incurred a loss of $814,333 and had net cash outflows from operating activities of $153,394 for the year ended 30 June 2023. As at that date, the Consolidated entity current liabilities exceeded its current assets by $59,300. These factors indicate a material uncertainty which may cast significant doubt as to whether the Consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors have reviewed the cash flow forecast and conclude that the Consolidated entity will be able to pay its debts as and when they become due and payable for a minimum of 12 months from the signing date of the financial statements. The cash flow forecast reviewed by the directors considers the following matters:

- As mentioned in Note 27 to the financial statements, in August 2023 the Company raised $0.8m (before costs) to fund the consolidated entity's 100% owned projects;
- The Directors are considering a number of external funding alternatives such as a farm-out of exploration commitments and raising of additional equity funds. The Company has a history of successfully undertaking capital raisings during the last 15 years (including most recent raising of $0.8m in August 2023); and
- The consolidated entity has the ability to defer or reduce operating activities / expenses and exploration expenditure if necessary, whilst meeting minimum tenement expenditure commitments.

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

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

Revenue recognition

The consolidated entity recognises revenue as follows:

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Government grants

The Consolidated entity recognises stimulus package from the Australian Taxation Office ("ATO") and from other government entities as government grants when there is reasonable assurance that the entity will comply with the conditions attached to them, and the grant will be received. The amount is recognised as other income in profit or loss.

All revenue is stated net of the amount of goods and services tax (GST).

Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Rimfire Pacific Mining Limited and its wholly-owned Australian subsidiaries have not formed an income tax Consolidated group under the tax consolidation regime.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

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 stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a reducing balance basis to write off the net cost of each item of plant and equipment over its expected useful life commencing from the time the asset is ready for use. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

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	20%

Exploration Evaluation and Development Expenditure

Exploration and evaluation expenditure incurred is capitalised at cost and includes acquisition of rights to explore, studies, exploratory drilling, sampling and associated activities. Costs are accumulated in respect of each identifiable area of interest. General and administrative expenditures are only included in the measurement of exploration and evaluation costs where they relate directly to operational activities' particular area of interest.

These costs are only carried forward where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

- (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
- (b) exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

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 are reclassified to development and 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.

Restoration, Rehabilitation, and Environmental Costs

The Company has provided an environmental bond to the NSW Department of Planning and Environment in the form of direct deposits of bonds with the NSW Department of Planning and Environment, included in trade and other receivables ($211,900). The ultimate recoupment of this environmental bond is dependent on the completion, to the satisfaction of the Department of rehabilitation of the relevant site. The environmental bond reflects the estimated cost to rehabilitate planned exploration activity over the tenements. The Company policy is to continuously rehabilitate areas that have been affected by exploration activity when the activity has been completed.

Impairment of non-financial 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 Profit or Loss. 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.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Consolidated entity expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Profit or Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

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 employees 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 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.

Issued capital

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.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Rimfire Pacific Mining Limited, 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

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.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Financial Assets and Liabilities

Recognition

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and new impairment model for financial assets.

Financial Assets and Liabilities

Financial assets and financial liabilities are recognised when the Consolidated entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Fair Value Hierarchy

The Consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three-level hierarchy, based on the lowest level 1 input that is significant to the entire fair value measurement, being:

Level 1 Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3. The Consolidated entity would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Consolidated entity recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

Derecognition

The Consolidated entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Consolidated entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Consolidated entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Consolidated entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Consolidated entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in equity instrument which the Consolidated entity has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

The Consolidated entity derecognises financial liabilities when, and only when, the Consolidated entity's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and or loss.

Impairment

The Consolidated entity recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost or at fair value through other comprehensive income (FVTOCI). The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Consolidated entity always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Consolidated entity's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Consolidated entity recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Consolidated entity measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity has assessed the impact of these new or amended Accounting Standards and Interpretations is not material to the financial statements.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to Note 17c for further information.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

It is reasonably possible that the underlying metal price assumption may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of mining plant and equipment, mining infrastructure and mining development assets. Furthermore, the expected future cash flows used to determine the value-in-use of these assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as metal spot prices, discount rates, estimates of costs to produce reserves and future capital expenditure.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision

As discussed in Note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. Other Income

	Consolidated Entity 2023 $	2022 $
OTHER INCOME		
Administation fee	-	300,000
Waiver fee	781,818	-
Extension fee	50,000	-
Interest	3,176	111
Sundry Income	3,700	4,877
TOTAL OTHER INCOME	838,695	304,988

The Waiver fee income represents the corporate payments made during the period by GPR under the terms of the Fifield Binding Heads of Agreement which imposed additional funding obligations on GPR and gave GPR the right to earn an additional 9.9% interest in the Fifield Project (taking GPR's total potential interest to 60%), which has now been terminated and all future exploration activities plus GPR's ongoing funding obligations will continue under the terms of the original Fifield Project Earn In Agreement. The payments made for the Waiver fee are non-refundable.

Note 5. Loss for the Financial Year

The net loss for the financial year has been arrived at after charging the following:	Consolidated Entity 2023 $	2022 $
EXPENSES		
Superannuation	45,339	45,483
Marketing expense	57,046	42,476
Non-executive directors' fees	136,822	167,536
Legal and Professional Services costs	211,665	-
Interest of lease liabilities	-	154
Depreciation	29,527	56,269

Considerable legal and professional services costs were incurred by the Company during the period relating to the Section 249d notices and other legal matters raised by entities associated with Mr Anton Billis, the GPR ownership dispute, and legal and financial work undertaken due to matters and queries raised by Mr Misha Collins, a former Director of the Company totaling circa $200,000.

Note 6. Income Tax Expense

The prima facie tax/(benefit) on loss before tax is reconciled to the income tax as follows:	Consolidated Entity 2023 $	2022 $
Prima facie tax/(benefit) on loss before tax at 25% (2022: 25%)	(203,583)	(228,239)
Add: Tax effect of:		
- non-allowable items	-	-
- net current year tax losses not recognised, temporary differences and deductible exploration expenditure.	443,611	233,707
	240,028	5,469
Less: Tax effect of:		
- Research and Development tax offset income	-	-
- capitalised share placement costs	-	(5,469)
Income tax benefit/(expense) attributable to loss	240,028	-
The deferred tax asset arising from tax losses has not been recognised as an asset because recovery is not probable:		
Tax losses carried forward	6,520,474	6,416,031
Temporary differences – exploration costs	(3,987,440)	(3,766,459)
Temporary differences – other	169,458	160,998
Net Deferred tax asset not recognised	2,702,492	2,810,570

Potential deferred tax assets attributable to tax losses carried forward and temporary differences have not been brought to account because Directors do not believe realisation of the deferred tax assets is 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 realised;

(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.

Note 7. Auditor's Remuneration

Remuneration of the auditor for:	Consolidated Entity 2023 $	2022 $
- auditing or reviewing the financial reports	73,272	37,732
- other services	3,500	6,020
	76,772	43,752

Note 8. Earnings per Share

Reconciliation of Earnings to Loss	Consolidated Entity 2023 $	2022 $
Loss used in the calculation of basic EPS	(814,333)	(912,954)
Loss used in the calculation of dilutive EPS	(814,333)	(912,954)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	1,865,703,525	1,806,244,735
Potential ordinary shares	-	-
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	1,865,703,525	1,806,244,735
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.	-	-
Ordinary shares issued between reporting date and time of completion of the financial report	-	-
Basic loss per share (cents per share)	(0.04)	(0.05)
Diluted loss per share (cents per share)	(0.04)	(0.05)

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Note 9. Cash and Cash Equivalents

	Consolidated Entity 2023 $	2022 $
Cash at bank and on hand	377,231	271,511
Short term deposits	-	-
	377,231	271,511
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	377,231	271,511
Term deposits with maturity of 3 months or less	-	-
	377,231	271,511

Refer to note 26 for risk exposure for cash and cash equivalents.

Note 10. Trade and Other Receivables

OTHER RECEIVABLES	Consolidated Entity 2023 $	Consolidated Entity 2022 $
CURRENT		
Security deposits & other current assets	72,514	77,888
Other receivables	227	227
	72,741	78,115
NON-CURRENT		
Security deposits	155,000	160,000

Refer to Note 26 for the risk exposure analysis for receivables.

At the reporting date, no receivables were past due or impaired.

Security deposits of $211,900 relating to deposits on the exploration licences are held directly with the NSW Department of Planning and Environment.

Note 11. Financial Asset

CURRENT	Consolidated Entity 2023 $	Consolidated Entity 2022 $
Fifield Earn-In Account	69,203	165,065
Avondale Earn-In Account	8,072	160,288
	77,275	325,353

Under the GPR Earn-In arrangements, forecast exploration expenditure is paid through a cash call notice process and is paid into a separate account to Rimfire's operating account for the payment of exploration expenditure incurred by the relevant Earn-in Area as it occurs.

The carrying amount of financial asset is assumed to be a good approximation of its fair value due to it being planned to be expended on exploration activity in the short term.

Note 12. Property, Plant and Equipment

	Consolidated Entity 2023 $	Consolidated Entity 2022 $
LAND		
Freehold land		
At cost	226,834	226,834
TOTAL LAND	226,834	226,834
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	375,958	375,958
Accumulated depreciation	(309,617)	(292,000)
	66,341	83,957
Motor vehicle		
At cost	37,182	79,517
Accumulated depreciation	(15,596)	(29,840)
	21,586	49,677
Office furniture		
At cost	66,157	103,677
Accumulated depreciation	(66,157)	(102,272)
	-	1,405
Leasehold improvements		
At cost	420	420
Accumulated depreciation	(420)	(420)
	-	-
TOTAL PLANT AND EQUIPMENT	87,927	135,039
Right of Use Asset		
At cost	-	-
Accumulated depreciation	-	-
	-	-
TOTAL PROPERTY, PLANT AND EQUIPMENT	314,761	361,873

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.

2023 Consolidated Entity:	**Freehold Land** **$**	**Motor Vehicles** **$**	**Plant and Equipment** **$**	**Office Furniture** **$**	**Right of use asset** **$**	**Leasehold Improvements** **$**	**TOTAL** **$**
Balance at the beginning of year	226,834	49,677	83,957	1,405	-	-	361,873
Additions	-	1,099	-	652	-	-	1,751
Disposals	-	(18,776)	(324)	(236)	-	-	(19,336)
Depreciation expense	-	(10,414)	(17,292)	(1,821)	-	-	(29,527)
Depreciation capitalised	-	-	-	-	-	-	-
Carrying amount at the end of year	226,834	21,586	66,341	-	-	-	314,761
2022 Consolidated Entity:							
Balance at the beginning of year	226,834	61,141	117,224	2,290	9,752	-	417,241
Additions	-	-	900	-	-	-	900
Disposals	-	-	-	-	-	-	-
Depreciation expense	-	(11,464)	(34,167)	(885)	(9,752)	-	(56,268)
Depreciation capitalised	-	-	-	-	-	-	-
Carrying amount at the end of year	226,834	49,677	83,957	1,405	-	-	361,873

Note 13 Exploration & Evaluation Assets

NON-CURRENT	2022 $	2021 $
Exploration Expenditure		
Costs carried forward in respect of areas of interest in:		
– exploration and evaluation phases	15,949,760	15,065,837

Opening balance	15,065,837	14,623,370
Additional expenditure	2,821,773	2,027,716
NSW Drilling Grant	(88,500)	-
Reimbursed exploration expenditure	(1,849,350)	(1,585,249)
Closing balance	15,949,760	15,065,837

Note 14. Trade and Other Payables

	Consolidated Entity	
CURRENT	2023 $	2022 $
Trade creditors	349,757	61,626
Sundry creditors and accrued expenses	159,183	94,270
GST Collected	(8,076)	(6,416)
	500,864	149,480

Note 15. Contract Liability

	Consolidated Entity	
	2023 $	2022 $
Amounts related to Golden Plains Resources Earn-In Agreements	41,550	390,901
Total Contract Liabilities	41,550	390,901

The contract liability is the sum of contributions made by GPR to the respective Earn-In accounts less amounts expended on exploration and evaluation expenditure.

Note 16. Employee Benefits

	Consolidated Entity	
CURRENT	2023 $	2022 $
Employee benefits	57,053	50,184
NON-CURRENT		
Employee benefits	19,787	11,670

Note 17 Issued Capital

	Consolidated Entity 2023 $	Consolidated Entity 2022 $
2,005,244,731 (2022: 1,806,244,735) fully paid ordinary shares	36,294,888	35,156,698
	36,294,888	35,156,698

Ordinary shares

At the beginning of the reporting period	35,156,698	35,156,698
Shares issued during the year	1,194,000	-
Transaction costs relating to share issues	(55,810)	-
At reporting date	36,294,888	35,156,698

	2023 No.	2022 No.
At the beginning of reporting period	1,806,244,734	1,806,244,734
Shares issued during year		
Total shares issued during the year	198,999,997	-
At reporting date	2,005,244,731	1,806,244,734

Reserves	Consolidated Entity 2023 $	Consolidated Entity 2022 $
Share based payments	425,564	84,243

b. Capital Management

Management controls the capital of the Consolidated entity in order to ensure that the Consolidated entity 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 is not subject to any externally imposed capital requirements.

c. Share based payments & options

Grant date	Expiry date	Exercise price	Balance at start of the year	Granted	Exercised	Expired/ Forfeited/ Other *	Balance at 30 June 2023
30 April 2019	Various*	Various*	5,000,000	-	-	-	5,000,000
9 March 2022	Various*	Various*	40,000,000	-	-	-	40,000,000
29 April 2022	Various*	Various*	15,300,000	-	-	-	15,300,000
30 August 2022	Various*	Various*	-	30,000,000	-	-	30,000,000
30 August 2022	Various*	Various*	-	25,000,000	-	-	25,000,000
28 February 2023	Various*	Various*	-	5,000,000	-	-	5,000,000
Total			60,300,000	60,000,000	-	-	120,300,000

* Various Tranches granted during FY2019, FY2022 and FY2023, vesting conditions, exercise prices and volume of remaining tranche available at balance date detailed in the next table.

The fair value of the Options is estimated at the date of grant using the Black-Scholes model, taking into account the terms and conditions upon which the Options were granted.

During the Financial Period 60,000,000 Options were granted to:

Options	No.
Employee Options, service based vesting conditions (exercisable at 1.54 cents by 15 June 2026)	30,000,000
Employee Options, service based vesting conditions (exercisable at 1.52 cents by 30 August 2026)	25,000,000
Unlisted Options – Broker (exercisable at 2.00 cents by 28 February 2025)	5,000,000

As at 30 June 2023 the breakdown of unlisted Options remaining at balance date are listed below:

Unlisted Options	No.
Employee Options, performance based vesting conditions (exercisable at 1.10 cents by 31 December 2023)	5,000,000
Employee Options, service based vesting conditions (exercisable at 1.25 cents by 9 March 2026)	40,000,000
Employee Options, service based vesting conditions (exercisable at 1.25 cents by 29 April 2026)	15,300,000
Employee Options, service based vesting conditions (exercisable at 1.54 cents by 15 June 2026)	30,000,000
Employee Options, service based vesting conditions (exercisable at 1.52 cents by 30 August 2026)	25,000,000
Unlisted Options – Broker (exercisable at 2.00 cents by 28 February 2025)	5,000,000

No shares were issued as a result of the exercise of an Option during the year.

The holders of Options do not have the right, by virtue of the option, to participate in any share issue, dividend or voting of members of the Company.

Note 18. Controlled Subsidiaries

	Country of Incorporation	Percentage Owned (%) 2023	2022
Parent Entity Rimfire Pacific Mining Limited			
Subsidiaries of Rimfire Pacific Mining Limited			
Axis Mining NL	Australia	100	100
Rimfire Sales Agent Fifield Project Pty Ltd	Australia	100	100
Rimfire Sales Agent Avondale Project Pty Ltd	Australia	100	100

Note 19 Parent Entity Information

	2023 $	2022 $
Current assets	540,168	689,781
Total assets	16,959,412	16,277,264
Current liabilities	597,965	589,065
Total liabilities	617,752	600,735
Issued capital	36,294,888	35,156,698
Reserves	425,564	84,243
Accumulated losses	(20,378,792)	(19,564,412)
Total equity	16,341,660	15,576,529
Loss of the parent entity	(814,333)	(912,954)
Comprehensive loss of the parent entity	(814,333)	(912,954)

Parent Entity Commitments:
All capital and operating commitments of the group have been entered into by the Parent Entity. Refer to Note 20 for these commitments. The accounting policies of the parent entity are consistent with those of the Consolidated entity, as disclosed in Note 2.

Note 20 Capital and Leasing Commitments

Operating Lease Commitments Office & Other Premises	**Consolidated Entity** **2023** **$**	 **2022** **$**
Payable		
- not later than 1 year	-	9,227
- later than 1 year but not later than 5 years	-	-
	-	9,227

Capital Expenditure Commitments
The Consolidated entity is committed to capital expenditure on its various mining tenements and leases as follows:

	2023 **$**	**2022** **$**
Payable		
- not later than 1 year	435,990	267,640
- later than 1 year but not later than 5 years	543,369	924,015
	979,359	1,191,655

Note 21 Contingent Liabilities and Contingent Assets

There are no contingent liabilities or contingent assets at 30 June 2023 (30 June 2022: Nil).

Note 22 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 23 Key Management Personnel Disclosures

a. Details of Directors and Key Management Personnel

Directors

The follows persons were Directors of Rimfire Pacific Mining Limited during the financial year:

Ian McCubbing (Non-Executive Chairman)

David Hutton (Managing Director and Chief Executive Officer)

Andrew Knox (Non-Executive Director)

Misha Collins (Non-independent, Non-Executive Director), ceased with Company on 2 June 2023,

Greg Keane appointed as Alternate Director on 17 August 2022.

b. Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's key management personnel for the year ended 30 June 2023. The totals of remuneration paid to Key Management Personnel of the company during the year are as follows:

	2023 $	2022 $
Short-term employee benefits	481,444	442,693
Post-employment benefits	42,735	62,324
Long-term benefits	6,864	(2,883)
Share-based payments	243,620	(9,123)
TOTAL	774,663	493,010

Note 24 Related Party Details

	2023 $	2022 $
Office Rent	5,280	-

In the current period, the Company incurred an expense of $5,280 (2022: $nil) for office rent provided by Terrace Minerals Pty Ltd, a director related entity of Mr David Hutton. The rent provided was based on commercial market terms and conditions.

Note 25 Cash Flow Information

a. Reconciliation of Cash Flow from Operations with Loss after Income Tax

	Consolidated Entity	
	2023 $	2022 $
Loss after income tax	(814,333)	(912,954)
Non-cash flows in loss		
Depreciation	29,527	56,269
Loss on disposal of PPE	19,639	-
Expense of share-based payment	333,271	71,895
Changes in assets and liabilities relating to operations		
(Increase)/decrease in prepayments	1,882	(11,587)
(Increase)/decrease in other receivables	10,374	142,597
Increase/(decrease) in trade creditors and accruals	251,262	(261,287)
Increase/(decrease) in provisions	14,986	(40,408
Cash flows used in operations	(153,394)	(955,475)

b. Non-cash Investing Activities

There were no non-cash investing activities carried out during the year.

Note 26 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 26(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 assets

Financial assets	**Note**	**Category**	**Carrying value 2022 $**	**Carrying value 2021 $**
Cash & cash equivalents	9	Cash and other financial assets	377,231	271,511
Trade and other receivables	10	Trade and other receivables at amortised cost	227,741	238,115
Financial liabilities				
Trade and other payables	14	Financial liabilities measured at amortised cost	500,862	149,480

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 $		Within One Year $		Within One to Two Years $		Fixed Interest Rate Maturing Non-interest Bearing $		Total $	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Financial Assets										
Cash	376,731	271,011	-	-	-	-	500	500	377,231	271,511
Receivables	155,000	160,000	-	-	-	-	72,741	78,115	78,115	238,115
Total Financial Assets	531,731	431,011	-	-	-	-	73,241	78,615	78,615	509,626
Financial Liabilities										
Trade and sundry creditors	-	-	-	-	-	-	500,862	149,480	500,862	149,480
Lease liabilities	-	-	-	-	-	-		-		-
Total Financial Liabilities	-	-	-	-	-	-	500,862	149,480	500,862	149,480
Net inflow/(outflow) on financial assets	531,731	431,011	-	-	-	-	(427,621)	(70,865)	104,110	360,146

c. Net Fair Values

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

d. Sensitivity Analysis

The Consolidated entity 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, 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	
Change in loss after tax	2023 $	2022 $
- Increase in interest rate by 0.5%	3,617	5,624
- Decrease in interest rate by 0.5%	(3,617)	(5,624)
Change in equity		
- Increase in interest rate by 0.5%	3,617	5,624
- Decrease in interest rate by 0.5%	(3,617)	(5,624)

The above changes are based on the effect of an interest rate change in relation to funds held in deposit with financial institutions. A change in 0.5% of the interest rate is deemed reasonable by management due to the current financial environment of interest rates.

Note 27 Events Occurring after the Reporting Period

In July 2023, Rimfire was awarded exploration credits of $500,000 under the Federal Government's Junior Minerals Exploration Incentive (JMEI) program for distribution during the 2023 / 2024 Financial Year to eligible shareholders.

During August 2023, Rimfire raised $0.8 million through a share placement pursuant to Section 708 of the *Corporations Act* (Cth). The placement comprised the issue of a total of 100,000,000 fully paid ordinary shares at an issue price of $0.008 (0.8 cents) per share, raising $0.8M, to sophisticated investors eligible under section 708 of the *Corporations Act* (Cth). The issue price represented a 26% premium to the 5 - trading day VWAP to 28 July 2023. In addition,100,000,000 free attaching unlisted options were issued on a one (1) for one (1) basis for every new share subscribed for and issued under the placement with an exercise price of $0.02 (2 cents) each, and an expiry date of 28 February 2025.

In September 2023, Rimfire announced the 100% acquisition of the Porters Mount Project which adjoins Rimfire's 100% owned Cowal Copper Gold Project, which increases the size of the Cowal project 450km2 and enhances the Cowal Project further with areas of mineralized anomalies and further features that require follow up.

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.

Note 28 Unissued shares under option

Unlisted Options	No.
Employee Options, performance based vesting conditions (exercisable at 1.10 cents by 31 December 2023)	5,000,000
Employee Options, service based vesting conditions (exercisable at 1.25 cents by 9 March 2026)	40,000,000
Employee Options, service based vesting conditions (exercisable at 1.25 cents by 29 April 2026)	15,300,000
Employee Options, service based vesting conditions (exercisable at 1.54 cents by 15 June 2026)	30,000,000
Employee Options, service based vesting conditions (exercisable at 1.52 cents by 30 August 2026)	25,000,000
Unlisted Options – Broker (exercisable at 2.00 cents by 28 February 2025)	5,000,000

Note 29 Company Details

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

Rimfire Pacific Mining Limited
St Kilda Rd Towers
Suite 142, 1 Queens Road
Melbourne VIC 3004

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 2 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 2023 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

Chairman

Ian McCubbing

Dated this 28th day of September 2023

RSM Australia Partners

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

Opinion

We have audited the financial report of Rimfire Pacific Mining Limited ('the Company') and its controlled entity (together referred as 'the Consolidated entity'), which comprises the consolidated statement of financial position as at 30 June 2023, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Consolidated entity 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 2023 and of its financial performance for the year then ended; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Consolidated entity incurred a loss of $814,333 and had net cash outflows from operating activities of $153,394 for the year ended 30 June 2023. Also, as at that date Consolidated entity current liabilities exceeded its current assets by $59,300. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying Value of Exploration and evaluation costs Refer to Note 13 in the financial statements	
As at 30 June 2023 the carrying value of the Consolidated entity's Exploration and evaluation asset amounted to $16m, which represented 94% of the total assets of the Consolidated entity as at that date. We determined this to be a Key Audit Matter due to the significance of this asset in the statement of financial position and significant management estimates and judgments involved in assessing the carrying value in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources,* including: • Determination of whether expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest. • Assessing whether any indicators of impairment are present. • Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be determined, and if so whether the carrying value is likely to be recouped, through either sale, or successful development.	Our audit procedures in relation to the carrying value of Exploration and evaluation costs included: • Corroborating that the right to tenure of the areas of interest were current; • Assessing and evaluating management's assessment that no indicators of impairment existed; • Agreeing a sample of the additions to capitalised exploration expenditure during the year to supporting documentation, and ensuring that the amounts were capital in nature; and • Discussing with management and reviewing Rimfire's ASX announcements and other relevant documentation, to assess management's determination that exploration activities have not yet progressed to the point where the existence or otherwise of an economically recoverable mineral resource may be determined.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2023; but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 preparing the financial report, the directors are responsible for assessing the ability of the Consolidated entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance; but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 28 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Rimfire Pacific Mining Limited for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

RSM

Report on the Remuneration Report (continued)

Responsibilities

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.

RSM AUSTRALIA PARTNERS

R J MORILLO MALDONADO
Partner

Dated: 28 September 2023
Melbourne, Victoria

Land Tenure

Schedule of Exploration Licences and Mining Licences as at 30 June 2023

All Licences are held in Rimfire's name and all are located in NSW.

Project Name	Tenement	Grant Date	Current Area (units / Ha)	Expiry Date	Mineral Focus
The Valley RIM 100%	EL8542	23/3/2017	5	23/03/2026	Porphry Copper / Gold
	EL8401	22/10/2015	2	22/10/2024	Porphry Copper / Gold
Cowal RIM 100%	EL8804	31/10/2018	44	31/10/2024	Copper / Gold
	EL8805	31/10/2018	39	31/10/2024	Copper / Gold
	EL9397	22/4/2022	91	22/4/2025	Copper / Gold
Broken Hill Cobalt RIM 100%	EL5958	24/6/2002	27	24/6/2025	Cobalt / Other Critical Minerals
Fifield Project Earn-in GPR earning up to 50.1%	EL8935	3/2/2020	21	3/2/2026	Gold / PGEs
	M(C)L305	18/11/2004	1.9 Ha	17/11/2027	Gold / PGEs
	EL6241	17/5/2004	15	17/5/2024	Gold / PGEs
Avondale Project Earn-in GPR earning up to 75%	EL5565	24/3/1999	4	24/3/2025	Cobalt / PGEs / Nickel / Scandium
	EL7058	1/2/2008	35	1/02/2026	Cobalt / PGEs / Nickel / Scandium
	EL7959*	16/8/2012	7	16/08/2023	Cobalt / PGEs / Nickel / Scandium
	EL8401	22/10/2015	98	22/10/2024	Cobalt / PGEs / Nickel / Scandium
	EL8542	23/3/2017	27	23/03/2026	Cobalt / PGEs / Nickel / Scandium
	EL8543	27/3/2017	1	27/03/2026	Cobalt / PGEs / Nickel / Scandium
	EL8935	3/2/2020	19	3/02/2026	Cobalt / PGEs / Nickel / Scandium

**Note: EL7959 application for renewal has been submitted and is being processed by the Department of Regional NSW - Mining, Exploration and Geoscience*

Competent Persons Declaration

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

Mr Hutton has over 30 years' experience in the minerals industry and is the Managing Director and CEO of Rimfire Pacific Mining. Mr Hutton has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

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

FOR PUBLICLY LISTED COMPANIES

1. The shareholder information set out below was applicable as at 25 September 2023.

(a) Distribution of Shareholders by Class – RIM Ordinary Shares

Category (Size of Holding)	Total Holders	Fully Paid Ordinary Shares	% of Issued Capital
1 – 1,000	198	56,418	0.00%
1,001 – 5,000	156	514,094	0.02%
5,001 – 10,000	152	1,296,788	0.06%
10,001 – 100,000	850	42,334,951	2.01%
100,001 over	1,031	2,061,042,480	97.90%
Total	**2,387**	**2,105,244,731**	**100%**

(b) Marketable Parcel

The number of shareholders holding less than a marketable parcel ($500 parcel @$0.006 per share) of ordinary shares was 1,205 holding a total of 29,541,364 shares.

(c) The number of holders of each class of equity security

Class of Security	Number
Fully Paid Ordinary Shares	2,387
Unlisted Options	18

As at 25 September 2023 there were 220,300,000 unissued shares under option, with performance or service based vesting conditions held by 18 option holders All option holders hold over 100,001 unlisted options.

(d) Voting Rights

The voting rights attached to equity securities issued by the Company are set out below:

Ordinary shares

One a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Unlisted Options

There are no voting rights attached to unlisted Options.

There are no other classes of equity securities.

Rimfire Pacific Mining Limited 2023 Annual Report to Shareholders / 69

(e) 20 Largest Shareholders – RIM Ordinary Shares

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	REEF INVESTMENTS PTY LTD <TD NAIRN SUPER FUND 2A A/C>	108,333,333	5.15
2.	GOLDEN PLAINS RESOURCES PTY LTD	90,000,000	4.28
3.	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	78,813,554	3.74
4.	CITICORP NOMINEES PTY LIMITED	66,445,504	3.16
5.	ICE COLD INVESTMENTS PTY LTD	60,833,333	2.89
6.	SPECIALIST VEHICLE MANUFACTURERS PTY LTD	57,500,000	2.73
7.	RESOURCE CAPITAL LIMITED	40,000,000	1.90
8.	MR PENG WANG	38,174,603	1.81
9.	ADRIATIC PROSPECT PTY LTD	34,000,000	1.62
10.	MR ANTHONY BECK	28,577,383	1.36
11.	MR TREVOR DOUGLAS NAIRN <T D NAIRN FUND ACCOUNT>	27,126,667	1.29
12.	TRANS GLOBAL CAPITAL LTD	27,000,000	1.28
13.	MR CHOONG GUANG KOH	26,500,000	1.26
14.	SUTHERLAND FAMILY COMPANY PTY LTD <THE SWAN A/C>	25,000,000	1.19
15.	MR GRAHAM CHARLES HOPGOOD + MRS ROBYN LESLEY HOPGOOD <G & R HOPGOOD SUPER FUND A/C>	24,000,000	1.14
16.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	23,626,309	1.12
17.	JEM INVESTMENT FUND HOLDINGS PTY LTD <JEM INVEST FUND FAMILY A/C>	20,000,000	0.95
18.	B DAVID NOMINEES PTY LTD <NEVER SATISFIED S/F A/C>	19,333,336	0.92
19.	ANT NICHOLSON PTY LTD <KOO NICHOLSON FAMILY A/C>	18,000,000	0.86
20.	BASKERVILLE INVESTMENTS PTY LTD <BASKERVILLE FAMILY A/C>	17,601,180	0.84
TOTAL: TOP 20 HOLDERS OF FULLY PAID ORDINARY SHARES		**830,865,202**	**39.47**
TOTAL: REMAINING HOLDERS BALANCE		**1,274,379,529**	**60.53**

FOR PUBLICLY LISTED COMPANIES

2. **The name of the Company Secretary is Stefan Ross.**
3. **The address and telephone number of the registered office and principal administrative office is:**

   Suite 142, 1 Queens Road

   Melbourne VIC 3004

   Telephone: 03 9620 5866

   Website: www.rimfire.com.au

4. **The register of securities is held at the following address:**

   Computershare Registry Services
   Yarra Falls
   452 Johnston St
   Abbotsford VIC 3067
   Telephone: 1300 850 505 (within Australia)
   Overseas: + 61 3 9415 5000

5. **Stock Exchange Listing**

   The Company's ordinary shares are listed on the Australia Securities Exchange. The Home exchange is Melbourne (ASX Code: Shares: RIM).

6. **Restricted Securities**

   There are no restricted securities or security subject to voluntary escrow on issue as at 25 September 2023.

7. **Share Buy-Back**

   There is no current on-market share buy-back.

8. **Substantial Holders**

   Substantial holders in the Company, as disclosed in substantial holding notices given to the Company, are set out below:

   - Anthony Billis and the persons listed in the Annexure (Group), contained in the substantial shareholder notice given to the Company on 1 March 2023 – 228,000,000 shares
   - Reef Investment Pty Ltd as trustee for The Nairn Family Trust and each of the entities listed in item 4, contained in the substantial shareholder notice given to the Company on 11 August 2023 – 149,177,486 shares.

9. **Corporate Governance**

   The Company's 2023 Corporate Governance Statement is available on the Company's website at: https://www.rimfire.com.au/site/corporate/corporate-governance

10. **Annual General Meeting**

    Rimfire Pacific Mining Limited advises that its Annual General Meeting will be held on 20 November 2023. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all shareholders and released to ASX in due course. In accordance with the ASX Listing Rules and the Company's Constitution, the closing date for receipt of nominations for the position of Director are required to be lodged at the registered office of the Company by 5.00pm (AEDT) on 6 October 2023.

Corporate Directory

Directors:	Ian McCubbing (Chairman) David Hutton (Managing Director & CEO) Andrew Knox (Non-executive Director) Greg Keane (Alternate to Ian McCubbing)
Company Secretary:	Stefan Ross
Registered Office and Principal Place of Business:	Suite 142, 1 Queens Road Melbourne VIC 3004 +61 3 9620 5866
Auditors:	RSM Australia Pty Ltd Level 21, 55 Collins Street Melbourne VIC 3000
Lawyers of the Company:	Lennox Group Pty Ltd 8 Chapel St Cremorne VIC 3121
Share Registry:	Computershare Investor Services Pty Ltd Yarra Falls 452 Johnston St Abbotsford VIC 3067 Telephone: 1300 850 505 (within Australia) Overseas: + 61 3 9415 5000
Bankers:	Westpac Banking Corporation 114 William Street Melbourne VIC 3000
Stock Exchange Listing:	Australian Securities Exchange Home Exchange – Melbourne ASX Code: RIM
Email Address:	rimfire@rimfire.com.au
Website Address:	www.rimfire.com.au

rimfire

Rimfire Pacific Mining Limited
St Kilda Rd Towers
Suite 142,
1 Queens Road
Melbourne VIC 3004

www.rimfire.com.au