RIMFIRE PACIFIC MINING NL

ANNUAL REPORT 2020

Contents

Corporate Governance Statement

The Company's 2020 Corporate Governance Statement has been released to ASX on 30 September 2020 and is available on the Company's website www.rimfire.com.au.

Dear Fellow Shareholders,

I am pleased to report that Rimfire has built a strong base for the forthcoming year which will be a very active and hopefully rewarding time.

The company is well positioned financially with the recent $2.1 million share placement, the three year $4.5 million Earn-in Agreement and the Share Purchase Plan funds that are yet to be received.

Management is executing our Dual Strategy with Mine Development and Exploration work to be undertaken in the Sorpresa Earn-in Area, and new discovery exploration work outside the Earn-In Area.

Over the next six months or so drill programs will be undertaken at Transit, Northern Gold, Rabbers and other locations in the Sorpresa Earn-in Area. In addition, work to prepare for development of the Sorpresa resource will also continue, including Environmental Impact Assessment, Mine and Process Plant Design and Geotechnical and Hydrological drilling.

Work done by Management and our consultants over the last year has continued the second leg of our strategy which is exploring for a major discovery outside the Sorpresa Earn-in Area. Our ground is within the highly prospective Lachlan Fold Belt that has attracted significant industry attention and recognition over the past year as a world class area for potential to discover large scale porphyry copper and gold mineralised systems. One of the more exciting prospects that Rimfire has identified is “The Valley” which the company plans to start drilling over the next six months.

During the past year, management also implemented our Covid-19 safe work programs, continued to reduce costs, identified better value propositions from suppliers and joined the JMEI tax credit plan.

Earlier this year, Andrew Knox was welcomed back to the Rimfire Board.

I would like to thank our management, staff and contractors for their continued hard work and professionalism over the past year. To my fellow directors, I acknowledge and appreciate your wise advice and your work which is well excess of the duties of Non-Executive directors. Lastly, I would like to thank our new and continuing shareholders for their support of the Company.

Ian McCubbing
Chairman of the Board
Dated: 30 September 2020

FIFIELD PROJECT AREA OPERATIONS

Health, Safety, Environment and Community

Health

There were no health incidents during the past year.

The Company has implemented Covid-19 preventive measures across all facets of field and office operations to ensure employees and contractors are performing duties in a manner consistent with directives from relevant State and Federal authorities. Where possible internal and external communication is being done by electronic communications such as phone or email. The Company has had no cases of Covid-19 with employees or contractors and appreciates the ongoing support and contribution of the local community, employees and contractors during this period of abnormal business practices.

At the Fifield project site the non-potable water tanks underwent routine emptying and cleaning or replacement whilst all effluent at site is routinely collected by a vacuum truck for disposal at local council sewage facilities.

Safety

There was one significant (high level) potential safety incident involving a contractor commuting on a public road during the year. There were no injuries to personnel and the company has undertaken an incident investigation to learn from the event. There are no outstanding issues relating to it. The Company again achieved a zero incident rate for Minor Injuries, Medical Treatment Injuries and Lost Time Injuries over the past year (1 July 2019 to 30 June 2020).

A vehicle mounted mobile phone repeater unit was purchased and fitted to Site Operations vehicle. This unit provides a more robust system for routine communication with landowners and capability for Rimfire to manage Emergency Response events.

Periodic fire prevention work was undertaken at site in accordance with the NSW Government Department of Environment requirements. There has also been removal of various items of contractor or company mobile and fixed equipment to further mitigate risks of surplus equipment onsite.

Environment

There were no significant environmental incidents during the past year (1 July 2019 to 30 June 2020).

Work commenced to reduce the quantity of open Complying Exploration Activities approvals (CEAs) held by the Company. CEAs are issued by the NSW Resources Regulator, Department of Regional NSW prior to the company undertaking any field activity that involves any disturbance (e.g. drilling or trenches) of the land surface. Sites that have been rehabilitated are eligible for formal closure including signoff by Landholders and field checking of all locations where work has been undertaken (Figure 1).

Community

There were no community related incidents during the past year (1 July 2019 to 30 June 2020).

A company representative also spent ½ day assisting the Tullamore Show Society in venue preparation for the Jimmy Barnes Drought Concert Fundraiser.

Figure 1: Landholder signoff of successful rehabilitation

FIFIELD PROJECT AREA OPERATIONS

Rimfire Pacific Mining is currently focused on discovery of gold (Au) and copper (Cu) within its Fifield Project Area located at Fifield, one hour drive west by bitumen road from Parkes in central NSW (Figure 2). The Company holds 915km^2 of exploration licences covering highly prospective ground within the Lachlan Fold Belt that is located near the Northparkes (CMOC 80% / Sumitomo 20%), Cowal (Evolution Mining) and Cadia Valley (Newcrest Mining) operations that produce collectively over 1 million oz of gold and 100,000 tonnes of copper annually from porphyry style copper / gold or gold only mineralised systems.

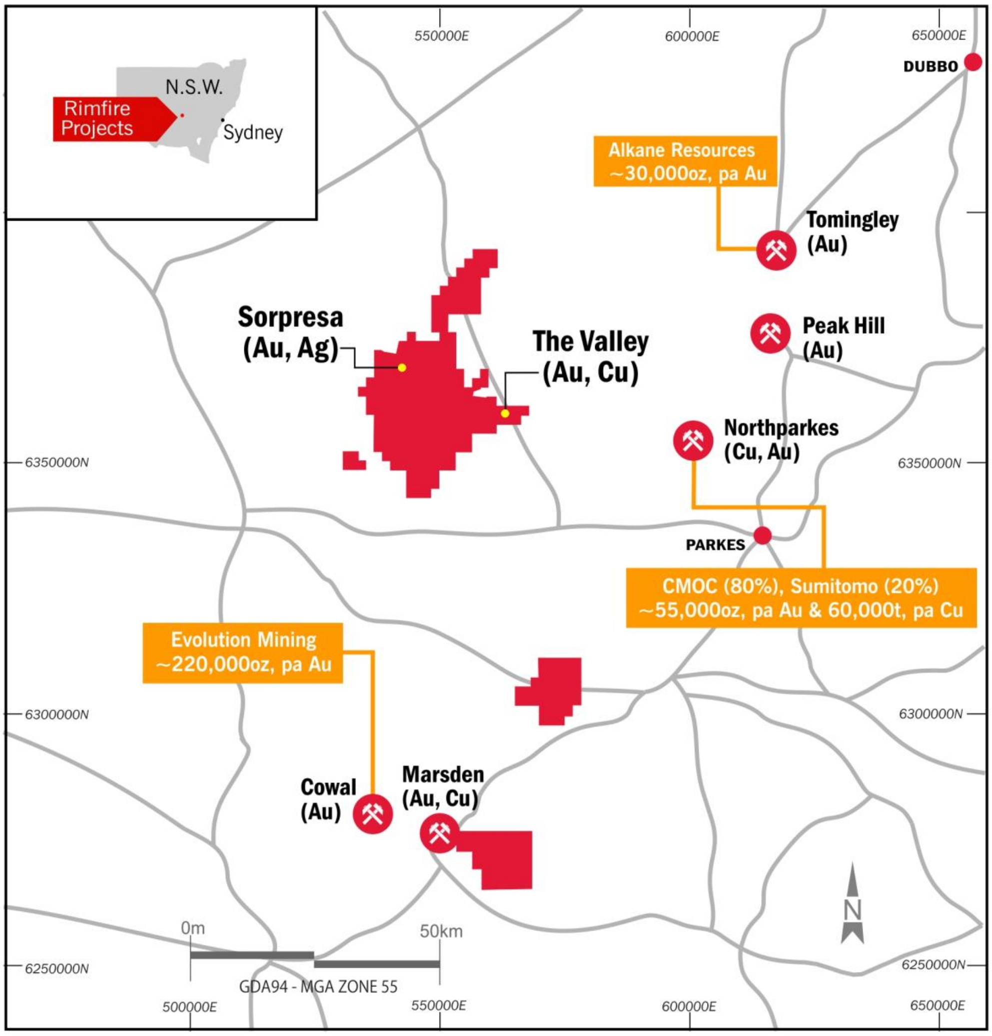

Figure 2: Location Map of Rimfire Exploration Licences in the Lachlan Fold Belt

Rimfire is pursuing a dual strategy of seeking a significant discovery within its Fifield area exploration licences and advancing the Sorpresa deposit with the goal of delivering a value accretive project. In May, the Company formally executed Subscription, Earn-in and Joint Venture Agreements with Golden Plains Resources Pty Ltd (GPR) over 103km^2 of its tenure, including the Sorpresa Gold Resource (Figure 3).

This deal is a significant step towards the company achieving its goal of monetizing Rimfires Sorpresa Discovery. Key aspects of the deal are:

- ✓ GPR will invest $1,500,000 per year for three years to earn a 50.1% interest in the Joint Venture Area. The focus of this expenditure will be to secure project development regulatory approvals and to evaluate local prospects to provide accretive growth opportunities for the Sorpresa Project;
- ✓ Following the completion of the earn-in, GPR have committed to fund the development of the Sorpresa project, including Rimfire's portion. This will ensure that the Company has a pathway for funding the development.

Rimfire retains approximately 812km^2 of exploration licences outside of the Earn-in Agreement area with significant work focusing on developing a better understanding of the geology of The Valley target that is approximately 5km west of the Kincora Copper / RareX Mordialloc porphyry copper / gold target. The Company has identified 5 Induced Polarisation (IP) features that are ready for drilling.

The aspiration for the Company within the Fifield area is to achieve an aggregate discovery outcome greater than 4 million ounces of gold equivalent metal that can support an economically viable mine life in excess of 10 years.

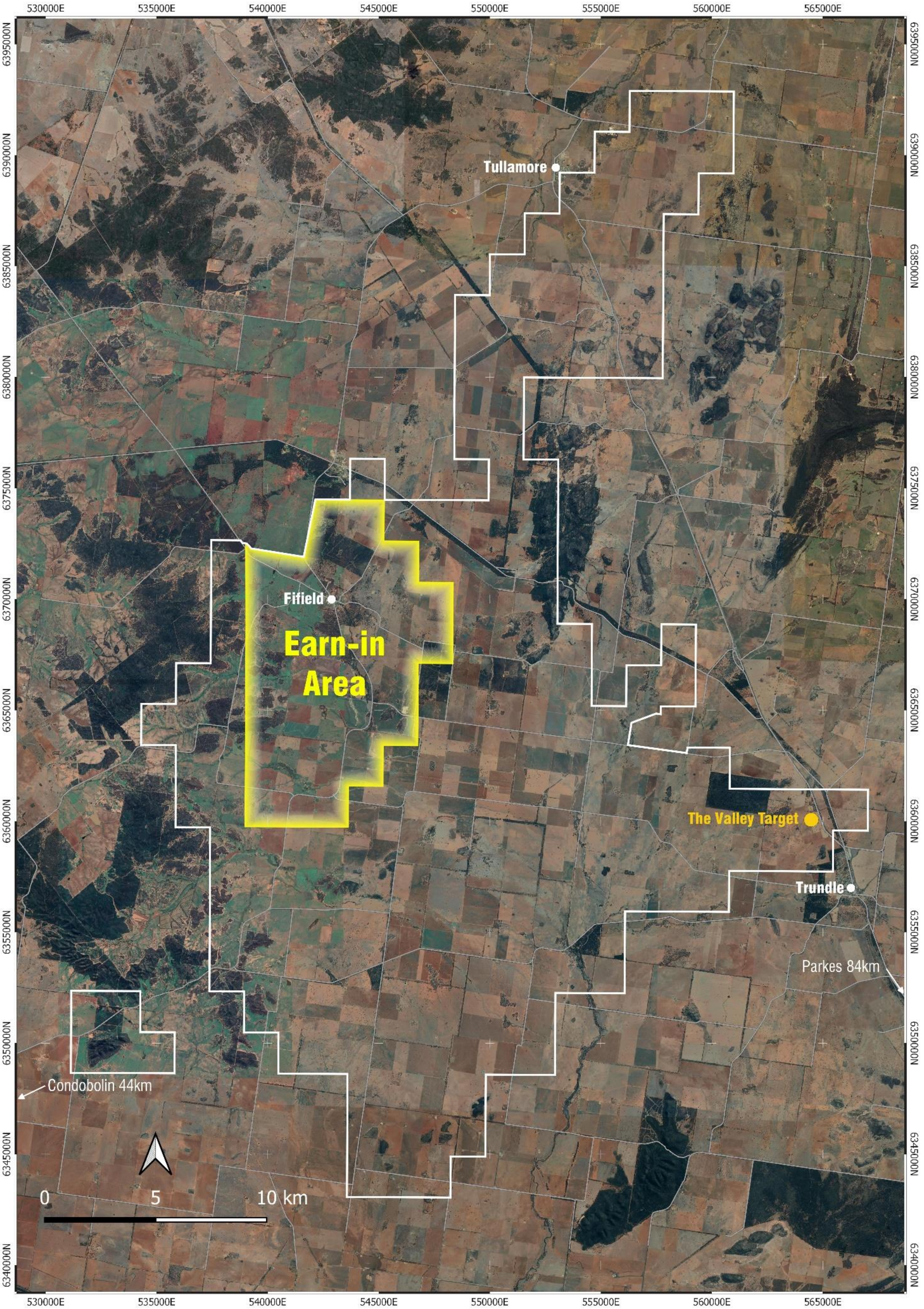

Figure 3: Location Map of Golden Plains Resources Earn-in Area in relation to surrounding Rimfire Exploration Licences.

Review of Discovery Activity

Rimfire completed two drilling programs during the past year. The Phase 1 and 2 drilling programs included two RC holes totaling 165.5m at the Northern Gold prospect and thirty six aircore holes totaling 1,423m drilled across the Northern and Southern Areas. The results from the Southern Area Phase 2 aircore drilling and bedrock sampling support the interpretation that the bedrock has an Ordovician Macquarie Arc geochemical signature. However, analysis of rock geochemistry indicates that it is likely to be from Stage II volcanism rather than the preferable Stage III and IV volcanism associated with mineralisation at Cowal (gold) and Northparkes (copper / gold).

In 2019 H&S Consultants completed an update of the Sorpresa Mineral Resource Estimate (JORC 2012).

- ✓ The new Resource Estimate is 0.92Mt @ 2.3g/t Au and 30g/t Ag for 67koz gold (Au) and 0.9Moz silver (Ag) at 1.0g/t Au cut-off grade
- ✓ The Mineral Resource within the oxidation zone of mineralisation (up to 50m below ground surface on average) is 0.47Mt @ 2.4g/t Au and 22g/t Ag for 35.5koz gold and 0.3Moz silver at 1.0g/t Au cut-off grade.
- ✓ The average resource grade for gold at 1.0g/t Au cut-off has increased for the oxide and sulphide zones from 1.96g/t Au to 2.27g/t Au (ASX Announcement: Sorpresa Resource Update 6 Nov 2019).

There was ongoing generative work undertaken during the year which included development of The Valley target for further assessment.

The Valley Cu-Au Target

The Valley target lies ~23 km ESE of Sorpresa near the township of Trundle and approximately 3 km west of the Mordialloc copper / gold prospect currently being explored by Kincora Copper (JV with RareX) where they have defined a porphyry system. The primary target is represented by a drill ready copper / gold surface anomaly where rock chip samples yield elevated copper (max >5%), from an ironstone unit which forms a semi-linear ridge that likely extends for ~3.5 km (Figure 4). Beneath and proximal to this ridge, an Induced Polarisation (IP) geophysics survey has defined a series of anomalous chargeability and resistivity zones of interest at ~100m depth. Several historical drill holes failed to reach the target depth due to technical issues. Five 150m deep RC / diamond tail drill holes are planned to test these features (Figure 5). Recent 3D modelling of magnetic data within the target area has led to the interpretation that the equivalent Ordovician unit (Goonumbla and Raggatt Volcanics) that is associated with porphyry mineralisation in neighbouring prospects/deposits such as Mordialloc, Trundle and Northparkes is likely dipping under the ironstone ridge and IP anomalies. The modelled depth of ~350m to top of this unit represents another prospective target of interest.

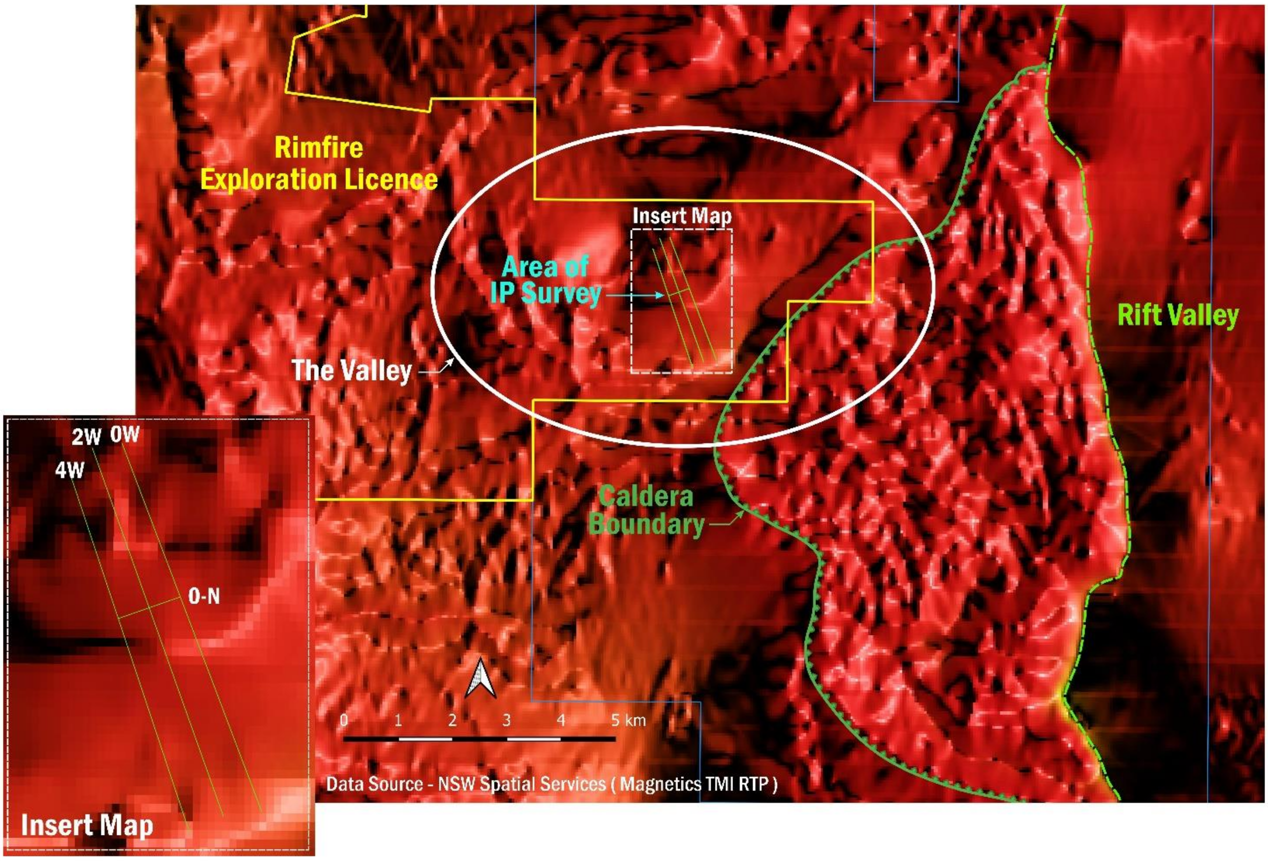

Figure 4: Location Map of The Valley target and Induced Polarisation (IP) Survey

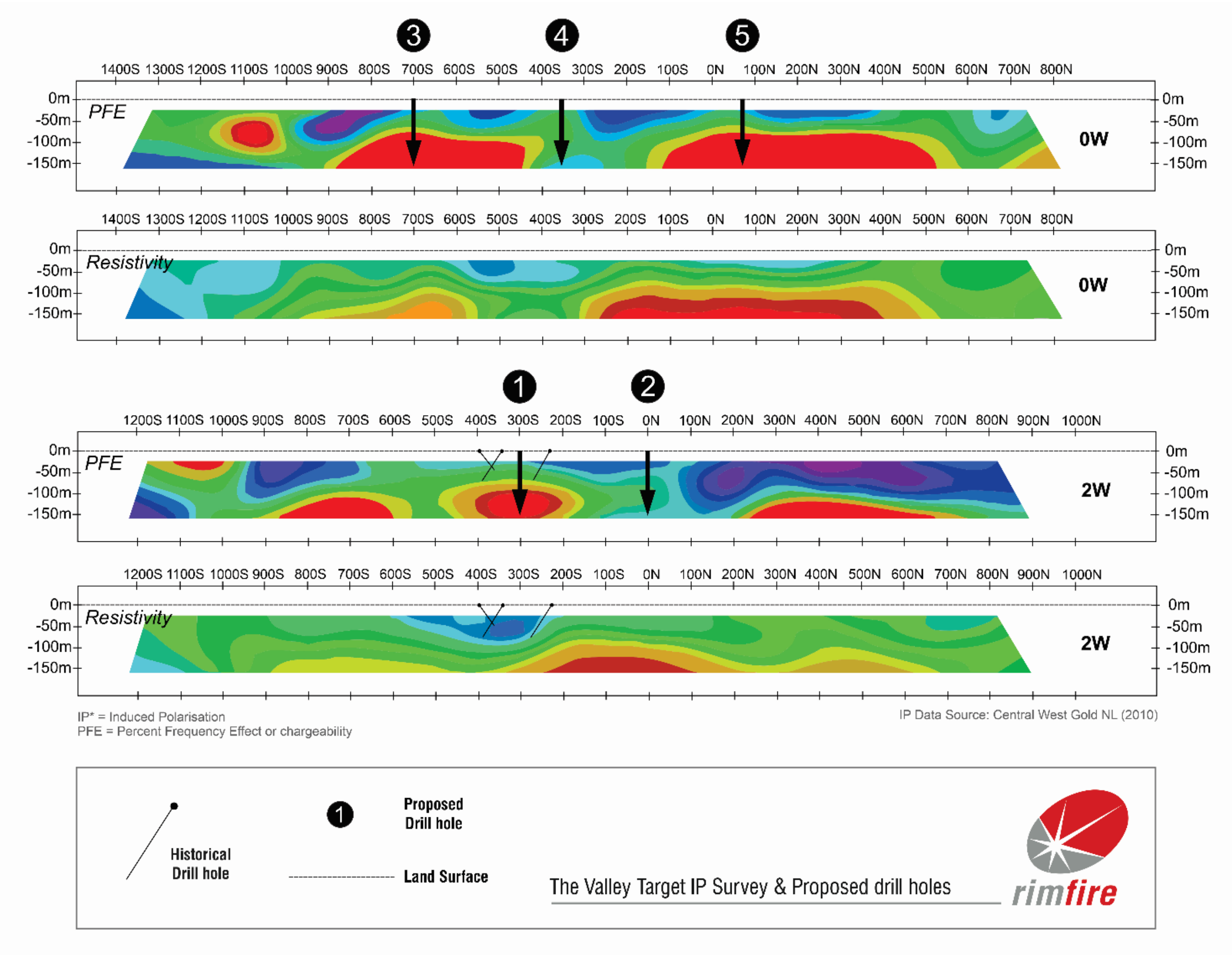

Figure 5: The Valley target IP Survey Lines and Proposed drill holes.

Northern and Southern Areas

The focus of exploration in the Northern and Southern Areas was for the discovery of a major copper / gold or gold mineralised system such as Northparkes (Cu/Au) or Cowal (Au).

The reconnaissance geological field mapping of the 30km^2 Northern Area and 100km^2 Southern Area was completed prior to Phase 1 drilling program. This information was incorporated into the design of aircore drill hole locations for the Northern and Southern Areas. In the Northern Area a program of 11 vertical aircore holes of average depth 20m for a total of 360m drilling would provide samples of the bedrock which is generally covered by approximately 10 metres of transported soils. In the Southern Area a program of 35 vertical aircore holes of average depth 50m for a total of 1,750m drilling would provide samples of the bedrock which is generally covered by approximately 30 metres of transported soils.

A total of eleven aircore holes, totaling 408 metres, were drilled in the Northern Area.

Results from the drilling include a sample of diorite assaying up to 703ppm copper within the copper anomaly. This feature is interpreted as being marginal to a zone of anomalous copper in volcaniclastic rocks which are sometimes intruded by diorite dykes assaying less than 400ppm copper. Rimfire's interpretation of the drilling results is that the 2.5km long copper anomaly is related to a line of discrete moderately copper anomalous (400 to 700ppm copper) diorite plugs. Minor secondary enrichment has resulted in occasional assays exceeding 1000ppm copper at several locations.

A total of 36 reconnaissance aircore holes totaling 1,423 metres were drilled in the Phase 1 and Phase 2 programs in the Southern Area. As expected, interpreted older Ordovician rocks of the geological period that hosts Northparkes and Cowal mines were intersected in all holes with more proximal lavas located in the eastern third of the area.

The copper geochemistry for the region is generally subdued with all three metre samples assaying < 254ppm. Gold is also subdued assaying <0.3ppm except for a three metre interval of quartz diorite from the centre of the Murrambogie Dome, which assayed 0.29 ppm gold.

Northern Gold

The Northern Gold Prospect is 2km north of the Sorpresa discovery, where there is an extensive area of relatively shallow (<6m) historic gold workings covering +350m strike length x 80m width, in what is interpreted as a gravel filled poorly formed valley. Historic workings across the area are thought to have been targeting coarse gold accumulations within the highly weathered bedrock at the base of the infilling gravels. An initial auger drilling program was completed to test both the valley fill and underlying insitu geology. The work confirms the source of gold is from bedrock rather than infilling channel gravels. Weathered bedrock samples seem to indicate that the host rocks are not black silica lithology as at Sorpresa. More work is required to understand controls of what appears to be a related but different mineralisation setting to the nearby Sorpresa Deposit. Assay results indicate anomalous gold (+20ppb) within the weathered bedrock below the gravels. The degree of weathering is high, creating the potential for gold depletion near surface. There has been no known drill testing of bedrock below the zone of historical hand mining pits.

The First Phase of RC drilling at the Northern Gold prospect consisted of 2 holes totaling 165.5m. Drilling intersected anomalous gold (0.15 ppm), copper (0.17 %), lead (120 ppm) and zinc (0.13%) (Figure 6). These results are supportive of the IRGS model for mineralisation in the area. The surface gold remains unexplained by the limited drilling to date.

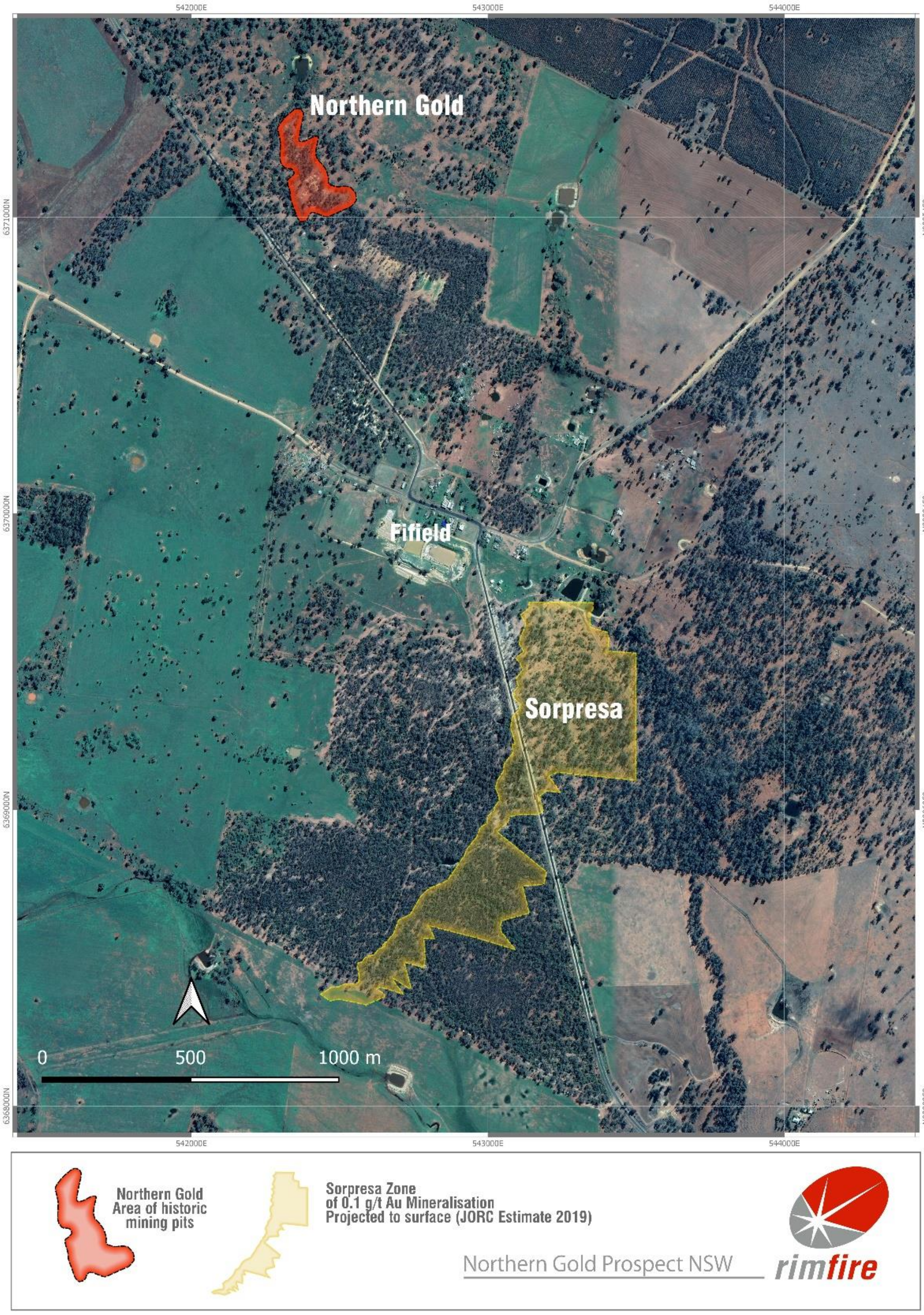

Figure 6: Location Map of Northern Gold Prospect and Sorpresa

Sorpresa Monetisation

H&S Consultants Pty Limited was engaged by Rimfire Pacific Mining NL to provide an update of their 2014 maiden Sorpresa Au / Ag Mineral Resource Estimate (ASX Announcement: Sorpresa Resource Update 6 Nov 2019). The update to the resource estimate was requested by Rimfire to allow inclusion of further drilling data and better quantify higher grade gold mineralisation.

Resources for Sorpresa are reported at separate cut-off grades for gold and silver (1.0 g/t Au and 85 g/t Ag) with material above both cut-off grades included in the gold resources. The silver / gold factor of 85g/t is based on a gold price of US$1,494.10 per ounce and a silver price of US$17.58 per ounce using the Comex spot prices on 21/10/2019. This shows that there is a significant quantity of silver-rich mineralisation outside of the greater than 1.0 g/t Au material above a similar value-equivalent silver cut-off grade ie 85 grams of silver has equivalence of 1 gram gold.

The Mineral Resource Estimate for silver indicates significant potential upside in zones of silver rich mineralisation which have modelled gold grades of below 1g/t and are not included in the gold only cut-off grade tonnages.

Resource	Cut off	Category	Mt	Grade		Contained Metal	
				g/t Au	g/t Ag	Koz Au	Moz Ag
Gold	1.0 g/t Au	Measured	0.162	2.88	53	15.0	0.28
		Indicated	0.532	2.08	25	35.7	0.44
		Inferred	0.228	2.25	22	16.5	0.16
		Total	**0.922**	**2.27**	**30**	**67.1**	**0.88**
Silver	85 g/t Ag	Measured	0.027	0.50	171	0.4	0.15
		Indicated	0.509	0.37	133	6.0	2.18
		Inferred	0.062	0.33	116	0.6	0.23
		Total	**0.598**	**0.37**	**133**	**7.1**	**2.56**
Combined	1.0g/t Au & 85 g/t Ag	Measured	0.189	2.54	70	15.4	0.43
		Indicated	1.041	1.25	78	41.7	2.62
		Inferred	0.289	1.84	42	17.1	0.39
		Total	**1.519**	**1.52**	**70**	**74.3**	**3.44**

Note: The figures in this table are rounded to include rounding errors and reflect precision of the estimates.

At 1.0 g/t Au cut-off grade, the new model (oxide and sulphide) has slightly higher tonnage and higher grades than the 2014 version, for a significant increase in contained ounces of gold.

Model	Mt	g/t Au	g/t Ag	Koz Au
2014	0.90	1.96	26.1	57
2018	0.92	2.27	28.4	67
18/14	102%	116%	109%	118%

Perilya Joint Venture

A passive 10% interest is held by the Company (Perilya 90%) in Exploration Licence EL5958 in the Broken Hill area with Perilya responsible for meeting all annual expenditure commitments and other compliance requirements. The ground is contiguous and along strike from Cobalt Blue's (ASX "COB") Thackaringa Project and has potential for base metal and cobalt mineralisation.

Key Priorities Ahead

Over the period of this Annual Report the Company has focused its exploration effort towards the discovery of a significant size (> 1Moz gold or and / or 1Mt copper / gold) mineralised system. This work has included reevaluating the existing datasets that were instrumental in identifying The Valley target as a significant priority. In parallel the Company secured an Earn-in Agreement with Golden Plains Resources (GPR) for a 103km^2 area that includes the Company's Sorpresa gold discovery. GPR has full responsibility for funding work in the Earn-in Area however Rimfire is responsible for the design and execution of work programs. The key priorities for the forthcoming year will be split between the GPR Earn-in and Rimfires surrounding ground holding of over 800km^2 with The Valley target a key priority. The goal of the Earn-in Agreement with GPR is to obtain consent for development of the Sorpresa Resource whilst also continuing exploration activities in the Earn-in area for further economic mineralisation as accretive brownfield growth opportunities. The goal of

Rimfires ongoing exploration activities outside the Earn-in area is to discover, define and develop further significant mineable copper / gold or gold resources.

The immediate focus in the GPR Earn-in area includes:

- ✓ Selection of Lead Environmental Consultant for completion of Environmental Impact Assessment (EIA) and the associated technical programs necessary to complete the Assessment.
- ✓ Completion of drilling programs that will provide technical data for Mine Design Plans in key areas such as
  - geotechnical - pit wall design criteria and soil foundation studies for infrastructure
  - metallurgical - ore body characterisation studies that determine process plant operational parameters
  - hydrological – process plant water supply sources and evaluation of any water sources that could impact pit design
  - sterilisation – confirm barren basement in areas of mine infrastructure such as waste dumps and process plant
- ✓ Drilling programs to further assess Northern Gold and Transit prospects.

The immediate focus outside the GPR Earn-in area includes:

- ✓ The Valley target
  - Drilling of 5 RC – diamond tail hole to approximately 150m depth to test chargeability and resistivity responses identified in bedrock from Induced Polarisation (IP) geophysical surveying.
  - Drilling of a deep (circa 400m) 3D modelled magnetic body that is interpreted as being Ordovician Raggett Volcanics that are probably coeval and comagmatic with the Goonumbla Volcanics that host the Northparkes copper / gold mine.
- ✓ Greater Cowal Area
  - Aircore drill testing of the bedrock beneath approximately 40m of transported cover to obtain bedrock samples that show evidence of rock types, alteration, geochemistry or mineralisation supportive of a large scale mineralised system,

Land Tenure

On 20 February 2020 Rimfire received confirmation from NSW Government, Planning Industry and Environment, Resources Regulator the cancellation of EL5534 and grant of EL8935. The Exploration Licence (EL) boundaries are the same except EL8935 includes 2 hectares previously covered by M(C)L306 which has been relinquished. This transfer allows the Company to hold this ground under lower cost EL tenure rather than as a Mining (Claim) Lease with ongoing higher management costs.

DIRECTORS' REPORT

Your Directors present the following report on the Company and its controlled entity for the financial year ended 30 June 2020.

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 (Chairman)
- Craig Riley (Managing Director and Chief Executive Officer)
- Andrew Greville (Non-Executive Director)
- Andrew Knox (Non-Executive Director, appointed 18 March 2020)

Principal Activities

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

Review of Operations

The Company's focus remains at Fifield NSW with prospects and targets in gold and copper.

The exploration activities are within the well-established, highly credentialed and mineralised Macquarie Arc Lachlan Fold Belt and a regional structural corridor referred to as the Lachlan Transverse Zone (LTZ). This corridor includes the Northparkes copper / gold mine and the Cadia Valley Operations gold / copper mines amongst others and represents an excellent discovery setting for the Company.

Operational Activities

The Company continues to enact a process of review, rating and prioritisation of its key prospect opportunities to progress and grow the pipeline for new discoveries.

The Fifield area has good access to infrastructure and skills suitable for any potential mining scenario which further supports the pursuit of discovery in the district.

Full details of the progression of discovery activity undertaken during the period is contained in the Fifield Project Area Operations section of this Annual Report.

Junior Resource Sector Outlook and Financial Position

The global outlook for the resources sector continues to be mixed with strong demand and interest in the top tier mining companies with variable and predominately weaker interest in the junior resource sector during the period. For the junior resource sector (exploration), there is still low levels of investor liquidity and investor participation. The resurgence of the gold price and fundamentals due to the world economic fears on the back of international trade policies is yet to flow through to an increased interest in junior greenfields exploration companies with strong exposure to the gold sector. Importantly, the industry is starting to recognise that as major gold producer reserves and resources decline, there is a need to increase expenditure to achieve discoveries of new replacement gold resources. This should see exploration spend increase by the majors and support a more buoyant outlook for the junior gold exploration companies.

The Company's cash at bank at 30 June 2020 was $0.3m. This cash balance has subsequently been increased due to the placement of 168 million shares at an issue price of $0.0125 to raise $2.1m and receipt of payments related to the Earn-in Agreement.

The Company continues to actively manage costs with Non-Executive Director fee payments and Senior Management salaries deferred, following the implementation of cash preservation measures in January 2019.

During the period, Rimfire was notified by the ATO that its application for a Junior Minerals Exploration Initiative (JMEI) credit allocation was successful and the ATO granted an allocation of $780,000 in JMEI credits for the 2020/21 income tax year. The JMEI credits will only be available to ordinary shares issued between 01 July 2020 and 30 June 2021. A participating shareholder's final JMEI credit entitlement amount will be determined after lodgement of the Company's 2020/21 tax return. This is in addition to the $550,000 of JMEI credits available for the 2019/20 income tax year with the credit certificates being distributed to eligible shareholders at the completion of the Company's tax return.

The JMEI scheme has been put in place by the Federal Government to encourage investment in small minerals exploration companies that carry out greenfields mineral exploration in Australia. The JMEI scheme provides credits that allows greenfields mineral eploration companies to generate a tax incentive by allowing companies to give up a portion of their tax losses from eligible greenfields mineral exploration expenditure for distribution to investors. The JMEI credits are only available for Australian resident shareholders and generally, these shareholders will be entitled to a refundable tax offset (for individual shareholders or superannuation funds) or franking credits (for companies).

Capital Structure

As at 30 June 2020 the capital structure of the Company was;

- 1,584,571,527 Ordinary Shares on Issue (RIM)
- 74,000,000 Unlisted Options, various prices and vesting dates

Commodity Pricing for the Period

During the 2020 Financial Year, the gold price continued to appreciate with an increase of 28%, finishing at USD 1,780.10 per ounce. Currently, the gold price is trading at AUD 2,690 per ounce (using an exchange rate AUD:USD of 0.70 and gold price as at 28 September 2020), which is close to record highs. The table below summarises the pricing for gold and silver sourced from www.kitco.com in New York in USD and copper prices sourced from www.LME.com in USD.

Commodity	Price USD 1 Jul 2019	Price USD 30 Jun 2020	FY20 USD Change	Price AUD 1 Jul 2019	Price AUD 30 Jun 2020	FY20 AUD Change
Gold (oz)	1,391.20	1,780.10	27.95%	1,987.43	2,543.00	27.95%
Silver (oz)	15.18	18.19	19.83%	21.69	25.99	19.83%
Copper (t)	5,998	6,038	0.67%	8,569	8,626	0.67%

*Using an exchange rate AUD:USD of 0.70 for 30 June 2019 and 30 June 2020

Operating Results

The loss of the Consolidated entity amounted to $956,975 in the period (2019: $875,505).

Dividends

No dividends were paid during the financial year, nor are any recommended at 30 June 2020 (30 June 2019: Nil).

After Balance Date Events

After the Balance Date the consolidated entity has received $2,100,000 from a share placement and it has also received $580,000 relating to the outstanding balance of the Administration Fee, and the initial first quarter work program budget cash call in relation to the GPR Earn-in Agreement.

The Company has resolved to approve a Share Purchase Plan for $500,000 for shareholders on the same pricing terms as the subsequent capital raising. Shareholders will have the right to take up shares to a maximum of $30,000.

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.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Licence and Environmental Compliance

The Consolidated entity aims to ensure that the highest standard of environmental care is achieved. The Board maintains the responsibility to ensure that the Consolidated entity's environment policies are adhered to and to ensure that the Consolidated entity is aware of, and is in compliance with, all relevant environmental legislation.

Information on Directors

Ian McCubbing
Non-Executive Chairman
Bachelor of Commerce (Hons), MBA (Ex), CA, GAICD

Experience and Expertise	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 year's 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.
Other Current Directorships	Swick Mining Services Ltd (Non-Executive Director since 1 August 2010), Prominence Energy NL (Non-executive Chairman since 25 October 2016).
Former Directorships in Last 3 Years	Symbol Mining Ltd (Non-Executive Director from 19 December 2017 to 28 February 2019) Avenira Ltd (Non-Executive Director from 20 December 2012 to 31 January 2019)
Special Responsibilities	Chairman of the Board Member of the Audit Committee. Member of Remuneration and Nomination Committee.
Interests in Shares	11,809,849 Fully paid ordinary shares

Craig Riley
Managing Director and Chief Executive Officer
Bachelor of Applied Science (Hons) (Queensland University of Technology)

Experience and Expertise	Joined Rimfire in September 2018 in the capacity of Business Development Manager and was appointed Chief Executive Officer on 31 January 2019 and Managing Director on 31 March 2019. Mr Riley has more than 25 years of exploration and mining industry experience with a successful track record of commercial appraisal and development of projects globally across a range of commodities. His extensive experience includes major mining companies and junior explorers internationally and across Australia including Northparkes mine.
Other Current Directorships	None.
Former Directorships in Last 3 Years	None.

Special Responsibilities	Appointed CEO 31 January 2019, appointed Managing Director 31 March 2019
Interests in Shares	Nil.
Interests in Options	35m unlisted options, various vesting dates and performance hurdles (as at signing date).

Andrew Greville
Non-Executive Director
Bachelor of Engineering (Mining), University of Queensland, Queensland Limited Mine Manager's Certificate

Experience and Expertise	Appointed Director of Rimfire Pacific Mining NL in August 2017. Mr Greville is a qualified mining engineer, and brings over 30 years of mining industry experience in the copper industry, particularly in the fields of business development, including mergers & acquisitions, marketing and strategy. Mr Greville's career includes the role of Executive General Manager, Business Development and Strategy, Xstrata Copper.
Other Current Directorships	Managing Director of West End Mining & Consulting (Private Company) Aeon Metals Ltd (Non-executive Director from May 2020)
Former Directorships in Last 3 Years	None.
Special Responsibilities	Member of Audit Committee Chair of Remuneration and Nomination Committee
Interests in Shares	3,000,000 Fully paid ordinary shares

Andrew Knox
Non-Executive Director
Bachelor of Commerce, CA, CPA, FAICD

Experience and Expertise	Mr Knox was appointed Non-Executive Director of the Board 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. He has over 35 years of 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. He is a chartered accountant (CA ANZ), public accountant (CPA Australia) and a fellow of the Australian Institute of Company Directors (FAICD). Mr Knox was formally a Non-Executive Director of Rimfire from 2005 to 2011. Currently Mr Knox is the CEO and Managing Director of ASX listed company, Red Sky Energy Ltd.
Other Current Directorships	CEO and Managing Director of Red Sky Energy Ltd. from July 2018
Former Directorships in Last 3 Years	Nil
Special Responsibilities	Chair of Audit Committee Member of Remuneration and Nomination Committee
Interests in Shares	12,489,582 Fully paid ordinary shares

Melanie Leydin
Company Secretary
Bachelor of Business majoring in Accounting and Corporate Law, Swinburne University, Chartered Accountant, Registered Company Auditor and Fellow of the Governance Institute of Australia

Experience and Expertise	Appointed as Company Secretary of the Company in April 2017. Ms Leydin holds a Bachelor of Business majoring in Accounting and Corporate Law. She is a member of the Institute of Chartered Accountants, Fellow of the Governance Institute of Australia and is a Registered Company Auditor. She graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of Leydin Freyer. The practice provides outsourced company secretarial and accounting services to public and private companies across a host of industries including but not limited to the Resources, technology, bioscience, biotechnology and health sectors. Ms Leydin has over 25 years' experience in the accounting profession and over 15 years as a Company Secretary. She has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies and shareholder relations.

Meetings of Directors

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	17	17	2	2	1	1
Craig Riley	17	17	-	-	-	-
Andrew Greville	17	16	2	2	1	1
Andrew Knox (appointed 18/05/2020)	9	9	-	-	1	1

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 2020
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
8. Other matters

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

The Board of Rimfire Pacific Mining NL 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 the best 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 to the upper quartile, but also within the financial constraints the Company may be operating within at the time of assessment.

Remuneration policy for Directors and senior executives is reviewed annually by the Board. The policy allows a mix, as determined by the Board on advice of the Remuneration and Nomination Committee. 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 incentive Plan was approved by shareholders at the Company's 24 November 2017 AGM and this will be submitted to shareholders for re-approval at the Company's 2020 AGM.

Whilst there has been no change to the remuneration of Non-Executive Directors, since January 2019 Non-Executive Directors pay was deferred whilst the company was undertaking cost reduction activity and still remain unpaid at the end of the period. To align Directors' interests with shareholder interests, Directors are encouraged to hold shares in the Company. Senior Management from April 2020 were paid reduced salaries whilst the company was undertaking cost reduction activity due to restrictions from the Covid-19 pandemic.

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 2019 AGM the Company received 98% of 'for' votes in relation to its remuneration report for the year ended 30 June 2019. The Company received general feedback in relation to its remuneration practices at the 2019 AGM. Feedback from shareholders is considered as part of the Company's periodic performance review process for Executives and Directors and is taken into account when benchmarking remuneration against comparable businesses.

2. Details of Remuneration for the Year Ended 30 June 2020

Benefits to senior executives and the Non-Executive Directors consisted primarily of cash benefits in the period with unlisted options with vesting conditions being offered to the Managing Director. A Non-Executive Director Pool of $200,000 was available in 2020 ($200,000 in 2019) and represents the maximum aggregate payments to Non-Executive Directors, in their capacities as Directors, that can be paid in any one year without requiring additional shareholder approval. The actual Non-Executive Director pool utilised in the 12 month period was $111,366 in total ($133,333 in 2019). This rate is below the industry norm.

2020	Primary			Post Employment	Long Term Benefits	Equity Compensation	Total
Name of Director / Senior Executive	Paid Salary, Fees & Commissions*	Accrued Salary and Fees**	Bonus	Superannuation Contributions	Long Service Leave	Options **	
Non- Executive Directors							
I McCubbing	2,500	57,500	-	-	-	-	60,000
A Greville	-	40,000	-	-	-	-	40,000
A Knox (appointed 18 March 2020)	-	11,366	-	-	-	-	11,366
Executive Directors							
C Riley	165,242	9,500	-	15,384	-	46,441	236,567
Total	**167,742**	**118,366**	**-**	**15,384**	**-**	**46,441**	**347,933**

*Accrued Salary and Fees are the amounts accrued but not paid at the end of the period.
**Options amount relate to Options granted in 2019, with the accounting value being recognised for this current period.

2019	Primary			Post Employment	Long Term Benefits	Equity Compensation	Total
Name of Director / Senior Executive	Paid Salary, Fees & Commissions	Accrued Salary and Fees*	Bonus	Superannuation Contributions	Long Service Leave	Options	
Non- Executive Directors							
I McCubbing	22,831	27,397	-	4,772	-	-	55,000
A Greville	20,000	20,000	-	-	-	-	40,000
R Enconniere (retired 31 January 2019)	28,333	3,333	-	-	-	-	31,666
Executive Directors							
J Kaminsky (retired 31 March 2019)	155,731	6,033	-	19,146	39,145	-	220,055
C Riley (appointed CEO 31 January 2019, appointed Managing Director 31 March 2019)	60,727	11,569	-	6,868	-	111,503	190,666
Total	**287,622**	**68,331**	**-**	**30,786**	**39,145**	**111,503**	**537,387**

*Accrued Salaries and Fees are the amounts accrued but not paid at the end of the period.

Performance Income as a Proportion of Total Remuneration

No performance based remuneration was paid during the year ended 30 June 2020 (2019: nil).

Transactions Between Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless stated. In the current financial year related parties (WEMCO) of Mr Andrew Greville were paid in respect of consulting services $1,250. Payment for these services were on normal commercial terms.

3. Employment Contracts

An Executive Services Agreement is in place with the CEO and Managing Director, Mr Craig Riley, effective from 31 January 2019. Under the terms of the Agreement, the termination provisions are 6 months' notice by the company and 3 months' notice by the employee. Mr Riley is entitled to an annual salary (inclusive of superannuation) of $190,000.

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

4. Share Based Compensation of Directors & Key Management Personnel

No options or other share based compensation was granted to Key Management Personnel or Non-Executive Directors during the year ended 30 June 2020.

5. Additional Disclosures Relating to Key Management Personnel

None.

6. Shareholding

Number of Shares held by Key Management Personnel in which they have a relevant interest.

2020

Name of Director / Senior Executive	Balance 01 July 2019	Received as Remuneration	Shares Acquired	Net Change Other	Balance 30 June 2020
Non- Executive Directors					
I McCubbing	8,857,383	-	2,952,466	-	11,809,849
A Greville	2,250,000	-	750,000	-	3,000,000
A Knox (appointed 18 March 2020)*	-	-	-	12,489,582	12,489,582
Executive Directors					
C Riley	-	-	-	-	-
Total	11,107,383	-	3,702,466	12,489,582	27,299,431

* A Knox held the shares at the time of his appointment as Non-Executive Director.

2019

Name of Director / Senior Executive	Balance 01 July 2018	Received as Remuneration	Shares Acquired	Net Change Other	Balance 30 June 2019
Non- Executive Directors					
I McCubbing	2,574,285	-	6,283,098	-	8,857,383
A Greville	1,000,000	-	1,250,000	-	2,250,000
R Enconniere**	9,069,860	-	1,742,464	(10,812,324)	-
Executive Director					
J Kaminsky**	33,408,169	-	222,222	(33,630,391)	-
C Riley					
Total	**46,052,314**	**-**	**9,497,784**	**(44,442,715)**	**11,107,383**

**Due to R Enconniere and J Kaminsky retirement from the Board (31 January 2019 and 31 March 2019 respectively) they are not considered a Key Management Person from this date and their shareholdings are therefore not included in the balance for 30 June 2019.

Options

Number of Options held by Key Management Personnel

2020

Name of Director / Senior Executive	Balance 01 July 2019	Options Acquired	Options Received as Rem.	Options Expired	Net Change Other	Balance 30 June 2020	Total Vested 30 June 2020
Non- Executive Directors							
I McCubbing	5,241,877	2,952,466	-	(8,194,343)	-	-	
A Greville	1,250,000	750,000	-	(2,000,000)	-	-	
A Knox (appointed 18 March 2020)	-	-	-	-	-	-	
Executive Directors							
C Riley	42,500,000	-	-	-	-	42,500,000	15,000,000
Total	**48,991,877**	**3,702,466**	**-**	**(10,194,343)**	**-**	**42,500,000**	**15,000,000**

*A Knox held 2,197,916 options at his time of appointment as Non-Executive Director which lapsed during the year

2019

Name of Director / Senior Executive	Balance 01 July 2018	Options Acquired	Options Received as Rem.	Options Expired	Net Change Other	Balance 30 June 2019	Total Vested 30 June 2019
Non- Executive Directors							
I McCubbing	-	5,241,877	-	-	-	5,241,877	5,241,877
A Greville	-	1,250,000	-	-	-	1,250,000	1,250,000
R Enconniere (retired 31 January 2019)*	-	1,742,464	-	-	(1,742,464)	-	-
Executive Directors							
J Kaminsky (retired 31 March 2019)*	-	222,222	-	-	(222,222)	-	-
C Riley (appointed CEO 31 January 2019, appointed Managing Director 31 March 2019)	-	-	42,500,000	-	-	42,500,000	10,000,000
Total	**-**	**8,456,563**	**42,500,000**	**-**	**(1,964,686)**	**48,991,877**	**16,491,877**

*Due to R Enconniere and J Kaminsky retirement from the Board (31 January 2019 and 31 March 2019 respectively) they are not considered a Key Management Person from this date and their shareholdings are therefore not included in the balance for 30 June 2019.

Executives

There were no executives other than Craig Riley at balance date.

7. Five Year Summary of Key Financial Data

The earnings of the company for the five years to 30 June 2020 are summarised below:

	2020 $	2019 $	2018 $	2017 $	2016 $
Revenue and other income	52,846	5,628	35,538	43,327	178,027
Net profit / (loss) before tax	(956,975)	(875,505)	(1,047,836)	(924,782)	(725,485)
Net profit / (loss) after tax	(956,975)	(875,505)	(1,047,836)	(924,782)	(725,485)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2020	2019	2018	2017	2016
Share price beginning financial year ($)	0.003	0.011	0.022	0.019	0.200
Share price end financial year ($)	0.007	0.003	0.011	0.022	0.015
Basic loss per share (cents per share)	(0.07)	(0.08)	(0.11)	(0.10)	(0.09)

End of audited remuneration report.

8. Other Matters

Shares issued under option and unissued shares under option

163,089 options were exercised during the period. As at 30 June 2020 the breakdown of options – both listed and unlisted at balance date are listed below.

Listed Options	No.	%'age
Total Listed Options	-	-

Unlisted Options	No.	%'age
Employee Options (exercisable at 2.95 cents by 25 September 2020)	1,500,000	2.03%
Employee Options (exercisable at 0.65 cents by 31 August 2021)	20,000,000	27.03%
Employee Options, performance based vesting conditions (exercisable at 0.80 cents by 31 July 2020)	15,000,000	20.27%
Employee Options, performance based vesting conditions (exercisable at 1.10 cents by 31 December 2023)	15,000,000	20.27%
Employee Options, performance based vesting conditions (exercisable at 0.65 cents by 31 August 2021)	7,500,000	10.14%
Employee Options, performance based vesting conditions (exercisable at 0.65 cents by 31 August 2021)	15,000,000	20.27%
Total Unlisted Options	74,000,000	100.00%

Indemnifying Officers

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

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

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

Mr Ian McCubbing
Mr Andrew Greville
Mr Andrew Knox
Mr Craig Riley
Ms Melanie Leydin

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.

Auditor

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

Auditor's Independence

Declaration

The auditor independence declaration required under Section 307C of the *Corporations Act 2001* forms part of this Directors' Report and is included on page 20.

Non-Audit Services

RSM Australia Partners provided non-audit services during the financial year with the provision of taxation advice relating to the Earn-in Agreement entered into during the financial year.

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

Chairman Ian McCubbing
Dated this 30th day of September 2020

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 NL and its controlled entity for the year ended 30 June 2020, 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

RSM AUSTRALIA PARTNERS

Jason Croall

J S CROALL
Partner

Dated: 30 September 2020
Melbourne, Victoria

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	Note	Consolidated Entity 2020 $	2019 $
Revenue from continuing operations	3	52,846	5,628
Expenses:			
Employee benefits expense		(352,786)	(281,258)
Non-executive directors' fees		(111,366)	(133,333)
Share based payments		(86,791)	(19,273)
Professional costs		(128,805)	(71,636)
Occupancy costs		(33,149)	(38,429)
Travel costs		(430)	(2,041)
Marketing expense		(82,393)	(84,110)
Depreciation	4	(40,525)	(36,450)
Insurance		(8,453)	(12,430)
Share registry and listing expenses		(55,969)	(64,873)
Profit/(Loss) on disposal of plant and equipment		3,248	(3,683)
Other administration expenses		(111,402)	(133,617)
Loss before income tax	5	(956,975)	(875,505)
Income tax benefit	6	-	-
Loss after income tax		(956,975)	(875,505)
Other comprehensive income		-	-
Total comprehensive loss for the year		(956,975)	(875,505)
Loss per share for the year attributable to the members of Rimfire Pacific Mining NL			
Basic loss per share (cents per share)	8	(0.07)	(0.08)
Diluted loss per share (cents per share)	8	(0.07)	(0.09)

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 2020

	Note	Consolidated Entity 2020 $	2019 $
CURRENT ASSETS			
Cash and cash equivalents	9	310,794	95,706
Trade and other receivables	10	633,931	45,134
Other current assets	12	5,036	6,150
TOTAL CURRENT ASSETS		949,761	146,990
NON-CURRENT ASSETS			
Trade and other receivables	10	170,000	160,000
Property, plant and equipment	11	340,394	413,589
Right of use assets	11	20,479	-
Exploration & evaluation costs	13	13,904,467	13,313,247
TOTAL NON-CURRENT ASSETS		14,435,340	13,886,836
TOTAL ASSETS		15,385,101	14,033,826
CURRENT LIABILITIES			
Trade and other payables	14	361,519	210,934
Provisions	16	60,996	39,226
Contract liability	15	527,273	-
Lease liability	20c	11,509	-
TOTAL CURRENT LIABILITIES		961,297	250,160
NON-CURRENT LIABILITIES			
Provisions	16	6,960	2,812
Lease liability	20c	9,227	-
TOTAL NON-CURRENT LIABILITIES		16,187	2,812
TOTAL LIABILITIES		977,484	252,972
NET ASSETS		14,407,617	13,780,854
EQUITY			
Contributed equity	17	32,575,943	31,078,996
Reserves		110,702	23,911
Accumulated losses		(18,279,028)	(17,322,053)
TOTAL EQUITY		14,407,617	13,780,854

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 2020

	Contributed equity	Share based payment Reserve	Accumulated losses	Total
	$	$	$	$
Balance at 1 July 2019	**31,078,996**	**23,911**	**(17,322,053)**	**13,780,854**
Issued capital	1,598,282	-	-	1,598,282
Capital raising costs	(101,335)	-	-	(101,335)
Share-based payments	-	86,791	-	86,791
Total comprehensive loss for the period	-	-	(956,975)	(956,975)
Balance at 30 June 2020	**32,575,943**	**110,702**	**(18,279,028)**	**14,407,617**
Balance at 1 July 2018	**30,060,432**	**4,638**	**(16,446,548)**	**13,618,522**
Issued capital	1,150,332	-	-	1,150,332
Capital raising costs	(131,768)	-	-	(131,768)
Share-based payments	-	19,273	-	19,273
Total comprehensive loss for the period	-	-	(875,505)	(875,505)
Balance at 30 June 2019	**31,078,996**	**23,911**	**(17,322,053)**	**13,780,854**

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 2020

	Note	Consolidated Entity 2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(718,370)	(741,417)
Interest received		2,846	6,707
Government grants and tax incentives		50,000	-
Interest on lease liability		(367)	-
Net cash used in operating activities	25a	(665,891)	(734,710)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,403)	(1,788)
Payment for exploration and evaluation costs		(690,357)	(1,074,436)
Reimbursement of expenditure		72,727	
Proceeds from sale of property, plant and equipment		6,100	3,200
Net cash used in investing activities		(612,933)	(1,073,024)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,592,282	1,127,765
Transaction costs associated with share issues		(95,334)	(117,922)
Principal repayments of lease liability	25b	(3,036)	-
Net cash provided by financing activities		1,493,912	1,009,843
Net decrease in cash held		215,088	(797,891)
Cash at beginning of the year		95,706	893,597
Cash at end of the year	9	310,794	95,706

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

Note 1 General Information

Rimfire Pacific Mining NL (the Company) is a Company limited by shares incorporated and registered in Australia. The address of the Company's registered office is shown on page 57.

The principal activities of the Company and the nature of the Company's operations are explained on page 9.

The functional currency and presentation currency of Rimfire Pacific Mining NL is Australian dollars.

Note 2 Statement of significant accounting policies

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

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

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

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

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

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

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

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

Accounting Policies

a. **Significant Judgements and Key Assumptions**

Judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements concern the information regarding capitalised exploration expenditure for exploration and mining licences. In particular, the judgement that there is insufficient information available to make a reasonable assessment of the existence or otherwise of economically recoverable reserves.

b. **Going Concern**

The consolidated entity incurred an operating loss of $956,975 and had cash outflows from operating activities of $665,891 for the year ended 30 June 2020. The ability of the consolidated entity to continue as a going concern is dependent upon a number of factors, one being the continuance and availability of funds.

After the Balance Date the consolidated entity has received $2,100,000 from a share placement and has also received $580,000 relating to the outstanding balance of the Administration Fee, and the initial first quarter work program budget cash call in relation to the Earn-in Agreement.

Based on these receipts of $2,680,000 after the Balance Date, the directors believe the entity will continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

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.

c. **Principles of Consolidation**

The Consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Rimfire Pacific Mining NL as at 30 June 2020 and the results of all subsidiaries for the year then ended. Rimfire Pacific Mining NL and its subsidiaries together are referred to in these financial statements as the 'Consolidated entity'.

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

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

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

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

d. **Income Tax**

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

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

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

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

e. **Property, Plant and Equipment**

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

Property

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

Plant and Equipment

Plant and equipment are 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%

f. **Leases**

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset as property, plant and equipment and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.
The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The right-of-use assets are presented as 'Property, Plant and Equipment' in the statement of financial position.

The Company applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy (as outlined in the financial report for the annual reporting period).

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Occupancy costs" in the profit or loss.

g. **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.

h. **Restoration, Rehabilitation, and Environmental Costs**

The Company has provided an environmental bond to the NSW Department of Planning and Environment in the form of a bank guarantee, included in trade and other receivables ($170,000). 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.

i. **Impairment of Assets**
At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the 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.

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

k. **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.

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

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

m. **Trade and Other Receivables**
Trade receivables and other receivables are recorded at amounts due less any allowance for expected credit losses.

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

o. **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.

p. **Financial Assets and Liabilities**
<u>Recognition</u>
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.

The Company has adopted AASB 9 from 01 July 2018, which have resulted in no material change to the accounts.

<u>Financial Assets and Liabilities</u>
Financial assets and financial liabilities are recognised when the Company 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 Group 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 Company 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 Company 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 Company 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 Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company 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 Company 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 company derecognises financial liabilities when, and only when, the Company'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 Company 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 Company always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company'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 Company 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 Company 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.

q. **Provisions**

Provisions are recognised when the Company 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 Company 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.

r. **Income Recognition**

Interest Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Government Grants

The Company recognises stimulus package from the Australian Taxation Office ("ATO") as a government grant 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).

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

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

t. **Earnings Per Share**

Basic earnings per share is calculated by dividing the profit attributable to the owners of Rimfire Pacific Mining NL, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

u. **Segment Reporting**

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

v. **Contributed Equity**

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

w. **Equity Settled Compensation**

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

x. **Adoption of New and revised Standards**

The Company 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 2020. New and revised standards and amendments thereof and interpretations effective for the current reporting period that are relevant to the Company include:

- AASB 16 – *Leases ('AASB 16')*

Effect of adoption of AASB 16 Leases

Impact of Adoption:

The Company adopted AASB 16 with effect from 1 July 2019, using the "cumulative catch-up" approach, therefore has not restated comparatives, as permitted under transition provisions of the standard. Any reclassifications and adjustments arising from the adoption of the standard will be recognised in the opening accumulates losses on 1 July 2019. There was no impact to opening accumulated losses on date of adoption of this new standard as existing leases were short-term leases exempted under this standard.

The Company has adopted the following incremental borrowing rates for discounting depending on the lease term and the nature of the underlying asset.

Commercial building lease 2 years at 5%.

In transitioning the Company has applied the following practical expedients in AASB 16:

- A single discount rate has been used for leases with similar lease terms for similar underlying assets in a similar economic environment; and
- Initial direct costs have been excluded from measurement of the right-of-use assets at the date of initial application.
- Accounting for leases with a remaining term of 12 months as at 1 July 2019 as short term leases.

In line with the definition of incremental borrowing rate in AASB 16, the interest rate used by the Company for the calculations is 5% corresponding to the respective lease terms and based on information obtained from websites of various banks in Australia.

Leases accounting policy:

The new accounting policy of the Company entity on adoption of AASB 16 is detailed under "Leases".

Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Company for the year ending 30 June 2020. Management has reviewed the likely impact of the adoption of these standards and interpretations on the Company. The Company believes that the impact of the new standards and interpretations will not have an impact:

AASB 2018-6: *Amendments to Australian Accounting Standards – Definition of a Business* (applicable to annual reporting periods beginning on or after 1 January 2020).

AASB 2018-7: *Amendments to Australian Accounting Standards – Definition of* Material (applicable to annual reporting periods beginning on or after 1 January 2020).

AASB 2019-3: *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform (*applicable to annual reporting periods beginning on or after 1 January 2020).

AASB 2019-5: *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia* (applicable to annual reporting periods beginning on or after 1 January 2020)

AASB 2020-1: *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current liabilities* (applicable to annual reporting periods beginning on or after 1 January 2022)

AASB 2020-3: *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments* (applicable to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted)

AASB 2020-4: *Amendments to Australian Accounting Standards – Covid-19 Related Rent Concessions* (applicable to annual reporting periods beginning on or after 1 June 2020 with earlier application permitted)

Note 2. 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.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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 67 for further information.

Note 3 Income

	Consolidated Entity 2020 $	2019 $
Other income		
Interest	489	5,628
ATO stimulus package	50,000	-
Sundry income	2,358	-
Total Revenue	52,846	5,628

Note 4 Depreciation

	Consolidated Entity 2020 $	2019 $
Depreciation		
Depreciation	37,599	36,450
Amortisation of right of use asset	2,926	-
Total Revenue	40,525	36,450

Note 5 Loss for the Financial Year

The net loss for the financial year has been arrived at after charging the following:

	Consolidated Entity 2020 $	2019 $
Expenses		
Employee benefits expense and share based payments	439,577	300,531
Marketing expense	82,393	84,110
Non-executive directors' fees	111,366	133,333
Rental expense	-	25,845
Payments for lease liabilities	21,886	-
Interest of lease liabilities	367	-
Depreciation	40,525	36,450

Note 6 Income Tax Expense

		Consolidated Entity 2020 $	2019 $
a.	The prima facie tax expense/(benefit) on loss before tax is reconciled to the income tax as follows:		
	Prima facie tax expense/(benefit) on loss before tax at 27.5% (2019: 30%)	(263,168)	(262,652)
	Add:		
	Tax effect of:		
	- non-allowable items	-	-
,	- net current year tax losses not recognised, temporary differences and deductible exploration expenditure.	274,603	299,439
	Less:		
	Tax effect of:		
	- capitalised share placement costs	(11,435)	(36,787)
	Income tax benefit/(expense) attributable to loss	-	-
	Deferred tax assets arising from tax losses that have not been recognised:		
	Tax losses carried forward	6,419,794	6,945,295
	Temporary differences – exploration costs	(3,823,728)	(3,993,974)
	Temporary differences – other	107,254	115,514
	Net Deferred tax asset not recognized	2,703,319	3,066,835
	Balance of franking account at year end	-	-

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.

Rimfire Pacific Mining NL and its wholly owned entity have not opted to enter the tax consolidation regime as at 30 June 2020.

Note 7 Auditor's Remuneration

	Consolidated Entity 2020 $	2019 $
Remuneration of the auditor for:		
- auditing or reviewing the financial reports	31,500	40,465
- other services	7,500	-
	39,000	40,465

Note 8 Earnings per Share

		Consolidated Entity	
		2020 $	2019 $
a.	**Reconciliation of Earnings to Loss**		
	Loss used in the calculation of basic EPS	(956,975)	(875,505)
	Loss used in the calculation of dilutive EPS	(956,975)	(875,505)
b.	**Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS**	1,584,571,527	1,024,361,022
	Potential ordinary shares	-	-
	Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	1,446,104,583	1,024,361,022
c.	**Classification of securities**		
	Share options are anti-dilutive and securities have not been classed as potential ordinary shares and are not included in the determination of dilutive EPS.	-	-
d.	**Ordinary shares issued between reporting date and time of completion of the financial report**	-	-
	Basic loss per share (cents per share)	(0.07)	(0.08)
	Diluted loss per share (cents per share)	(0.07)	(0.09)

Ordinary shares

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

Cash at the end of the financial year as shown in the Consolidated Statement of Cash Flows is reconciled to items in the Consolidated Statement of Financial Position as follows:

	Consolidated Entity	
	2020 $	2019 $
Cash at bank and on hand	310,794	95,706
	310,794	95,706

Refer to Note 26 for the risk exposure analysis for cash and cash equivalents.

Note 10 Trade and Other Receivables

	Consolidated Entity	
	2020	2019
OTHER RECEIVABLES	$	$
CURRENT		
Security deposits	6,388	13,049
Other receivables	47,543	32,085
Golden Plains Resources Earn-in Agreement	580,000	-
	633,931	45,134
NON-CURRENT		
Security deposits	170,000	160,000
TOTAL	170,000	205,134

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 $50,000 are held in support of a bank guarantee issued in favour of the NSW Department of Planning and Environment, with the remaining $120,000 being held directly with the NSW Department of Planning and Environment.

Other receivables includes funds invoiced but yet to be paid by Golden Plains Resources for the Earn-in Agreement. Payment of outstanding invoices is expected during the first quarter of the 2021 financial year. The Company has reserved its rights concerning these matters.

Note 11 Property, Plant and Equipment

	Consolidated Entity	
	2020	2019
	$	$
PROPERTY		
Freehold land		
At cost	226,834	226,834
Total Land	226,834	226,834
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	491,031	491,031
Accumulated depreciation	(397,466)	(340,647)
	93,565	150,384
Motor vehicle		
At cost	25,527	51,437
Accumulated depreciation	(10,657)	(27,217)
	14,870	24,220
Office furniture		
At cost	103,677	102,402
Accumulated depreciation	(98,553)	(90,250)
	5,124	12,152
Right of use asset		
At cost	23,405	-
Accumulated amortisation	(2,926)	-
	20,479	-
Leasehold improvements		
At cost	419	419
Accumulated depreciation	(419)	(419)
	-	-
Total Plant and Equipment	134,040	186,756
Total Property, Plant and Equipment	360,873	413,590

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.

2020	Freehold Land $	Motor Vehicles $	Plant and Equipment $	Office Furniture $	Right of use asset $	Leasehold Improvements $	TOTAL $
Consolidated Entity:							
Balance at the beginning of year	226,834	24,220	150,384	12,151	-	-	413,590
Additions	-	-	-	1,275	23,405	-	24,680
Disposals	-	(5,540)	-	-	-	-	(5,540)
Depreciation expense	-	(3,809)	(25,487)	(8,302)	(2,926)	-	(40,525)
Depreciation capitalised	-	-	(31,332)	-	-	-	(31,332)
Carrying amount at the end of year	226,834	14,871	93,565	5,124	20,479	-	360,873

2019	Freehold Land $	Motor Vehicles $	Plant and Equipment $	Office Furniture $	Right of use asset $	Leasehold Improvements $	TOTAL $
Consolidated Entity:							
Balance at the beginning of year	226,834	43,105	189,043	19,188	-	94	478,264
Additions	-	-	1,624	-	-	-	1,624
Disposals	-	(6,883)	-	-	-		(6,883)
Depreciation expense	-	(12,002)	(17,317)	(7,037)	-	(94)	(36,450)
Depreciation capitalised	-	-	(22,965)	-	-	-	(22,965)
Carrying amount at the end of year	226,834	24,220	150,384	12,151	-	-	413,590

Note 12 Prepayments

	Consolidated Entity 2020 $	2019 $
CURRENT		
Prepaid expenses (insurance, rent, body corporate)	5,036	6,150
	5,036	6,150

Note 13 Exploration and Evaluation Expenditure

	2020 $	2019 $
NON-CURRENT		
Exploration Expenditure		
Costs carried forward in respect of areas of interest in:		
– exploration and evaluation phases	13,904,469	13,313,247
Opening balance	13,313,247	13,312,777
Additional expenditure	591,220	1,000,470
Reimbursed exploration expenditure	-	-
Closing balance	13,904,467	13,313,247

Note 14 Trade and Other Payables

	Consolidated Entity 2020 $	2019 $
CURRENT		
Trade creditors	105,416	75,059
Directors and Management accrued salaries and fees	125,866	86,047
Sundry creditors and accrued expenses	77,509	49,828
GST Collected	52,728	
	361,519	210,934

Note 15 Contract Liabilities

	Consolidated Entity 2020 $	2019 $
Amounts related to Golden Plains Resources Earn-in Agreement	527,273	-
Total contract liabilities	527,273	-
Current	527,273	-
Non-current	-	-

Note 16 Provisions

	Consolidated Entity 2020 $	2019 $
CURRENT		
Employee benefits	60,996	39,226
	60,996	39,226
NON-CURRENT		
Employee benefits	6,960	2,812

Note 17 Contributed Equity

	Consolidated Entity 2020 $	2019 $
1,584,571,527 (2019: 1,069,618,073) fully paid ordinary shares	32,575,943	31,078,996
	32,575,943	31,078,996

a. **Ordinary shares**

	2020 $	2019 $
Contributed equity		
At the beginning of the reporting period	31,078,996	30,060,432
Net shares and costs relating to shares issued during the year		1,018,564
24 July 2019	443,621	-
2 August 2019	279,000	-
6 September 2019	134,000	-
18 October 2019	500,000	-
8 January 2020	100	-
17 April 2020	55	-
30 April 2020	1,506	-
19 May 2020	240,000	-
Transaction costs relating to issues	(101,335)	-
At reporting date	32,575,943	31,078,996

	2020 Units	2019 Units
Shares outstanding		
At the beginning of reporting period	1,069,618,073	943,477,555
Total Shares issued during year		126,140,518
24 July 2019	147,873,698	-
2 August 2019	93,000,000	-
6 September 2019	42,666,667	-
18 October 2019	156,250,000	-
8 January 2020	9,946	-
17 April 2020	2,500	-
30 April 2020	150,643	-
19 May 2020	75,000,000	-
At reporting date	1,584,571,527	1,069,618,073

b. **Capital Management**

Management controls the capital of the Consolidated entity in order to ensure that the Company remains a going concern as a primary objective and is able to deliver suitable exploration, as the circumstances allow. This is done, to the best of Management's ability in the prevailing business and economic circumstances.

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

c. **Share based payments & options**

	Consolidated Entity 2020 $	Consolidated Entity 2019 $
Reserves		
Share based payments	110,702	23,911

Grant date	Expiry date	Exercise price	Balance at start of the year	Granted	Exercised	Expired/ Forfeited/ Other *	Balance at 30 June 2020
24 September 2017	25 September 2020	$0.0295	1,500,000	-	-	-	1,500,000
30 April 2019	Various**	Various**	-	72,500,00	-	-	72,500,000

*Employee options attributable to employees who have forfeited their options by leaving the company.

** Various Tranches granted during FY2019, vesting conditions, exercise prices and volume of each tranche 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.

For the options granted during the previous financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Tranche and Vesting Condition	Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date $	No. Options
FY2019 Tranche 1, vesting at the date of grant	30/04/2019	31/08/2021	$0.005	$0.0065	100%	-	1.18%	$54,637	20.0m
FY2019 Tranche 2, vesting upon achieving a Board approved financing deal to facilitate mining at Sorpresa	30/04/2019	31/07/2020	$0.005	$0.008	100%	-	1.14%	$24,830	15.0m
FY2019 Tranche 3, vesting upon production (First Ore) at Sorpresa to a Board approved work plan	30/04/2019	31/12/2023	$0.005	$0.011	100%	-	1.43%	$49,277	15.0m
FY2019 Tranche 4, vesting upon delivery of a JV or farm-in arrangement to a Board approved level	30/04/2019	31/08/2021	$0.005	$0.0065	100%	-	1.18%	$20,489	7.5m
FY2019 Tranche 5, vesting upon drilling of a prospect resulting in identification of >500koz of Au equivalent Inferred Resource (JORC 2012)	30/04/2019	31/08/2021	$0.005	$0.0065	100%	-	1.18%	$40,798	15.0m

Accounting policy for share-based payments

Equity-settled share-based compensation benefits are provided to employees as an additional incentive to recognise their contribution to the success of the company and persistence to deliver ongoing results.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the 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 Group receives the services that entitle the employees 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.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met provided all other conditions are satisfied.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 18 Controlled Entity

	Country of Incorporation	Percentage Owned (%) 2020	2019
Parent Entity			
Rimfire Pacific Mining NL			
Subsidiary of Rimfire Pacific Mining NL			
Axis Mining NL	Australia	100	100

Note 19 Parent Entity Information

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

	2020 $	2019 $
Current assets	949,534	146,624
Total assets	15,384,874	14,033,599
Current liabilities	959,797	248,660
Total liabilities	975,984	251,472
Issued capital	32,575,943	31,078,996
Reserves	110,702	23,911
Accumulated losses	(18,277,755)	(17,20,780)
Total equity	14,408,890	13,782,127
Loss of the parent entity	(956,975)	(875,505)
Comprehensive loss of the parent entity	(956,975)	(875,505)

Parent Entity Commitments:

All capital and operating commitments of the group have been entered into by the Parent Entity. Refer to note 19 for these commitments. The accounting policies of the parent entity are consistent with those of the Consolidated entity, as disclosed in note 1.

Note 20 Commitments and Contingent Liabilities

	Consolidated Entity 2020 $	2019 $
a. Operating Lease Commitments		
Office & Other Premises		
Payable		
- not later than 1 year	-	18,000
- later than 1 year but not later than 5 years	-	-
	-	18,000

b. Capital Expenditure Commitments

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

	Consolidated Entity 2020 $	2019 $
Payable		
- not later than 1 year	557,625	428,667
- later than 1 year but not later than 5 years	813,438	439,974
	1,371,063	868,640

c. Lease liabilities

During the year, the Company signed a new two-year, lease agreement for office premises in Melbourne, Victoria with a commencement date of 19 March 2020. The lease agreement was accounted for under AASB 16 which resulted in the recognition of 'right of use asset' and 'lease liability' on the statement of financial position. Refer to Note 10 for the net book value of the 'right of use asset'. The lease imposes a restriction that, the right-of-use asset can only be used by the Company. The Company must keep the property in a good state of repair and return the property in their original condition at the end of the lease. Further, the Company must insure items of fixed assets and incur maintenance fees on such items in accordance with the lease agreement. Lease liability is presented in the statement of financial position as follows:

	2020 $	2019 $
Lease liability - current	11,509	-
Lease liability - non current	9,227	-
	20,736	-

Note 21 Contingent Liabilities and Contingent Assets

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

Note 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 NL during the financial year:

Ian McCubbing (Chairman)
Craig Riley (Managing Director and CEO
Andrew Greville (Non-Executive Director)
Andrew Knox (Non-Executive Director)

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 2020. The totals of remuneration paid to Key Management Personnel of the company during the year are as follows:

	2020 $	2019 $
Short-term employee benefits - Paid	167,742	287,622
Short-term employee benefits - Accrued	118,366	68,331
Post-employment benefits	15,384	30,786
Long Term Benefits	-	39,145
Shares and Options	46,441	111,503
	347,933	537,387

Note 24 Related Party Details

	2020 $	2019 $
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
Transactions with director related parties:		
(i) In the current financial year related parties (WEMCO) of Mr Andrew Greville were paid in respect of consulting services. Payment for these services were on normal commercial terms	1,250	10,032
In the previous financial year related parties (Jill Kaminsky and Nicole Kaminsky) of Mr John Kaminsky were paid in respect of administrative services. Payment for these services were on normal commercial terms.		

Note 25 Cash Flow Information

	Consolidated Entity	
	2020	2019
	$	$
a. Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(956,975)	(875,505)
Non-cash flows in loss		
Depreciation	40,525	36,450
Loss on disposal of PPE	(3,248)	3,683
Expense of share-based payment	86,791	19,273
Changes in assets and liabilities relating to operations		
(Increase)/decrease in prepayments	1,113	1,099
(Increase)/decrease in other receivables	(215,771)	64,841
Increase/(decrease) in trade creditors and accruals	355,755	51,199
Increase/(decrease) in provisions	25,918	(35,750)
Cash flows used in operations	(665,891)	(734,710)

b. **Reconciliation of loss after tax to the net cash flows used in financial activities.**

	Balance at 1 July 2019	Financing Cash flows	Non-cash changes	Balance at 30 June 2020
Lease Liability	-	3,036	17,700	20,736
Total	-	3,036	17,700	20,736

c. **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 23(b).

Credit risk

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

Liquidity risk

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

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

Categorisation of financial assets

Financial assets	Note	Category	Carrying value 2020 $	Carrying value 2019 $
Cash & cash equivalents	7	Cash and other financial assets	310,794	95,706
Trade and other receivables	8	Trade and other receivables at amortised cost	803,931	205,134
Financial liabilities				
Trade and other payables	12	Financial liabilities measured at amortised cost	361,519	210,934
Lease liabilities	20c	Financial liabilities measured at fair value	20,736	-

b. **Interest Rate Risk**

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

	Floating Interest Rate $		Fixed Interest Rate Maturing Within One Year $		Within One to Two Years $		Non-interest Bearing $		Total $	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Financial Assets										
Cash	310,294	95,206	-	-	-	-	500	500	310,794	95,706
Receivables	170,000	160,000	-	-	-	-	633,931	45,134	633,931	205,134
Total Financial Assets	**480,294**	**255,206**	**-**	**-**	**-**	**-**	**634,431**	**45,634**	**944,725**	**300,840**
Financial Liabilities		-	-	-	-	-				
Trade and sundry creditors	-	-	-	-	-	-	361,519	210,934	361,519	210,934
Lease liabilities	-	-	11,509	-	9,227	-	20,736	-	20,736	-
Total Financial Liabilities	**-**	**-**	**11,509**	**-**	**9,227**	**-**	**382,255**	**210,934**	**382,255**	**210,934**
Net inflow/(outflow) on financial assets	**480,294**	**255,206**	**11,509**	**-**	**9,227**	**-**	**252,176**	**(165,300)**	**562,470**	**89,906**

c. **Net Fair Values**

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

d. **Sensitivity Analysis**

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

Interest Rate Sensitivity Analysis

At 30 June 2020, 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	
	2020 $	2019 $
Change in loss after tax		
- Increase in interest rate by 0.5%	4,778	1,276
- Decrease in interest rate by 0.5%	(4,778)	(1,276)
Change in equity		
- Increase in interest rate by 0.5%	4,778	1,276
- Decrease in interest rate by 0.5%	(4,778)	(1,276)

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 low interest rates.

Note 27 Events Occurring after the Reporting Period

After the Balance Date the consolidated entity has received $2,100,000 from a share placement and it has also received the $580,000 relating to the outstanding balance of the Administration Fee, and the initial first quarter work program budget cash call in relation to the Earn-in Agreement.

The Company has resolved to approve a Share Purchase Plan for $500,000 for shareholders on the same pricing as the subsequent capital raising. Shareholders will have the right to take up shares to a maximum of $30,000.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Note 28 Shares issued under option and unissued shares under option

163,089 options were exercised during the period. As at 30 June 2020 the breakdown of options – both listed and unlisted at balance date are listed below.

Listed Options	No.	%'age
Total Listed Options	-	-

Unlisted Options	No.	%'age
Employee Options (exercisable at 2.95 cents by 25 September 2020)	1,500,000	2.03%
Employee Options (exercisable at 0.65 cents by 31 August 2021)	20,000,000	27.03%
Employee Options, performance based vesting conditions (exercisable at 0.80 cents by 31 July 2020)	15,000,000	20.27%
Employee Options, performance based vesting conditions (exercisable at 1.10 cents by 31 December 2023)	15,000,000	20.27%
Employee Options, performance based vesting conditions (exercisable at 0.65 cents by 31 August 2021)	7,500,000	10.14%
Employee Options, performance based vesting conditions (exercisable at 0.65 cents by 31 August 2021)	15,000,000	20.27%
Total Unlisted Options	74,000,000	100.00%

Note 29 Company Details

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

Rimfire Pacific Mining NL
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 2020 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 30th day of September 2020

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

Opinion

We have audited the financial report of Rimfire Pacific Mining NL (the Company) and its controlled entity (the consolidated entity), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the 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 Company is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at June 30 2020 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 Company 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.

RSM

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.

Key Audit Matter	How our audit addressed this matter
Carrying Value of Exploration & Evaluation Asset Refer to Note 13 in the financial statements	
The consolidated entity has capitalised exploration costs with a carrying value of $13.9m. We determined this to be a key audit matter due to the significant management judgment 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 • Where the existence of an economically recoverable mineral reserve has been determined, determination of 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 capitalised exploration costs included: • Ensuring that the right to tenure of the areas of interest was current through confirmation with the relevant government departments; • Critically 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 • Through review of the consolidated entity's ASX announcements and other relevant documentation, assessing 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.

RSM

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 2020, 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.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Rimfire Pacific Mining NL for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

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

RSM AUSTRALIA PARTNERS

Jason Croall

J S CROALL
Partner

Dated: 30 September 2020
Melbourne, Victoria

Additional Information
For Publicly Listed Companies

1. The shareholder information set out below was applicable as at 29 September 2020.

(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	182	53,749	0.00
1,001 – 5,000	154	510,689	0.03
5,001 – 10,000	159	1,360,462	0.08
10,001 – 100,000	817	38,045,902	2.17
100,001 over	997	1,712,600,725	97.72
Total	2,309	1,752,571,527	100.00

(b) Marketable Parcels

The number of Ordinary shareholders with shareholdings in less than marketable parcels was 900 holding 11,074,855 shares which is 0.00% of Issued Capital as at 29 September 2020.

(c) The number of holders of each class of equity security as at 29 September 2020:

Class of Security	Number
Fully Paid Ordinary Shares	2,309

(d) Voting Rights

Every Member is entitled to be present at a meeting and may vote.

On a show of hands, every Member has one vote.

On a poll every Member has:
- one vote for each fully paid ordinary share; and
- voting rights pro-rata to the amount paid up on each partly paid share held by the Member.

There are no voting attached to unlisted options.

(e) 20 Largest Shareholders – RIM Ordinary Shares as at 29 September 2020

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	Booker Super Services Pty Ltd <G&C Booker SF A/C>	90,000,000	5.14
2.	Golden Plains Resources Pty Ltd	85,000,000	4.85
3.	Resource Capital Limited	40,000,000	2.28
4.	Mr Peng Wang	38,174,603	2.18
5.	Citicorp Nominees Pty Limited	31,129,642	1.78
6.	Cooee Investments Pty Ltd	27,168,604	1.55
7.	Mr Choong Guang Koh	26,500,000	1.51
8.	New Gold Fife Pty Ltd	23,809,524	1.36
9.	Sutherland Family Company Pty Ltd <The Swan A/C>	22,750,000	1.30
10.	HSBC Custody Nominees (Australia) Limited	21,912,184	1.25
11.	BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <DRP A/C>	21,466,666	1.22
12.	B David Nominees Pty Ltd <Never Satisfied S/F A/C>	19,333,336	1.10
13.	Helen Ma Pty Ltd <Stevema Super Fund A/C>	17,286,831	0.99
14.	Mr Richard Thomas Hayward Daly + Mrs Sarah Kay Daly <Daly Family S/F Tom A/C>	16,441,781	0.94
15.	Yucaja Pty Ltd <The Yoegiar Family A/C>	15,817,490	0.90
16.	Reef Investments Pty Ltd <The Nairn Family A/C>	15,600,819	0.89
17.	Mr Graham Charles Hopgood + Mrs Robyn Lesley Hopgood <G & R Hopgood Super Fund A/C>	15,200,000	0.87
18.	Ralston Corporation Pty Ltd <Ralston Super Fund A/C>	15,000,379	0.86
19.	Mr Laurie John Newman	14,616,778	0.83
20.	Kookoo Nominees Pty Ltd <Ant & Koo Nicholson S/F A/C>	13,200,000	0.75
	Top 20 holders of Fully Paid Ordinary Shares	570,408,637	32.55

2. The name of the Company Secretary is Melanie Leydin.

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

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

6. Vendor Securities

There are no restricted securities on issue as at 29 September 2020.

7. Unissued shares under option

As at 29 September 2020 there were also 57,500,000 unissued shares under option at various prices and various vesting dates which are detailed in this report and held by 2 option holders Both option holders hold over 100,001 unlisted options.

8. Share Buy-Back

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

9. Substantial Holders

Substantial holders in the company, as disclosed in the substantial holder notices given to the company at the time they provided the notice were as follows;

- Booker Super Services Pty Ltd <G&C Booker SF A/C>, 90,000,000 shares, 5.70%
- Golden Plains Resources Pty Ltd, 85,000,000 shares, 5.36%

10. Annual General Meeting

Rimfire Pacific Mining NL advises that its Annual General Meeting will be held on Tuesday, 24 November 2020. 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 13 October 2020.

Competent Persons Declaration

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

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

Schedule of Exploration Licences and Mining Licences as at 30 June 2020

EL No.	Initial Grant Date	Location	Units	Next Renewal Due	Mineral Focus
EL5565	24/03/1999	Fifield	4	24/03/2022	Platinum
EL6241	17/05/2004	Fifield	15	17/05/2021	Gold / Base Metals / Platinum
EL7058	01/02/2008	Fifield	35	01/02/2023	Gold / Base Metals / Platinum
EL7959	16/08/2012	Fifield	7	16/08/2023	Gold / Base Metals
EL8401	22/10/2015	Fifield	100	22/10/2021	Gold / Base Metals
EL8542	23/03/2017	Fifield	32	23/03/2023	Gold / Base Metals
EL8543	27/03/2017	Fifield	1	27/03/2023	Gold / Base Metals
EL8935**	03/02/2020	Fifield	40	03/02/2023	Gold / Base Metals / Cobalt / Nickel / Scandium
M(C)L305	18/11/2004	Fifield	1.9ha	17/11/2029	Gold / Platinum / Silver
Greater Cowal Area					
EL8804	31/10/2018	East Cowal	42	31/01/2021	Gold / Base Metals
EL8805	31/10/2018	East Cowal	39	31/01/2021	Gold / Base Metals
Broken Hill					
EL5958*	24/06/2002	Broken Hill	27	24/06/2022	Base Metals / Cobalt

*10% free-carry to RIM, RIM holds the licence, Perilya responsible for Management and Minimum Expenditure
**EL8935 used to be EL5534 and M(C)L306, upon renewal all merged into one licence

Corporate Directory

Directors:	Ian McCubbing (Chairman) Craig Riley (Managing Director & CEO) Andrew Greville (Non-executive Director) Andrew Knox (Non-executive Director)
Company Secretary:	Melanie Leydin
Registered Office and Principle 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

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