rimfire

RImfire Pacific Mining

ANNUAL REPORT 2021

RIMFIRE PACIFIC MINING NL

rimfire

RImfire Pacific Mining

Corporate Governance Statement
The Company’s 2021 Corporate Governance Statement has been released to ASX on 30 September 2021 and is available on the Company’s website www.rimfire.com.au.


McLEOD DRILLING

Dear Fellow Shareholders,

I am pleased to report that Rimfire has had a successful year with advancement of our four existing projects that give exposure to gold and green energy metals including copper and platinum-group elements (PGE's) in the world-renowned Lachlan Fold Belt of central NSW. The company also developed a new opportunity by regaining 100% tenure rights and management control on a significant cobalt (electric vehicle battery metal) project (the Green View project) in the Broken Hill region of south-western NSW.

The company's financial position has been substantially improved after last year's capital raising of $2.6 million and implementation of the Avondale Earn-in Agreement which could deliver up to $7.5 million of funding over 4 years. This solid financial platform has allowed the company to identify the exciting 100% owned new Valley (copper/gold) and Green View (cobalt) Projects in central NSW and south-western NSW respectively.

The Company is manager of the Fifield and Avondale Earn-in Projects with Golden Plains Resources Pty. Ltd. (GPR) our Earn-in partner. The Fifield Project includes the Sorpresa Resource (gold/silver) where GPR is continuing to fund work activities towards obtaining mine development approvals. Rimfire and GPR have established a solid professional working relationship and we appreciate the resources provided by GPR. The Avondale Earn-in will enable the company to accelerate its exploration of a number of attractive targets including the Kars and Currajong prospects.

The next 12 months will be significant for the development of the company's 100% owned and managed projects. The Valley Project (Lachlan Fold Belt), has promising results for a commercial copper/gold porphyry system and will be further evaluated over the next year. The Company also recently announced the Green View Project which is in a highly prospective area for cobalt, a mineral that is now attracting significant global interest.

I would like to thank Board members, employees, contractors and service providers for their continued hard work and professionalism over the past year. It has been a challenging and stressful year operationally as outbreaks of the Coronavirus across the eastern states rapidly change how our people and equipment can support field activities yet our team has been able to continue advancing company projects whilst avoiding any Covid cases. Furthermore, we express our sincere thanks to our new and continuing shareholders for their support of the Company.

Ian McCubbing
Chairman of the Board

Dated: 30 September 2021

HEALTH, SAFETY, ENVIRONMENT AND COMMUNITY

Health

The Company recorded no health incidents or Covid-19 cases 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. The transition to establishing robust platforms that allow the company to continue operating normally whilst managing compliance with Covid-19 directives from relevant statutory authorities has been very successful. To further mitigate the risk to employees, contractors, and community the company is encouraging employees and contractors to receive vaccinations. The Company appreciates the ongoing support and contribution of the local community, employees, and contractors during this period of abnormal business practices.

Safety

There were no safety incidents during the past year with the Company achieving a zero incident rate for Minor Injuries, Medical Treatment Injuries and Lost Time Injuries.

There were numerous drilling programs undertaken during the year which were all completed safely. The breaking of the drought significantly reduced the fire risk associated with all field activities in the past year although preventative control measures have been implemented to manage increased levels of expected dry vegetation that will be an issue for next summer.

Environment

There were no environmental incidents during the past year.

The NSW Resources Regulator has replaced its previous Complying Exploration Activity (CEA) system with a new Approved Prospecting Operations (APO) framework, with increased compliance requirements. The company has closed all outstanding CEAs which included obtaining sign-off from landholders confirming that all environmental rehabilitation is complete to the agreed standard. There remain 5 active APOs covering current field work program activities.

Community

There were no community related incidents during the past year.

The company acknowledges that our projects in NSW are on the traditional lands of the Wiradjuri and Wilyakali people and we pay our respect to their Elders past, present and future.

During the year a Wiradjuri representative of the Local Area Land Council (LALC) visited the Sorpresa Project site and participated in a Cultural Heritage survey. There were no artefacts or sites of significance observed in areas of Rimfire field activities although some Aboriginal artefacts were identified in the local area during the visit. The company has incorporated the locations of these sites into its Geographical Database systems to aid future planning of field activities.

The company did raise its profile in the local community by relocating its accommodation facilities to the township of Fifield.

Rimfire Pacific Mining (ASX:RIM) is an ASX listed exploration company focused on advancing four projects in the Lachlan Fold Belt in New South Wales with exposure to Copper / Gold / PGE / Cobalt and one project in the “Willyama Supergroup” at Broken Hill with exposure to Cobalt *(Figure 1)*. The company holds 896km^2 of exploration licences covering highly prospective ground within the Lachlan Fold Belt with the Company’s projects located near the operating mines of CMOC (Northparkes Cu/Au), Alkane (Tomingley Au), Evolution (Cowal Au) and Newcrest Mining (Cadia Valley Au/Cu) operations that produce collectively over 1 million ounces of gold and 100,000 tonnes of copper metal annually from porphyry style copper / gold or gold only mineralised systems. The company also now holds a 78km^2 area of an exploration licence at Broken Hill in the Willyama Supergroup that is prospective for cobalt mineralisation and hosts the significant Broken Hill Pb-Zn-Ag (lead, zinc, silver) orebody that has been in production for over 100 years, after the return of 25 units from the Windy Ridge Joint Venture held with Perilya after balance date.

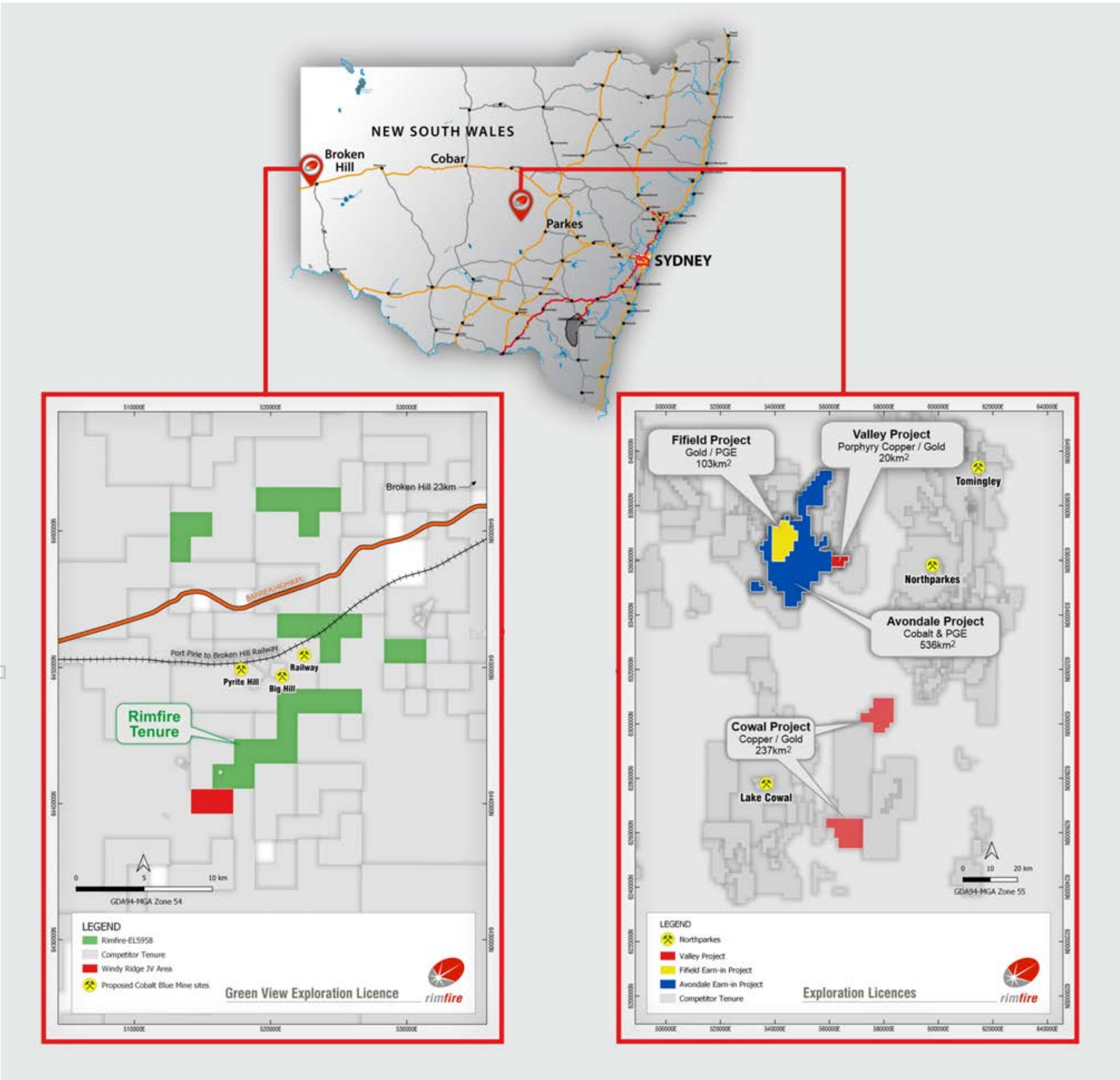

Figure 1: Location Map of Rimfire’s Lachlan Fold Belt and Broken Hill Projects

PROJECT OVERVIEW

The company is pursuing a dual strategy of seeking a significant discovery within its exploration licences and advancing the Sorpresa deposit with the goal of delivering a value accretive project. Over the past couple of years the Company has been very successful at achieving co-investment commitments including securing two earn-in agreements with Golden Plains Resources Pty. Ltd. for the Fifield (exploration and development) and Avondale (exploration) Projects. Subject to some options in favour of GPR, Rimfire is carried for up to $12 million of project expenditure whilst retaining management control throughout the earn-in periods (ASX Announcements: 4 May 2020 - Rimfire Enters into $4.5 million Earn-in Agreement and 25 July 2021 - Rimfire Secures $7.5 million Avondale Farm Out).

The company believes there are significant value catalysts to come from the next stage of work programs on the Projects whilst also actively continuing to review further potential growth opportunities.

The five key projects under management in the Lachlan Fold Belt and Willyama Supergroup are:

LACHLAN FOLD BELT – CENTRAL NSW (WIRADJURI COUNTRY)	
1.	**Valley Project – Porphyry Copper/Gold, RIM 100%**
✓	Located 5km west of Kincora Copper/RareX Mordialloc porphyry copper-gold target.
✓	Recently completed a drilling program to test near surface IP targets and interpreted Ordovician basement that hosts regional major discoveries such as Northparkes, Cadia and Cowal.
2.	**Cowal Project - Copper/Gold, RIM 100%.**
✓	Located to the east of Evolution's Lake Cowal Copper/Gold mine.
✓	Little exploration has occurred on these tenements which are prospective for Copper/Gold.
3.	**Fifield Project – Gold Silver and Platinum Group Elements (PGE's)**
✓	GPR earning up to 50.1% over 3 years and RIM carried through development.
✓	Maiden JORC 2012 resource of 125Koz gold + 7.9Moz silver.
✓	Recent drilling at the Transit Prospect included a hole with an intersection of 55m @ 0.94g/t gold and the final 1m intersection increasing to 9.98g/t gold.
4.	**Avondale Project – Cobalt, PGEs and Gold**
✓	GPR earning up to 75% over 4 years.
✓	Currajong and KARS prospects located in the southern area of the project area and prospective for Cobalt and PGE's respectively.
BROKEN HILL (WILLYAMA SUPERGROUP) – SOUTH-WESTERN NSW (WILYAKALI COUNTRY)	
5.	**Green View Project – Cobalt, RIM 100%**
✓	Located 15km from Broken Hill.
✓	Adjacent to the significant Cobalt Blue Holdings Railway Cobalt Resource, with ~43,000t of inground cobalt, which is the major resource for the Cobalt Blue's Broken Hill Cobalt Project.
✓	Prospective host rock lithology outcropping at surface along strike from Railway Resource.

VALLEY PROJECT – 100% RIM

The "Valley" Project lies 3km north of the township of Trundle in central NSW. The 2021 drilling program consisted of three shallow (<200m) holes to test Induced Polarisation (IP) features (zones of anomalous chargeability and resistivity responses in the bedrock substrate) and a fourth deeper hole (>400m) to confirm depth to interpreted Ordovician Volcanic basement rocks. The Valley target is approximately 5km west of the Kincora Copper/RareX Mordialloc porphyry copper/gold target *(Figure 2).*

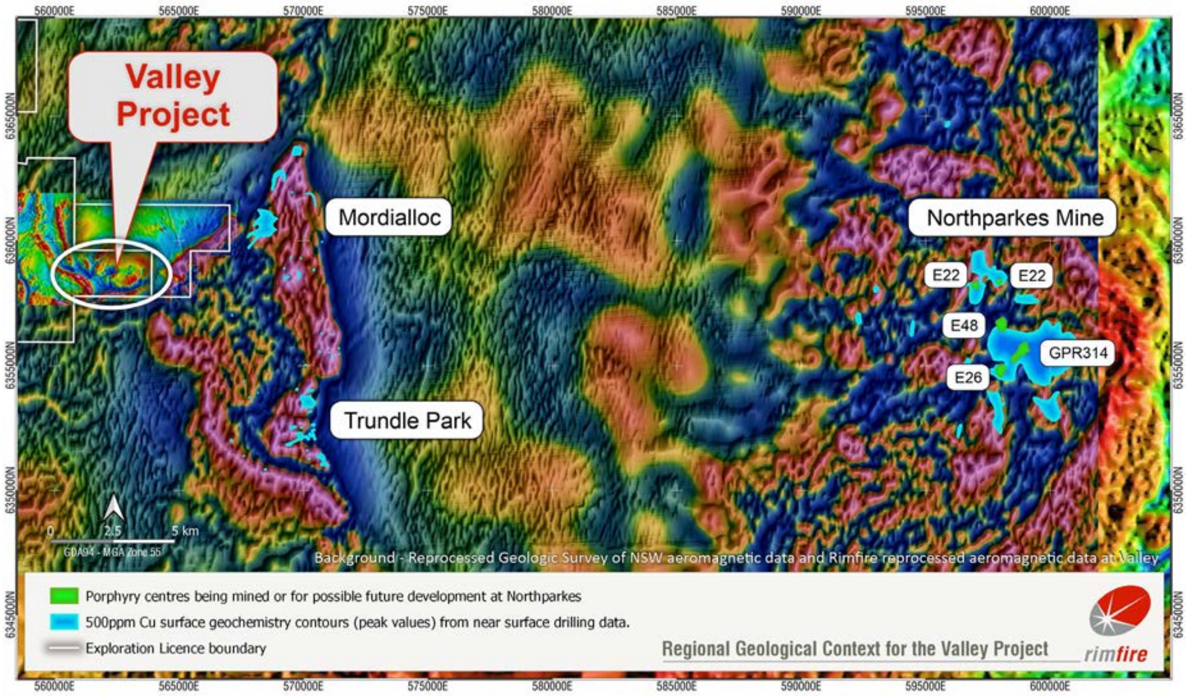

Figure 2: Regional Geological Context for The Valley project

NB: Geochemical footprints of Northparkes Cu-Au porphyry and local porphyry prospects Trundle Park and Mordialloc are compiled from multiple open file sources. Background image is aeromagnetic.

A deep diamond drill hole, FI2079 of 463m downhole depth and a shallow diamond drill hole, FI2081 of 151m downhole depth *(Figures 3 and 4)* were completed to test two targets:

- A deeper magnetic target interpreted as Ordovician volcanics related to porphyry style mineralisation which occurs beneath younger Devonian sediments in the region;
- The source of surface geochemical anomalism along a ferruginous ridge and an Induced Polarisation (IP) geophysical feature in same vicinity.

The deeper hole intersected the magnetic target at ~350m vertical depth. The unit is a strongly epidote-chlorite altered volcanoclastic, polymictic conglomerate and is interpreted as representing the Raggatt volcanics (Ordovician). The source of the surface geochemical anomaly was delineated when a series of stringer fault breccias were intersected across a broad zone and yielded anomalous copper (Cu) values of 26m @ 410ppm Cu downhole from 96m including 10m @ 800ppm Cu from 97m downhole (ASX Announcement: 27 July 2021 - Valley Results Support Potential for Nearby Porphyry System).

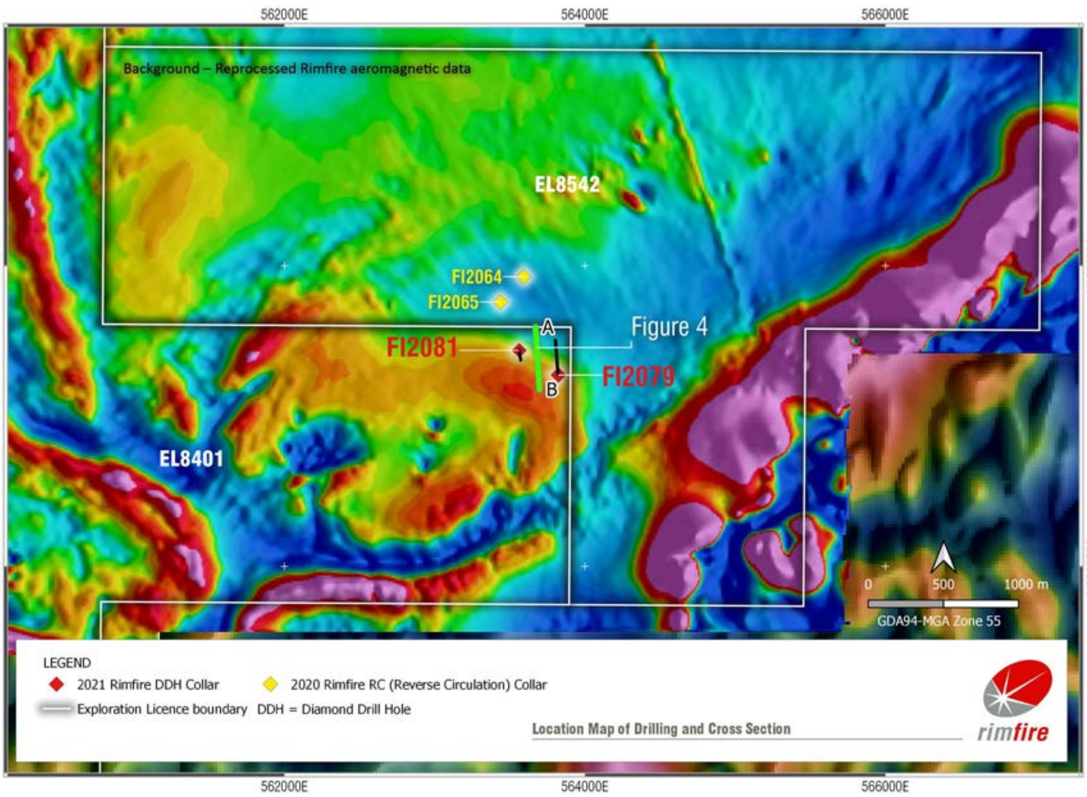

Figure 3: Location map for the recent diamond drilling at The Valley Project.

The shallower hole, FI2081 (150m total depth), was completed ~320m NW of FI2079 in order to test the lateral extent of the ferruginous ridge and an Induced Polarisation (IP) geophysical response. FI2081 is a scissor hole to FI2079 with the purpose of testing the steep structure as a host for copper mineralisation and determine if it was also responsible for the IP response. Very little copper mineralisation was observed with logging and assaying indicating the IP feature is associated with disseminated pyrite (iron sulphide) in younger sediments (Devonian).

As this area was largely unexplored until last year, these results are very encouraging and bode well for the next phase of the program to vector into the source of a significant zone of economic mineralisation.

The next stage of the exploration program involves a dual approach of:

- Drilling magnetic features which are potentially a cluster of porphyry intrusive centres, consisting of magnetic lows and highs with marginal zones which could host mineralization.
- Testing a number of surface geochemical and alteration zones across the project area with focused aircore drilling. A total of 100 aircore holes totalling approximately 1,500m is planned to test these areas of interest.

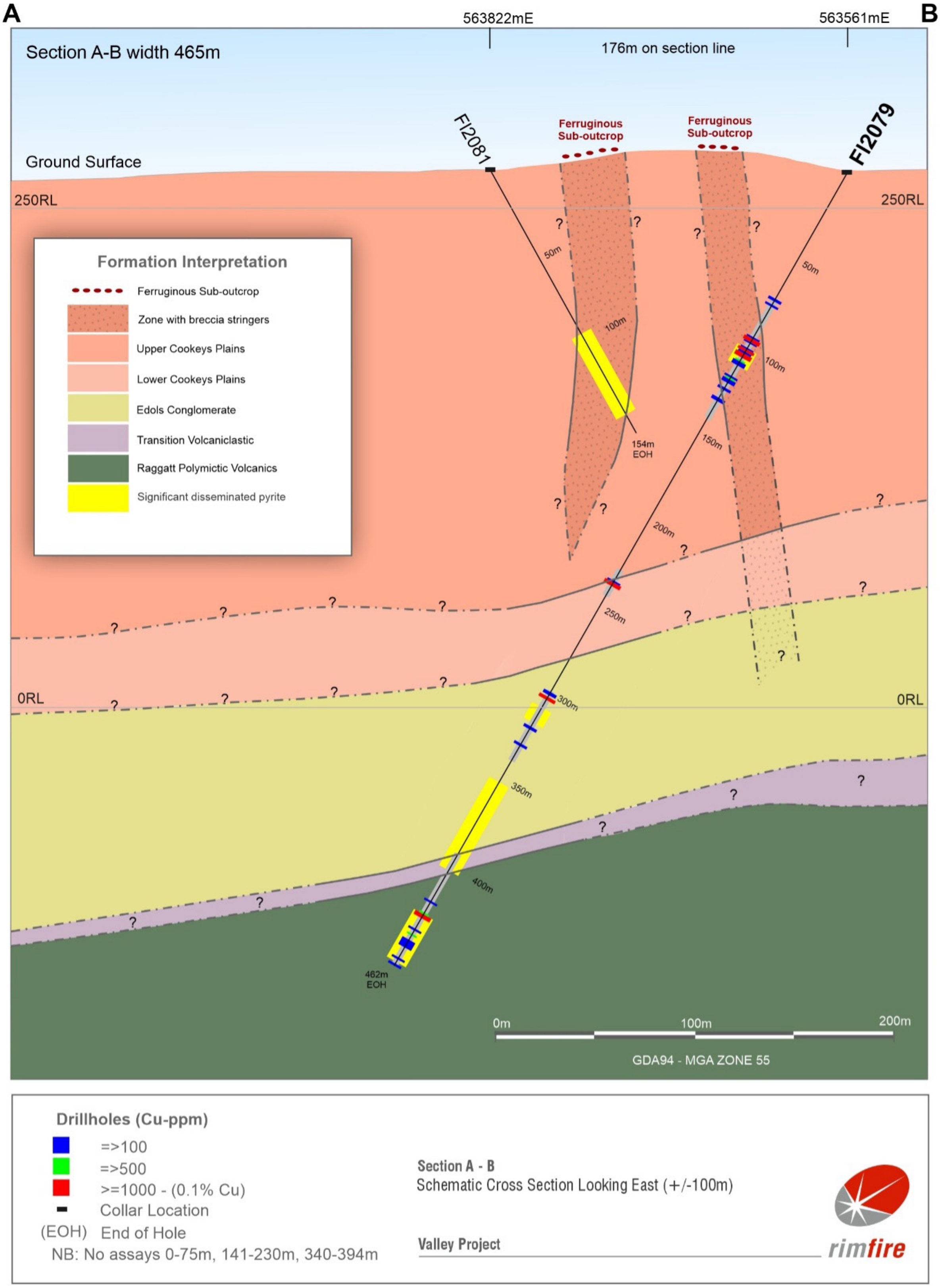

Figure 4: Cross Section Looking West Valley Core Holes FI2079 and FI2081.

GREEN VIEW PROJECT – RIM 100%

Rimfire reached agreement with Perilya for the return of 25 out of 27 blocks from the Windy Ridge Joint Venture over Rimfire's EL 5958 at Broken Hill *(Figure 5)*. The returned blocks are referred to as the Green View Project.

The return of these blocks provides an exciting addition to Rimfire's portfolio as a multi commodity explorer with a focus on metals that will support the future green economy. Broken Hill is a globally recognised area for metal mining and production with mature power and transport infrastructure. The region is attracting interest as a potential source of renewable energy metals such as cobalt for batteries.

Green View is immediately adjacent to significant resources, including Cobalt Blue Holdings' (COB) Railway Deposit, which has an estimated Indicated and Inferred resource of 74Mt @ 704 ppm cobalt equivalent, for 43,700 tonnes of contained cobalt. The Railway Deposit contains over 50% of the estimated resource for COB's Broken Hill Cobalt Project and has been described as "Australia's largest cobalt sulphide deposit – a top 10 global cobalt mine" (COB ASX Announcement: 10 June 2021 - Company Presentation).

The geological units that contain the Railway Resource are believed to extend onto Rimfire's Green View blocks. The cobalt mineralisation exhibits an associated

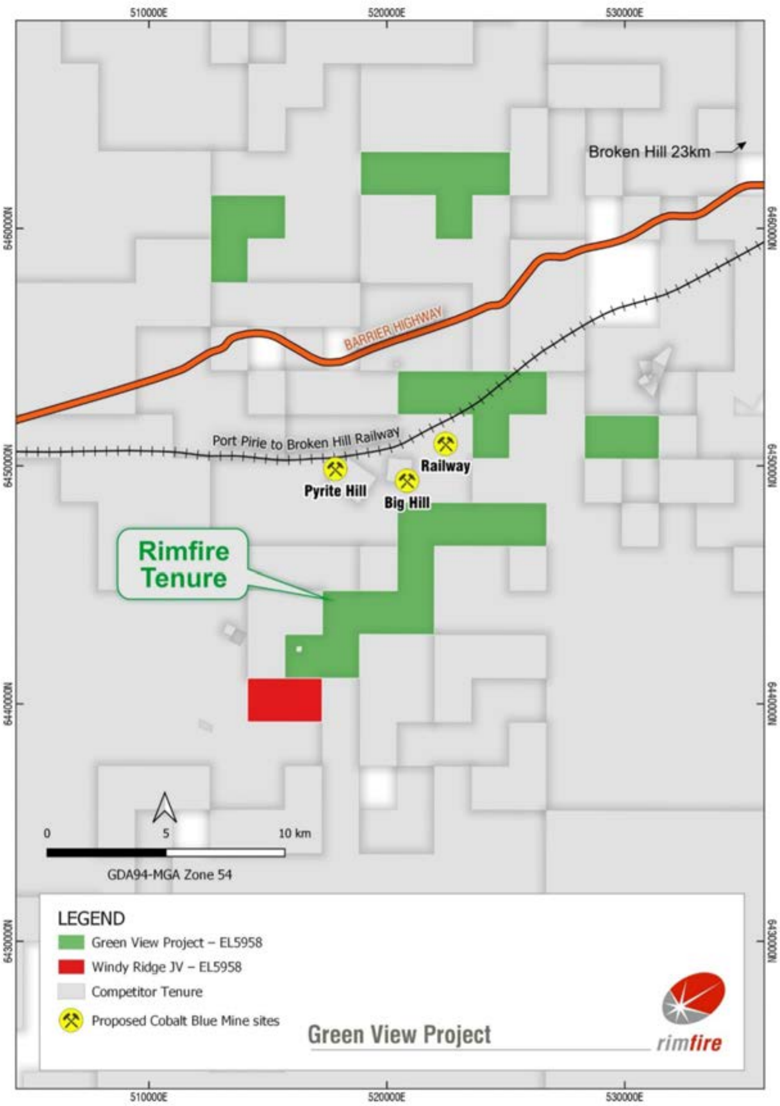

Figure 5: EL5958 Tenement, Broken Hill, NSW.

VTEM (Versatile Time Domain Electromagnetic) feature adjacent to mineralisation. Along strike of the prospective geological lithology a similar VTEM feature has been interpreted on Rimfire tenure. The underlying magnetic signature also suggests that the prospective stratigraphy extends into EL5958 before curving to the south-east *(Figure 6)*. Outcrop extends at least 800m into EL5958 before dipping deeper and becoming covered by younger rocks although small areas of the prospective stratigraphy outcrop indicating the unit is likely to continue.

The Company is now completing necessary regulatory approvals for completion of the transfer and planning the work program to be conducted at the Green View Project, located 25 kilometres west of Broken Hill.

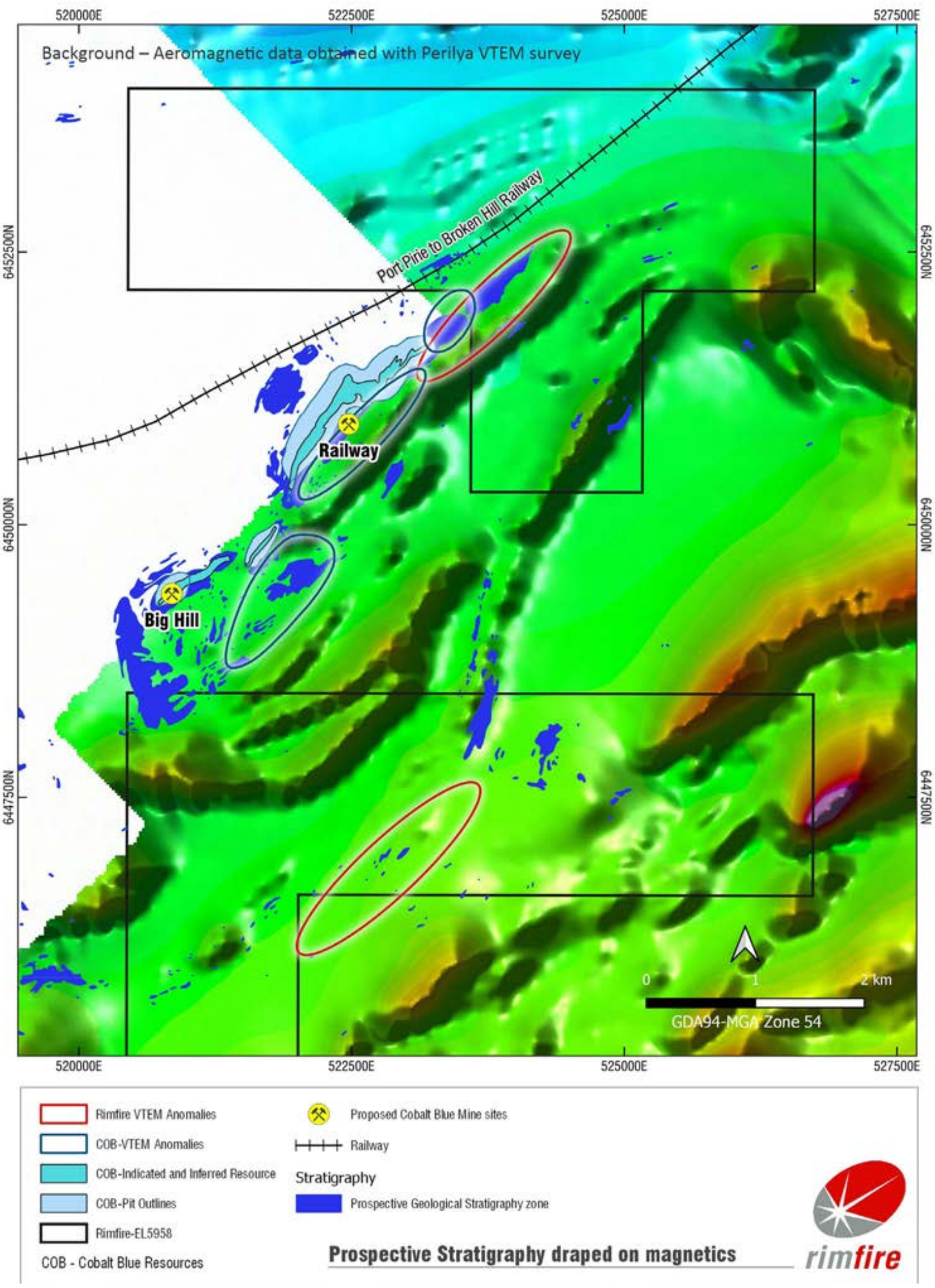

Figure 6: Prospective Stratigraphy Draped on Magnetics.

Pit Outlines: COB ASX Announcement AGM Presentation 25 Nov 2019
Resource Outlines: COB ASX Announcement Thackaringa Feasibility Study 1 Nov 2018

COWAL PROJECT – RIM 100%

The Cowal Project consists of two Exploration Licences located ~25 to 50 kilometres east of the Evolution Cowal gold mine *(Figure 7).* A key area of interest is directly south of Porters Mount which is a historical (late 1900's) discovery of a large scale zone of uneconomic copper mineralisation *(Figure 8)*. Data analysis over past 12 months confirms the concept that the north – south structural trend on the Exploration Licence is crosscut by a major regional north-west – south-east structural corridor that extends south of Porters Mount and could host mineralisation under cover. The company plans to undertake an aircore drilling program to test the concept in the forthcoming year.

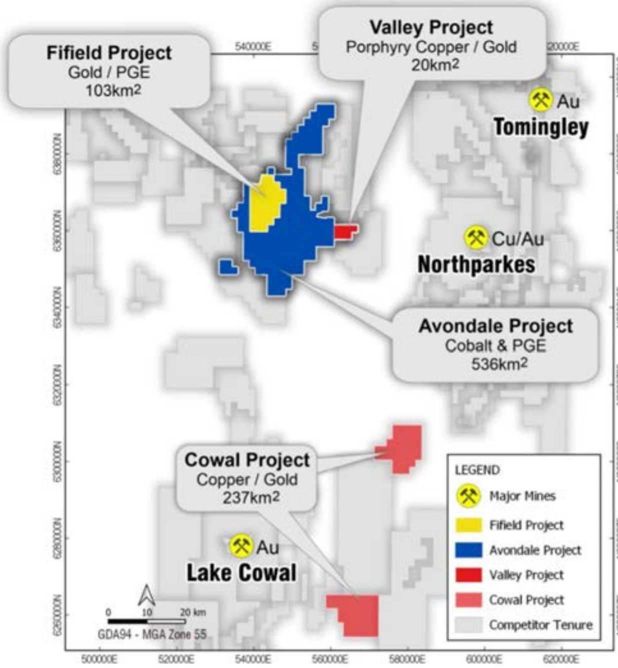

Figure 7: Location Map of Cowal Project.

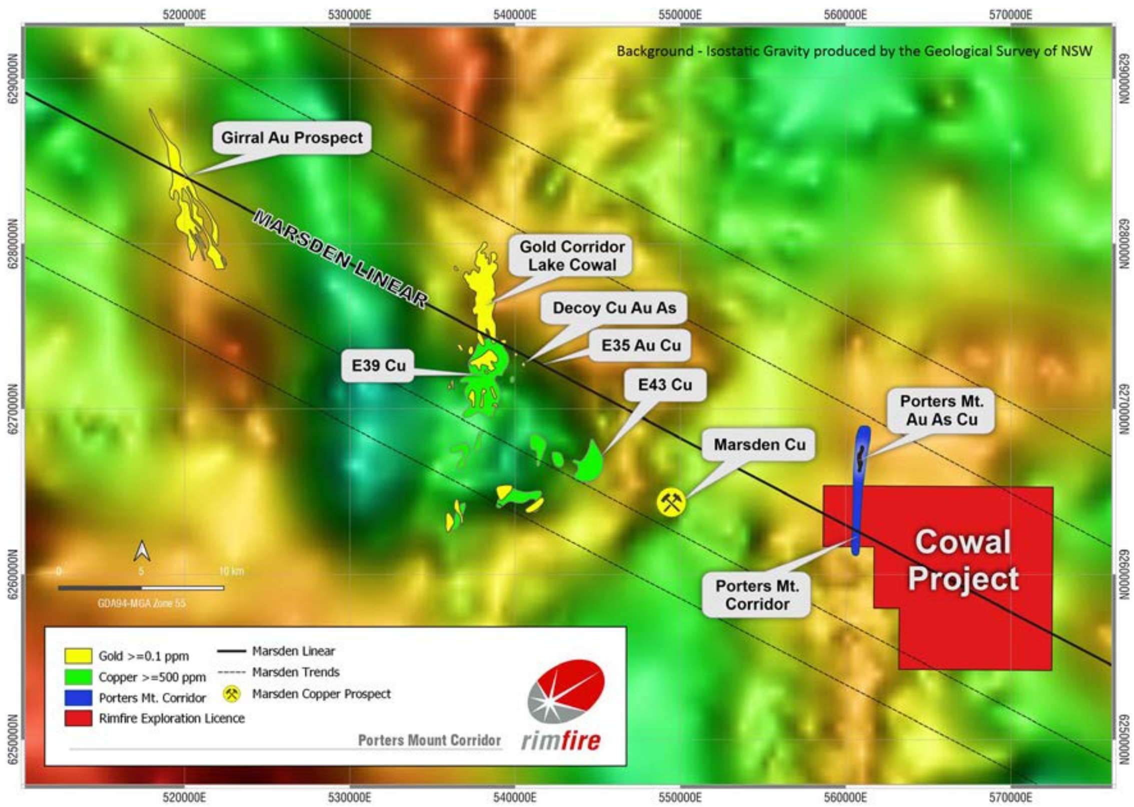

Figure 8: Structural Elements and Geochemistry Map of Cowal Project.
NB: Porters Mount corridor is intersected by the Marsden linear and by a N-S structure that is parallel to Cowal N-S structure.
Red = >0.1ppm Au and Green = >500ppm Cu

FIFIELD PROJECT – GPR Earning up to 50.1%, RIM Managed

In May 2020 the Company entered Earn-in and Joint Venture agreements with Golden Plains Resources Pty. Ltd. (GPR) covering its 100% owned Fifield Project in central NSW. The project area for the Earn-in Agreement covers 103km^2 of highly prospective ground that includes the Sorpresa gold and silver discovery. On completion of the earn-in commitments, GPR and Rimfire will form an unincorporated Joint Venture over the Joint Venture Area.

Under the Earn-in GPR need to invest $1,500,000 per year for three years to earn a 50.1% interest in the Joint Venture Area and commit to fund the development of the Sorpresa project, including Rimfire's portion. Rimfire will repay its share of the development costs from operating cash flows. The Earn-in is now into its second year with GPR having made all commitments during the first year. During the Earn-in period funds will be spent pursuing a dual strategy of exploration for further discoveries and ongoing work to obtain Development Consent for the preferred development project. Rimfire retains full responsibility for design, planning and implementation of all field program activities and meeting all regulatory compliance requirements.

Sorpresa Mine Development Update

During the past year a diamond core drilling program was completed at the Sorpresa Mine Development. Data from this drilling program will assist in the development of the geotechnical and metallurgical design parameters for the Development. The core drilling will provide geotechnical engineering data that will allow the determination of the optimal pit wall slope design parameters for the mine plans. The metallurgical drilling will provide samples for further testing to refine ore processing options.

The metallurgical samples will also provide various types of ore and waste samples for geochemical analysis which will form part of the Environmental Impact Assessment (EIA) that is required to obtain the Development Consent from the NSW Government Authorities for Sorpresa.

In February 2021, Environmental Fauna and Flora Consultants visited the site as part of the process of completing an Environmental Impact Assessment (EIA) that is a prerequisite requirement for securing Development Consent from the NSW Government statutory authorities. The NSW Biodiversity Conservation Act (BC Act) established the Biodiversity Offsets Scheme (BOS) to avoid, minimise and offset impacts on biodiversity from development and clearing. Where clearing does occur, the offsets are established in perpetuity to compensate for the development. To determine a projects potential liability under the BOS the NSW government have developed the Biodiversity Assessment Method (BAM). The BAM is a prescribed method for determining the biodiversity value of an area requiring surveys by accredited fauna and flora specialists. These surveys identified three plant community types occurring in the conceptual footprint of the Sorpresa Project footprint. In the forthcoming year further site visits will occur to complete targeted surveys for fauna species that will support final BAM estimates.

In parallel with this survey the company completed a Cultural Heritage Survey that included a Wiradjuri representative from the Local Area Land Council (LALC) who are the traditional custodians of the land. This initial phase of work identified some cultural artefacts outside the area of current Rimfire activities although data has been captured in Geographic Information System (GIS) databases for future field planning activities.

Fifield Project Exploration: Transit

Fifield Project exploration activities that are funded by the GPR Earn-in has been on the drilling program at Transit which is 4 kilometers east of Sorpresa *(Figure 9)* where there have been some significant results. The most recent drill hole tested for deeper extensions of gold mineralisation, beyond Fi2072 downhole end of hole depth of 61m to a downhole end of hole depth of 156.6m (ASX Announcement: 8 July 2021 - Fifield Project Intercept). Drill hole Fi2072 was still in mineralisation at end of the hole and had an intercept of 55m at average grade of 0.94g/t Au from 6m hole depth with two significant intercepts of:

- 14m @ 1.76g/t Au from 6m, and
- 1m @ 9.98g/t Au from 60m.

The Fifield Project's broader program at Transit has also identified a zone of significant elevated gold geochemistry coincident with surface soil and auger bedrock samples approximately 150m to the north-east *(Figure 10).* As diamond core provides significantly better quality data than RC drilling the diamond drill hole at Transit has allowed Rimfire to develop a better understanding of lithology and structure. Key insights include recognition of the following:

1. A broad halo of elevated gold geochemistry occurring within a strongly sheared, quartz-veined carbonaceous siltstone host rock with the highest grades appearing to lie within steep structurally controlled breccias,
2. Mineralisation trends approximately NE-SW bordering a magnetic high (intrusive rock) and the potential exists for additional extensions of mineralisation along this structural trend.

To date, 8 holes have tested the zone of highest surface gold grades. Only a small area of the anomaly has been tested so far (approximately 120 x 100m), and 6 of the 8 holes intercepted significant zones of gold. The broad zone of anomalous geochemistry of bedrock may possibly represent a significant Intrusion Related Gold System (IRGS) deposit style opportunity (ASX Announcement: 15 July 2019 - IRGS Sorpresa Basin Model).

The next stage is to step out and test to the area surrounding the surface anomalies and the interpreted structural trend.

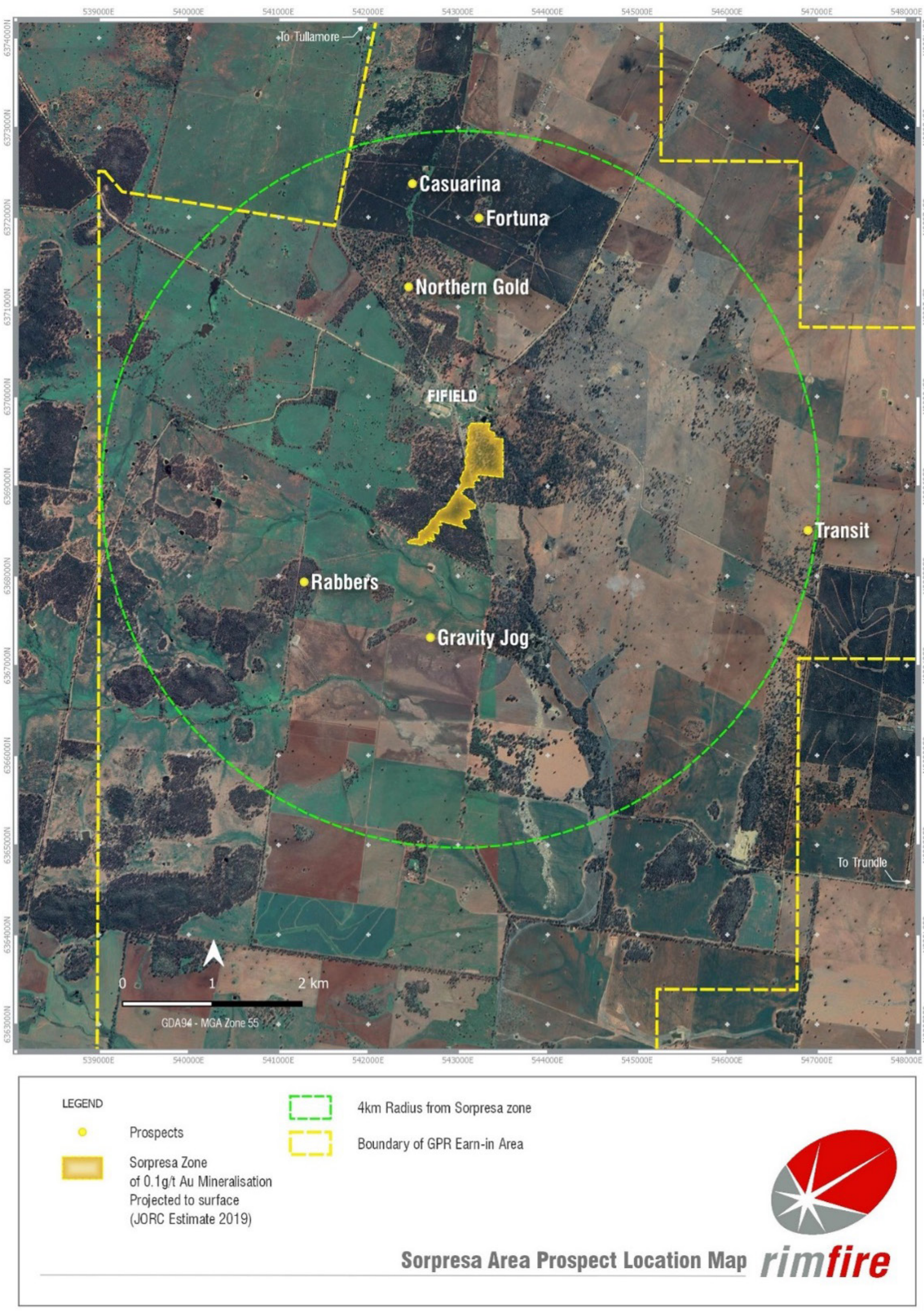

Figure 9: Transit Locality Map

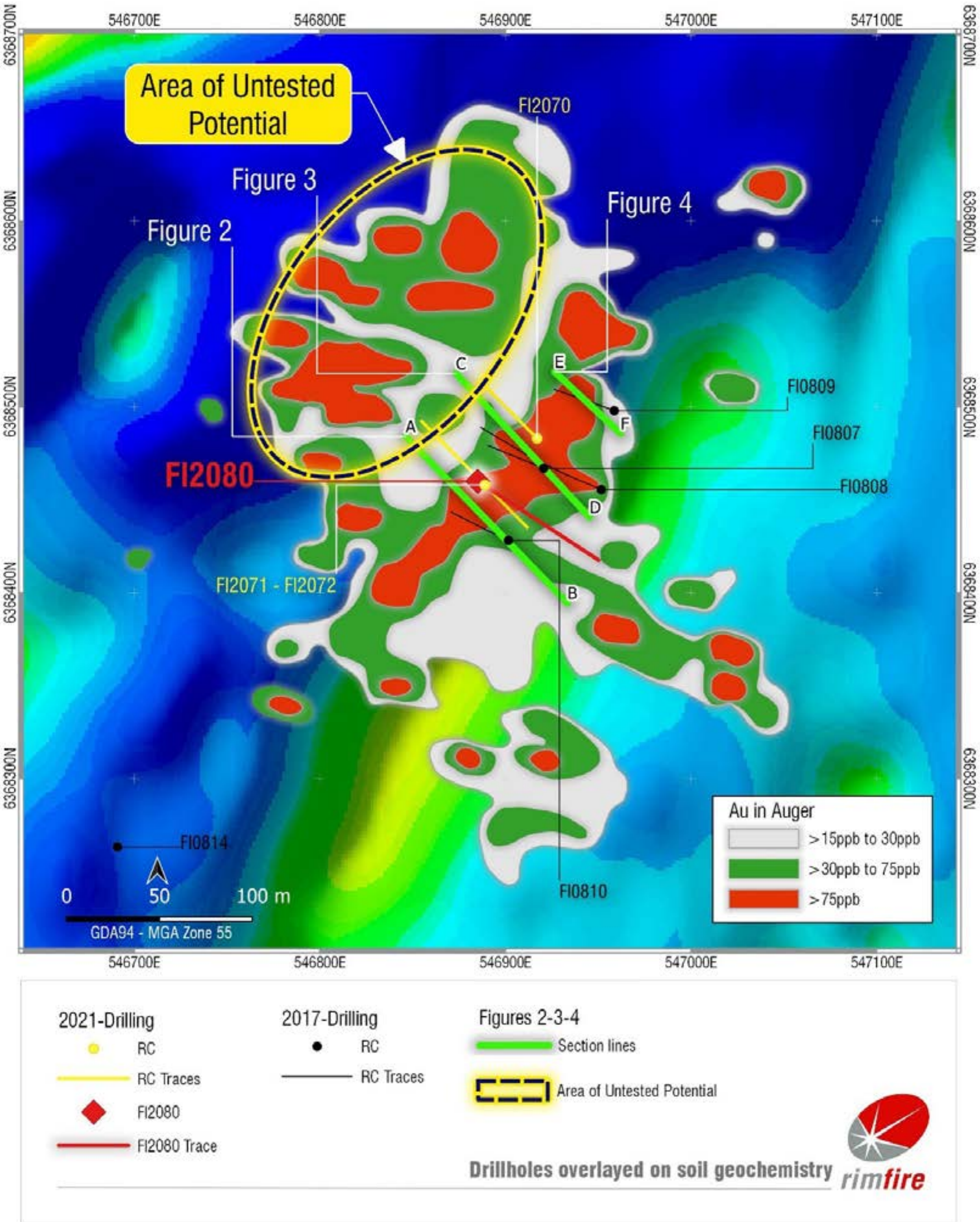

Figure 10: Surface Gold Geochemistry at Transit

PROJECT OVERVIEW

AVONDALE PROJECT – GPR Earning up to 75%, RIM Managed

In June 2021 the Company entered Earn-in and Joint Venture agreements with Golden Plains Resources Pty. Ltd. (GPR) covering its 100% owned Avondale Project in central NSW (ASX Announcement: 25 July 2021 - Rimfire Secures $7.5 million Avondale Farm Out). The project area for the Earn-in Agreement covers 536km^2 of highly prospective ground. On completion of the earn-in commitments, GPR and Rimfire will form an unincorporated Joint Venture over the Joint Venture Area.

Subject to some options in favour of GPR, GPR will invest up to $7.5million to earn up to a 75% interest in the Avondale Project. During the Earn-in period, funds will be spent on exploration work programs focusing on copper, gold, cobalt and platinum group elements (PGE's). Rimfire retains full responsibility for development, planning and implementation of all field program activities and meeting all regulatory compliance requirements. Work program planning is in progress.

PERILYA JOINT VENTURE – Perilya 90%, Rimfire 10% free carried to BFS

A 10% interest is held by the Company (Perilya 90%) in 2 sub-blocks (6km^2) of Exploration Licence EL5958 in the Broken Hill area. These units remain within the existing Windy Ridge Joint Venture. Perilya is responsible for work programs on these 2 sub-blocks and any procedural compliance requirements such as landholder access and rehabilitation. Perilya and Rimfire work programs collectively contribute towards meeting all annual expenditure commitments on EL5958 (27 sub-blocks) with Rimfire responsible for Exploration Licence compliance reporting.

Refer to Green View Project section of Annual Report for information on 25 sub-blocks where Rimfire has full control and responsibility for compliance and work program activities.

Your Directors present the following report on the Company and its controlled entity for the financial year ended 30 June 2021.

Directors

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

Ian McCubbing (Non-Executive Chairman)
Craig Riley (Managing Director and Chief Executive Officer)
Andrew Greville (Non-Executive Director)
Andrew Knox (Non-Executive Director)
Misha Collins (Non-independent, Non-executive Director), joined the Company on 2 July 2021

Principal Activities

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

Review of Operations

Rimfire Pacific Mining (ASX:RIM) is an ASX listed exploration company focused on advancing four projects in the Lachlan Fold Belt and one project in the Willyama Supergroup in New South Wales with exposure to Copper/Gold/PGE and Cobalt.

The company has a successful track record of commercialising assets including securing two earn-in agreements with Golden Plains Resources Pty. Ltd. for the Fifield and Avondale Projects. Subject to some options in favour of GPR, Rimfire is fully carried for up to $12 million of exploration expenditure across the projects whilst retaining management control throughout the earn-in periods.

The company believes there are significant value catalysts to come from the next stage of work programs on the Projects and the company actively reviews potential growth opportunities.

The five key projects under management in the Lachlan Fold Belt and Willyama Supergroup are:

Lachlan Fold Belt – central NSW (Wiradjuri Country)

1. **Valley Project – Porphyry Copper / Gold, RIM 100%**

- Located 5km west of Kincora Copper/RareX Mordialloc porphyry copper-gold target.
- Recently completed a drilling program to test near surface IP targets and interpreted Ordovician basement that hosts regional major discoveries such as Northparkes, Cadia and Cowal.

2. **Cowal Project - Copper / Gold, RIM 100%**

- Located to the east of Evolution's Lake Cowal Copper / Gold mine.
- Little exploration has occurred on these tenements which are prospective for Copper / Gold.

3. **Fifield Project – Gold Silver and Platinum Group Elements (PGE's)**

- GPR earning up to 50.1% over 3 years and RIM carried through development.
- Maiden JORC 2012 resource of 125Koz gold + 7.9Moz silver.
- Recent drilling at the Transit Prospect included a hole with an intersection of 55m @ 0.94g/t gold and the final 1m intersection increasing to 9.98g/t gold.

4. **Avondale Project – Cobalt, PGEs and Gold**

- GPR earning up to 75% over 4 years.
- Currajong and KARS prospects located in the southern area of the project area and prospective for Cobalt and PGE's respectively.

Broken Hill (Willyama Supergroup) – south-western NSW (Wilyakali Country)

5. **Green View Project – Cobalt, RIM 100%**

- Located 15km from Broken Hill.
- Adjacent to the significant Cobalt Blue Holdings Railway Cobalt Resource, with ~43,000t of inground cobalt, which is the major resource for the Cobalt Blue's Broken Hill Cobalt Project.
- Prospective host rock lithology outcropping at surface along strike from Railway Resource.

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

The Fifield and Broken Hill areas both have 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 are contained in the Operations Section of this Annual Report.

Junior Resource Sector Outlook and Financial Position

The global outlook for the resources sector continues to be mixed depending on mineral commodity type with strong demand and interest in the top tier mining companies with more variable interest in the junior resource sector. For the junior resource sector (exploration), there has been a noticeable increase of investor activity for the year. During the year the gold price remained steady at historically high levels which has seen positive support for junior exploration companies with strong exposure to the gold sector. Another increasingly emerging sector in junior exploration has been companies exposed to commodities that are expected to do well in new era of "Green" Energy, such as cobalt, lithium and other rare earth minerals that are required for better quality batteries through to copper minerals that are used extensively in transmission of electrical power.

The Company's cash at bank at 30 June 2021 was $1.6million. In addition, $0.3million and $0.1million was held in the Fifield and Avondale Project Accounts respectively at 30 June 2021. Under the Fifield and Avondale Project Agreements, cash calls are made in advance based on agreed forecast expenditure and the funds are deposited into the Company's accounts for payments on expendiutre incurred by the respective projects.

Capital Structure

As at 30 June 2021 the capital structure of the Company was;

- 1,806,244,735 Ordinary Shares on Issue (RIM)
- 30,000,000 Unlisted Options, various prices and vesting dates

Commodity Pricing for the Period

During the 2021 Financial Year, the gold price remained strong, finishing the year at USD 1,755.60 per ounce. Currently, the gold price is trading at AUD 2,403 per ounce (using an exchange rate AUD:USD of 0.73 and gold price as at 17 September 2021), which is close to record highs. The table below summarises the pricing for gold and silver (www.kitco.com, New York) and copper prices (www.LME.com, London).

Commodity	Price USD 1 Jul 2020	Price USD 30 Jun 2021	FY20 USD Change	Price AUD 1 Jul 2020	Price AUD 30 Jun 2021	FY20 AUD Change
Gold (oz)	1,780.10	1,755.60	-0.25%	2,543.00	2,336.32	-8.13%
Silver (oz)	18.19	26.20	44.01%	25.99	34.47	32.62%
Copper (t)	6,038	9,385	55.43%	8,626	12,348.68	43.16%

*Using an exchange rate AUD:USD of 0.70 for 30 June 2020 and 0.76 for 30 June 2021

Operating Results

The loss of the Consolidated entity amounted to $373,704 in the period (2020: $956,975).

Dividends

No dividends were paid during the financial year, nor are any recommended at 30 June 2021 (30 June 2020: Nil).

After Balance Date Events

Subsequent to the end of the financial year 25 of 27 blocks of Exploration Licence 5958 have been released from the Windy Ridge Joint Venture with Perilya and returned to Rimfire.

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

INFORMATION ON DIRECTORS

Ian McCubbing

Independent Non-Executive Chairman

Member of Audit Committee

Member of Remuneration and Nomination Committee

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

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

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

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

- Swick Mining Services Ltd (Non-Executive Director since August 2010),
- Prominence Energy NL (Non-executive Chairman since October 2016),
- Symbol Mining Ltd (Non-Executive Director from December 2017 to February 2019), and
- Avenira Ltd (Non-Executive Director from December 2012 to January 2019).

Shareholding: 14,209,849 ordinary shares

Craig Riley

Managing Director and Chief Executive Officer

Bachelor of Applied Science (Hons) (Queensland University of Technology)

Mr Riley joined Rimfire in September 2018 in the capacity of Business Development Manager and was appointed Chief Executive Officer in January 2019 and Managing Director on 31 March 2019.

Mr Riley has more than 25 years' 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.

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

Shareholding: 8,033,830 ordinary shares and 10,000,000 unlisted options (expiring 31 Dec 2023 subject to vesting conditions)

Andrew Greville

Independent Non-Executive Director

Chairman of Nomination and Remuneration Committee

Member of Audit Committee

Bachelor of Engineering (Mining), University of Queensland, Queensland Limited Mine Manager's Certificate

Mr Greville was appointed a Director in August 2017 and is a qualified mining engineer with over 30 years' mining industry experience.

Mr Greville's experience is primarily gained 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. Currently Mr Greville is Managing Director of West End Mining & Consulting (Private Company).

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

- Aeon Metals Ltd (Non-executive Director since May 2020),
- Tulla Resources Plc (Non-Executive Director since February 2021), and
- Nova Royalty Corporation (Non-Executive Director since December 2020).

Shareholding: 4,600,000 ordinary shares

Andrew Knox

Independent Non-Executive Director

Chairman of Audit Committee

Member of Nomination and Remuneration Committee

Bachelor of Commerce, CA, CPA, FAICD

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

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

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

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

Shareholding: 12,889,582 ordinary shares

Misha Collins

Non-Independent Non-Executive Director

Member of Audit Committee (effective 27 September 2021)

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

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

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

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

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

Mr Collins is also acting as an unpaid technical adviser to Golden Plains Resources Pty. Ltd. who are the project partners in the Fifield and Avondale Earn-in Projects, accordingly Mr Collins is considered to be a Non-Independent Director for Rimfire.

Shareholding: 4,600,000 ordinary shares

Melanie Leydin

Company Secretary (Resigned 2 July 2021)

BBus (Acc. Corp Law), CA, FGIA

Ms Leydin was appointed as Company Secretary in April 2017, resigning in July 2021. She is a principal of Leydin Freyer providing 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.

Stefan Ross

Company Secretary (Appointed 2 July 2021)

BBus (Acc)

Mr Ross was appointed as Company Secretary in July 2021, he is an employee of Leydin Freyer providing 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.

Mr Ross has over 10 years' experience in accounting and secretarial services for ASX Listed companies. His extensive experience includes ASX compliance, corporate governance control and implementation, statutory financial reporting and board and secretarial support.

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	24	23	2	2	3	3
Craig Riley	24	24	-	-	-	-
Andrew Greville	24	23	2	2	3	3
Andrew Knox	24	23	2	2	3	3

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 2021
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 suitable executives and Directors to run and manage the Consolidated entity, as well as create alignment between Directors, executives and shareholders.

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

Remuneration policy for Directors and senior executives is reviewed annually by the Board. Depending on the nature of employment agreements, remuneration comprises a fixed component, (which is based on factors such as capability, effectiveness, work tasks, responsibilities, length of service and experience), superannuation, fringe benefits, short term bonus, long term incentives (which may include shares, options on shares or performance rights), subject to any necessary shareholder or regulatory approvals. During the year the Company did not engage remuneration consultants to provide advice on the Company's remuneration policy.

The policy requires reviews taking into account the Consolidated entity's performance, executive and Non-Executive Director performance and comparable information from industry, including other listed companies in the resources sector. Independent external advice is sought as required. There is currently no link between the policy and the Company's earnings and shareholder wealth because the Company is still in the exploration phase and is not generating revenue. Instead, the criteria for executive and Director appraisal include:

- Maintaining high standards of workplace, health and safety, environmental compliance and community liaison,
- Leading the development of strategy, and communicating to stakeholders,
- Maintaining capital resources necessary to execute the Company's strategy, with minimal dilution and costs to shareholders,
- Technical advancement in the discovery potential of the project areas,
- Managing operations and expenditure to efficient levels and within budgets,
- Preserving financial and business integrity and managing risk under difficult industry conditions,
- Recruiting, managing and training personnel to ensure access to high levels of skill in the industry,
- Managing investor relations and Company communication,
- Ability to multi-skill and cover as much of the Company's skill needs from in-house resources.

The Board is aware of the need to maintain competitive remuneration to reward performance which benefits shareholders and advances the Company. To this end, a review of the short term bonus and long term incentive programs to motivate and reward those people who create shareholder value and make the greatest contribution to the Company was undertaken last year. A Long Term Incentive Plan scheme for employees was approved by shareholders at the Company's 24 November 2020 AGM.

There has been no change to the remuneration of Non-Executive Directors, the cumulative pay that was deferred from January 2019, was paid to the Non-Executive Directors during the period. To align Directors' interests with shareholder interests, Directors are encouraged to hold shares in the Company.

Withheld salary payments from Senior Management whilst on reduced salaries when the Company was undertaking cost reduction activity, have also been paid during the period.

The remuneration policy review undertaken in 2018 will be revisited as required to ensure it continues to meet the needs of the Company, creates better alignment to industry practices for remuneration and to accommodate changes to law. The Company has reviewed the application of laws in relation to the use of employee share schemes and performance rights. At the 2020 AGM the Company received 98% of 'for' votes in relation to its remuneration report for the year ended 30 June 2020. No feedback was received from shareholders in relation to its remuneration practices at the 2020 AGM.

2. Details of Remuneration for the Year Ended 30 June 2021

Benefits to senior executives and the Non-Executive Directors consisted primarily of cash benefits in the period with a modest short-term incentive paid to the Managing Director. A Non-Executive Director Pool of $200,000 was available in 2021 ($200,000 in 2020) 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 $140,000 in total ($111,366 in 2020).

Table 1: Remuneration Details

The following table details, in respect to the financial years ended 30 June 2021 and 2020, the components of remuneration for each key management person of the Group.

Ordinary Shares Held

Key Management Personnel	Primary			Post Employment		Equity Comp.	Total
	Salary and Fees	Bonus - STI	Annual Leave	Super	Long Service Leave	Options *	
Non- Executive Directors							
I McCubbing							
FY 2021	**60,000**	**-**		**-**	**-**	**-**	**60,000**
FY 2020	60,000	-		-	-	-	60,000
A Greville							
FY 2021	**40,000**	**-**		**-**	**-**	**-**	**40,000**
FY 2020	40,000	-		-	-	-	40,000
A Knox							
FY 2021	**40,000**	**-**		**-**	**-**	**-**	**40,000**
FY 2020	11,366	-		-	-	-	11,366
Executive Director							
C Riley							
FY 2021	**179,376**	**17,352**	**12,859**	**19,975**	**1,977**	**(16,013)**	**215,525**
FY 2020	174,742	-	-	15,384	-	46,441	236,567
Total FY 2021	**319,376**	**17,352**	**12,859**	**19,975**	**1,977**	**(16,013)**	**355,526**
Total FY 2020	286,108	-	-	15,384	-	46,441	347,933

** As a result of changes in estimates concerning the number of Options likely to vest, the estimate of the expense expected over the vesting period was revised downwards, resulting in the reversal shown for the financial year ended 30 June 2021.*

Performance Income as a Proportion of Total Remuneration

A cash bonus of $17,352 (excluding superannuation) was paid to the Managing Director during the year ended 30 June 2021 (2020: 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 period no payments were paid to related parties. Last year ended 30 June 2020 financial year related parties (WEMCO) of Mr Andrew Greville were paid $1,250 in respect of consulting services. Payment for these services was 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 $201,000.

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 other share based compensation was granted to Key Management Personnel or Non-Executive Directors during the year ended 30 June 2021 (2020: nil).

5. Additional Disclosures Relating to Key Management Personnel

None.

6. Shareholding

Table 2: Shareholding Details

The following table details, in respect to the financial years ended 30 June 2021 and 2020, the shareholdings for each key management person of the Group.

Shares Held

Key Management Personnel	Beginning Balance	Received as Remuneration	Shares Acquired*	Net Change Other	Closing Balance
Non- Executive Directors					
I McCubbing					
FY 2021	**11,809,849**	**-**	**2,400,000**	**-**	**14,209,849**
FY 2020	8,857,383	-	2,952,466	-	11,809,849
A Greville					
FY 2021	**3,000,000**	**-**	**1,600,000**	**-**	**4,600,000**
FY 2020	2,250,000	-	750,000	-	3,000,000
A Knox					
FY 2021	**12,489,582**	**-**	**400,000**	**-**	**12,889,582**
FY 2020	-	-	-	12,489,582	12,489,582
Executive Director					
C Riley					
FY 2021	**-**	**-**	**8,033,830**	**-**	**8,033,830**
FY 2020	-	-	-	-	-
Total FY 2021	**27,299,431**	**-**	**12,433,830**	**-**	**39,733,261**
Total FY 2020	11,107,383	-	3,702,466	12,489,582	27,299,431

** FY2021 shares acquired from the participation in the share purchase plan and the exercising of options vested during the period.*

Table 3: Option Details

The following table details, in respect to the financial years ended 30 June 2021 and 2020, the options for each key management person of the Group.

Options Held

Key Management Personnel	Beginning Balance	Options Acquired	Options Rec as REM	Options Exercised	Options Lapsed	Net Change	Closing Balance	Total Vested
Non- Executive Directors								
I McCubbing								
FY 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
FY 2020	5,241,877	2,952,466	-	-	(8,194,343)	(5,241,877)	-	-
A Greville								
FY 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
FY 2020	1,250,000	750,000	-	-	(2,000,000)	(1,250,000)	-	-
A Knox								
FY 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
FY 2020	-	-	-	-	-	-	-	-
Executive Director								
C Riley								
FY 2021	**42,500,000**	**-**	**-**	**(15,000,000)**	**(7,500,000)**	**(22,500,000)**	**20,000,000**	**-**
FY 2020	42,500,000	-	-	-	-	-	42,500,000	15,000,000
Total FY 2021	**42,500,000**	**-**	**-**	**(15,000,000)**	**(7,500,000)**	**(22,500,000)**	**20,000,000**	**-**
Total FY 2020	48,991,877	3,702,466	-	-	(10,194,343)	(6,491,877)	42,500,000	15,000,000

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 2021 are summarised below:

	2021 $	2020 $	2019 $	2018 $	2017 $
Revenue and other Income	650,456	52,846	5,628	35,538	43,327
Net Profit / (loss) before tax	(373,704)	(956,975)	(875,505)	(1,047,836)	(924,782)
Net Profit / (loss) after tax	(373,704)	(956,975)	(875,505)	(1,047,836)	(924,782)

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

Share price beginning financial year ($)	0.007	0.003	0.011	0.022	0.190
Share price end financial year ($)	0.009	0.007	0.003	0.011	0.022
Basic loss per share (cents per share)	(0.020)	(0.070)	(0.080)	(0.011)	(0.100)

End of audited remuneration report.

8. Other Matters

Shares issued under option and unissued shares under option

27,500,000 options were exercised during the period through a mixture of cash payment and cancellation of 13,826,792 options as per the conditions in the Long Term Incentive Plan scheme. Also during the period 15,000,000 options were cancelled due to vesting conditions not being met. As at 30 June 2021 the breakdown of unlisted options remaining at balance date are listed below.

1. Employee Options, performance based vesting conditions		
(exercisable at 1.10 cents by 31 December 2023)	15,000,000	50.0%
2. Employee Options, performance based vesting conditions		
(exercisable at 0.65 cents by 31 August 2021)	15,000,000	50.0%

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 Misha Collins

Mr Craig Riley

Mr Stefan Ross

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 28.

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 2021

AUDITOR'S INDEPENDENCE DECLARATION

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 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

RSM AUSTRALIA PARTNERS

J S CROALL
Partner

Dated: 30 September 2021
Melbourne, Victoria

FINANCIAL STATEMENTS

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NOTES TO THE FINANCIAL STATEMENTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2021

	Note	Consolidated Entity 2021 $	2020 $
Revenue from continuing operations	4	650,455	52,846
Expenses:			
Employee benefits expense		(370,167)	(352,786)
Non-executive directors' fees		(140,000)	(111,366)
Share based payments		23,224	(86,791)
Professional costs		(212,653)	(128,805)
Occupancy costs		(8,488)	(33,149)
Travel costs		(2,721)	(430)
Marketing expense		(41,971)	(82,393)
Depreciation and amortisation	5	(37,003)	(40,525)
Insurance		(22,657)	(8,453)
Share registry and listing expenses		(84,687)	(55,969)
Profit/(Loss) on disposal of plant and equipment		(8,264)	3,248
Other administration expenses		(118,772)	(111,402)
Loss before income tax	6	(373,704)	(956,975)
Income tax benefit	7	-	-
Loss after income tax		(373,704)	(956,975)
Other comprehensive income		-	-
Total comprehensive loss for the year		(373,704)	(956,975)

Loss per share for the year attributable to the members of Rimfire Pacific Mining NL			
Basic loss per share (cents per share)	9	(0.02)	(0.07)
Diluted loss per share (cents per share)	9	(0.02)	(0.07)

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 2021

	Note	Consolidated Entity 2021 $	Consolidated Entity 2020 $
CURRENT ASSETS			
Cash and cash equivalents	10	1,567,471	310,794
Trade and other receivables	11	173,312	633,931
Financial asset	12	370,511	-
Other current assets		3,215	5,036
TOTAL CURRENT ASSETS		2,114,509	949,761
NON-CURRENT ASSETS			
Trade and other receivables	11	207,400	170,000
Property, plant and equipment	13	407,489	340,394
Right of use assets	13	9,752	20,479
Exploration & evaluation costs	14	14,623,370	13,904,467
TOTAL NON-CURRENT ASSETS		15,248,011	14,435,340
TOTAL ASSETS		17,362,520	15,385,101
CURRENT LIABILITIES			
Trade and other payables	15	322,443	361,519
Provisions	17	88,178	60,996
Contract liability	16	412,273	527,273
Lease liability	21c	9,227	11,509
TOTAL CURRENT LIABILITIES		832,121	961,297
NON-CURRENT LIABILITIES			
Provisions	17	14,084	6,960
Lease liability	21b	-	9,227
TOTAL NON-CURRENT LIABILITIES		14,084	16,187
TOTAL LIABILITIES		846,205	977,484
NET ASSETS		16,516,315	14,407,617
EQUITY			
Contributed equity	18	35,156,698	32,575,943
Reserves		12,348	110,702
Accumulated losses		(18,652,731)	(18,279,028)
TOTAL EQUITY		16,516,315	14,407,617

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

FINANCIAL STATEMENTS

Consolidated Statement of Changes In Equity for The Year Ended 30 June 2021

	Contributed equity $	Share based payment Reserve $	Accumulated losses $	Total $
Balance at 1 July 2020	**32,575,943**	**110,702**	**(18,279,028)**	**14,407,617**
Issued capital	2,690,130	(75,130)	-	2,615,000
Capital raising costs	(109,375)	-	-	(109,375)
Share-based payments	-	(23,224)	-	(23,224)
Total comprehensive loss for the period	-	-	(373,704)	(373,704)
Balance at 30 June 2021	**35,156,698**	**12,348**	**(18,652,732)**	**16,516,315**
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**

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 2021

	Note	Consolidated Entity 2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,095,453)	(718,370)
Receipts from administration fee charged to GPR Earn-in		660,000	-
Interest received		455	2,846
Government grants and tax incentives		50,000	50,000
Interest on lease liability		(726)	(367)
Net cash used in operating activities	26a	(385,723)	(665,891)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(127,920)	(1,403)
Payment for exploration and evaluation costs		(1,652,233)	(690,357)
Reimbursement of expenditure		918,247	72,727
Proceeds from sale of property, plant and equipment		10,192	6,100
Net cash used in investing activities		(851,715)	(612,933)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		2,615,000	1,592,282
Transaction costs associated with share issues		(109,375)	(95,334)
Principal repayments of lease liability	26b	(11,509)	(3,036)
Net cash provided by financing activities		2,494,115	1,493,912
Net increase in cash held		1,256,677	215,088
Cash at beginning of the year		310,794	95,706
Cash at end of the year	10	1,567,471	310,794

The above Consolidated Statement of Financial Position 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 66.

The principal activities of the Company and the nature of the Company's operations are explained on page 15.

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. 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 20.

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 2021 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.

During the period, the Company received an allocation of up to $780,000 exploration credits in the Federal Government's Junior Mineral Exploration Incentive (JMEI) scheme for FY2021 which can be distributed subject to the terms of the JMEI scheme, to eligible shareholders who were issued new shares in the Company's capital raising activities during the period and will be calculated and distributed on a pro-rata basis after the lodgement of the Company's FY2021 tax return.

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 and direct deposits of bands with the NSW Department of Planning and Environment, included in trade and other receivables ($207,400). 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

Recognition

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

Financial Assets and Liabilities

Financial assets and financial liabilities are recognised when the 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 2021. New and revised standards and amendments thereof and interpretations effective for the current reporting period that are relevant to the Company include:

- AASB 2018-6: Amendments to Australian Accounting Standards – Definition of a Business
- AASB 2018-7: Amendments to Australian Accounting Standards – Definition of Material
- Conceptual Framework for Financial Reporting and AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- AASB 2019-3: Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

- AASB 2019-5: Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia
- AASB 2020-4: Amendments to Australian Accounting Standards – Covid-19 Related Rent Concessions

Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective have not been adopted by the Company for the year ended 30 June 2021. 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 following new standards and interpretations will not have an impact:

- AASB 17: Insurance Contracts and AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts (applicable to annual reporting periods beginning on or after 1 January 2023).
- AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (applicable to annual reporting periods beginning on or after 1 January 2022).
- AASB 2015-10: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (applicable to annual reporting periods beginning on or after 1 January 2018).
- AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date (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).
- AASB 2020-8: Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2 (applicable to annual reporting periods beginning on or after 1 January 2021).
- AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (applicable to annual reporting periods beginning on or after 1 January 2023).
- AASB 2021-3: Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021 (applicable to annual reporting periods beginning on or after 1 April 2021).

Note 3. Critical accounting judgements, estimates and assumptions

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

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 18 for further information.

Note 4. Income

	Consolidated Entity	
	2021 **$**	**2020** **$**
OTHER INCOME		
Interest	455	489
GPR Earn-In administration fee	600,000	-
ATO stimulus package	50,000	50,000
Sundry income	-	2,358
TOTAL REVENUE	650,455	52,846

Note 5. Depreciation

	Consolidated Entity	
	2021 **$**	**2020** **$**
Depreciation	26,275	37,599
Amortisation of right of use asset	10,727	2,926
TOTAL DEPRECIATION AND AMORTISATION	37,003	40,525

Note 6. Loss for the Financial Year

The net loss for the financial year has been arrived at after charging the following:	Consolidated Entity 2021 $	Consolidated Entity 2020 $
EXPENSES		
Employee benefits expense and share based payments	346,943	439,577
Marketing expense	41,971	82,393
Non-executive directors' fees	140,000	111,366
Payments for lease liabilities	1,753	21,886
Interest of lease liabilities	726	367
Depreciation	37,003	40,525

Note 7. Income Tax Expense

a. The prima facie tax expense/(benefit) on loss before tax is reconciled to the income tax as follows:	Consolidated Entity 2021 $	Consolidated Entity 2020 $
Prima facie tax expense/(benefit) on loss before tax at 26% (2020: 27.5%)	(97,163)	(263,168)
Add: Tax effect of:		
- non-allowable items	-	-
- net current year tax losses not recognised, temporary differences and deductible exploration expenditure	108,392	274,603
Less: Tax effect of:		
- capitalised share placement costs	(11,229)	(11,435)
Income tax benefit/(expense) attributable to loss	-	-
Deferred tax assets arising from tax losses that have not been recognised:		
Tax losses carried forward	6,473,435	6,419,794
Tax losses distributed as JMEI	(157,751)	-
Temporary differences – exploration costs	(3,802,076)	(3,823,728)
Temporary differences – other	114,915	107,254
Net Deferred tax asset not recognized	2,628,523	2,703,319
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 2021.

Note 8. Auditor’s Remuneration

	Consolidated Entity 2021 $	Consolidated Entity 2020 $
Audit services – RSM Australia		
- auditing or reviewing the financial reports	36,980	31,500
Other Services – RSM Australia		
- tax compliance	14,197	7,500
	51,177	39,000

Note 9. Earnings per Share

	Consolidated Entity 2021 $	Consolidated Entity 2020 $
a. Reconciliation of Earnings to Loss		
Loss used in the calculation of basic EPS	(373,704)	(956,975)
Loss used in the calculation of dilutive EPS	(373,704)	(956,975)
b. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	1,806,244,735	1,584,571,527
Potential ordinary shares	-	-
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	1,746,295,297	1,446,104,583
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)	(0.02)	(0.07)
Diluted loss per share (cents per share)	(0.02)	(0.07)

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 10. 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 2021 $	Consolidated Entity 2020 $
Cash at bank and on hand	1,567,471	310,794
	1,567,471	310,794

Refer to Note 27 for the risk exposure analysis for cash and cash equivalents.

Note 11. Trade and Other Receivables

	Consolidated Entity	
OTHER RECEIVABLES	**2021 $**	**2020 $**
CURRENT		
Security deposits	6,388	6,388
Other receivables	166,924	47,543
Golden Plains Resources Earn-in Agreement	-	580,000
TOTAL CURRENT RECEIVABLES	173,312	633,931
NON-CURRENT		
Security deposits	207,400	170,000
TOTAL NON-CURRENT RECEIVABLES	207,400	170,000

Refer to Note 27 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 $157,400 being held directly with the NSW Department of Planning and Environment.

Note 12. Financial Asset

	Consolidated Entity	
CURRENT	**2021 $**	**2020 $**
Fifield Earn-In Account	270,511	-
Avondale Earn-In Account	100,000	-
	370,511	-

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

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

Note 13. Property, Plant and Equipment

	Consolidated Entity 2021 $	Consolidated Entity 2020 $
PROPERTY		
Freehold land		
At cost	226,834	226,834
TOTAL LAND	226,834	226,834
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	375,058	491,031
Accumulated depreciation	(257,834)	(397,466)
	117,224	93,565
Motor vehicle		
At cost	79,517	25,527
Accumulated depreciation	(18,376)	(10,657)
	61,141	14,870
Office furniture		
At cost	103,677	103,677
Accumulated depreciation	(101,387)	(98,553)
	2,290	5,124
Right of use asset		
At cost	23,405	23,405
Accumulated amortisation	(13,653)	(2,926)
	9,752	20,479
Leasehold improvements		
At cost	419	419
Accumulated depreciation	(419)	(419)
	-	-
TOTAL PLANT AND EQUIPMENT	190,408	134,040
TOTAL PROPERTY, PLANT AND EQUIPMENT	417,241	360,873

Note 13. Property, Plant and Equipment (cont.)

2021 Consolidated Entity:	Freehold Land $	Motor Vehicles $	Plant and Equipment $	Office Furniture $	Right of use asset $	Leasehold Improvements $	TOTAL $
Balance at the beginning of year	226,834	14,871	93,565	5,124	20,479	-	360,873
Additions	-	53,991	62,301	-	-	-	116,293
Disposals	-	-	(22,921)	-	-	-	(22,921)
Depreciation expense	-	(7,721)	(15,721)	(2,834)	(10,727)	-	(37,004)
Depreciation capitalised	-	-	-	-	-	-	-
Carrying amount at the end of year	226,834	61,141	117,224	2,290	9,752	-	417,241
2020							
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

Note 14. Exploration and Evaluation Expenditure

Exploration Expenditure Costs carried forward in respect of areas of interest in:	**2021** **$**	**2020** **$**
– exploration and evaluation phases	14,623,370	13,904,467

Opening balance	13,904,467	13,313,247
Additional expenditure	1,637,749	591,220
Reimbursed exploration expenditure	(918,846)	-
Closing balance	14,623,370	13,904,467

Note 15. Trade and Other Payables

	Consolidated Entity	
CURRENT	**2021** **$**	**2020** **$**
Trade creditors	170,291	105,416
Directors and Management accrued salaries and fees	-	125,866
Sundry creditors and accrued expenses	98,035	77,509
GST Collected	54,117	52,728
	322,443	361,519

Note 16. Contract Liabilities

	Consolidated Entity	
	2021 **$**	**2020** **$**
Amounts related to Fifield and Avondale Earn-in Agreements	412,273	527,273
Total contract liabilities	412,273	527,273
Current	412,273	527,273
Non-current	-	-

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

Note 17. Provisions

	Consolidated Entity	
CURRENT	**2021** **$**	**2020** **$**
Employee benefits	88,178	60,996
NON-CURRENT		
Employee benefits	14,084	6,960

Note 18 Contributed Equity

	Consolidated Entity 2021 $	Consolidated Entity 2020 $
1,806,244,735 (2020: 1,584,571,527) fully paid ordinary shares	35,156,698	32,575,943

a. Ordinary shares

	2021 $	2020 $
Contributed equity	32,575,943	31,078,996
At the beginning of the reporting period		
Net shares and costs relating to shares issued during the year	-	1,496,947
29 September 2020	2,100,000	-
28 October 2020	500,000	-
20 November 2020	90,130	-
Transaction costs relating to issues	(109,375)	-
At reporting date	35,156,698	32,575,943

Shares outstanding	2021 Units	2020 Units
At the beginning of reporting period	1,584,571,527	1,069,618,073
Total Shares issued during year	-	514,953,454
29 September 2020	168,000,000	-
28 October 2020	40,000,000	-
20 November 2020	13,673,208	-
At reporting date	1,806,244,735	1,584,571,527

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

RESERVES	Consolidated Entity 2021 $	Consolidated Entity 2020 $
Share based payments	12,348	110,702

Grant date	Expiry date	Exercise price	Balance at start of the year	Granted	Exercised	Expired/ Forfeited/ Other *	Balance at 30 June 2021
24 September 2017	25 September 2020	$0.0295	1,500,000	-	-	1,500,000	-
30 April 2019	Various**	Various**	72,500,000	72,500,00	27,500,000	15,000,000	30,000,000

* Employee options attributable to employees where vesting conditions haven't been met or used to pay for options through provisions within the employee share scheme.

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

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

Unlisted Options	No.
Employee Options, performance based vesting conditions (exercisable at 1.10 cents by 31 December 2023)	15,000,000
Employee Options, performance based vesting conditions (exercisable at 0.65 cents by 31 August 2021)	15,000,000

Note 19. Controlled Entity

	Country of Incorporation	Percentage Owned (%) 2021	Percentage Owned (%) 2020
Parent Entity Rimfire Pacific Mining NL			
Subsidiary of Rimfire Pacific Mining NL Axis Mining NL	Australia	100	100

Note 20 Parent Entity Information

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

	2021 $	2020 $
Current assets	2,114,282	949,534
Total assets	17,362,293	15,384,874
Current liabilities	830,621	959,797
Total liabilities	844,705	975,984
Issued capital	35,156,698	32,575,943
Reserves	12,348	110,702
Accumulated losses	(18,651,458)	(18,277,755)
Total equity	16,517,588	14,408,890
Loss of the parent entity	(373,704)	(956,975)
Comprehensive loss of the parent entity	(373,704)	(956,975)

Parent Entity Commitments:
All capital and operating commitments of the group have been entered into by the Parent Entity. Refer to note 21 for these commitments. The accounting policies of the parent entity are consistent with those of the Consolidated entity, as disclosed in note 1.

Note 21 Commitments and Contingent Liabilities

a. Capital Expenditure Commitments

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

	Consolidated Entity	
	2021 $	2020 $
Payable		
- not later than 1 year	484,438	557,625
- later than 1 year but not later than 5 years	629,000	813,438
	1,113,438	1,371,063

b. Lease liabilities

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 13 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:

	2021 $	2020 $
Lease liability - current	9,227	11,509
Lease liability - non current	-	9,227
	9,227	20,736

Note 22 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 23 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 24 Key Management Personnel Disclosures

a) Details of Directors and Key Management Personnel

Directors

The following persons were Directors of Rimfire Pacific Mining NL during the financial year:

Ian McCubbing (Non-Executive 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 2021. The totals of remuneration paid to Key Management Personnel of the company during the year are as follows:

	2021 $	2020 $
Short-term employee benefits - Paid	319,376	286,108
Bonus - STI	17,352	-
Annual Leave	12,859	-
Post-employment benefits - Superannuation	19,975	15,384
Post-employment benefits - Long Service Leave	1,977	-
Shares and Options	(16,013)	46,441
TOTAL	355,526	347,933

Note 25 Related Party Details

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:	2021 $	2020 $
(i) In the previous 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

Note 26 Cash Flow Information

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

	Consolidated Entity	
	2021 $	2020 $
Loss after income tax	(373,704)	(956,975)
Non-cash flows in loss		
Depreciation	37,003	40,525
Loss on disposal of PPE	8,264	(3,248)
Expense of share-based payment	(23,224)	86,791
Changes in assets and liabilities relating to operations		
(Increase)/decrease in prepayments	1,821	1,113
(Increase)/decrease in other receivables	(46,717)	(215,771)
Increase/(decrease) in trade creditors and accruals	(23,471)	355,755
Increase/(decrease) in provisions	34,306	25,918
Cash flows used in operations	(385,723)	(665,891)

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

	Balance at 1 July 2020 $	Financing Cash flows $	Non-cash changes $	Balance at 30 June 2021 $
Lease Liability	20,736	(12,235)	726	9,227
TOTAL	20,736	(12,235)	726	9,227

c. Non-cash Investing Activities

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

Note 27 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 27(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 2021 $	Carrying value 2020 $
Cash & cash equivalents	10	Cash and other financial assets	1,567,471	310,794
Trade and other receivables	11	Trade and other receivables at amortised cost	380,712	803,931
Financial liabilities				
Trade and other payables	15	Financial liabilities measured at amortised cost	322,443	361,519
Lease liabilities	21b	Financial liabilities measured at fair value	9,227	20,736

Note 27 Financial Risk Management (cont.)

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.

	Floating Interest Rate $		Within One Year $		Within One to Two Years $		Fixed Interest Rate Maturing Non-interest Bearing $		Total $	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Financial Assets										
Cash	1,566,971	310,294	-	-	-	-	500	500	1,567,471	310,794
Receivables	207,400	170,000	-	-	-	-	173,312	633,931	380,712	803,931
Total Financial Assets	**1,774,371**	**480,294**	**-**	**-**	**-**	**-**	**173,812**	**634,431**	**1,948,183**	**944,725**
Financial Liabilities										
Trade and sundry creditors	-	-	-	-	-	-	322,443	361,519	322,443	361,519
Lease liabilities	-	-	9,227	11,509	-	9,227	-	20,736	9,227	41,472
Total Financial Liabilities	**-**	**-**	**9,227**	**11,509**	**-**	**9,227**	**322,443**	**382,255**	**331,670**	**382,255**
Net inflow/(outflow) on financial assets	**1,774,371**	**480,294**	**9,227**	**11,509**	**-**	**9,227**	**(148,631)**	**252,176**	**1,616,513**	**562,470**

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 2021, 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	
	2021 $	2020 $
Change in loss after tax		
- Increase in interest rate by 0.5%	7,116	4,778
- Decrease in interest rate by 0.5%	(7,116)	(4,778)
Change in equity		
- Increase in interest rate by 0.5%	7,116	4,778
- Decrease in interest rate by 0.5%	(7,116)	(4,778)

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 28 Events Occurring after the Reporting Period

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.

At the end of the balance date, the Company reached an agreement with Perilya Limited for the return of 25 out of 27 blocks from the Windy Ridge Joint Venture over Rimfire's EL 5958 at Broken Hill. The returned blocks are referred to as the Green View Project where Rimfire will secure a 100% interest, management and ongoing funding responsibilities.

Note 29 Shares Issued Under Option and Unissued Shares Under Option

27,500,000 options were exercised during the period. As at 30 June 2021 the breakdown of options – both listed and unlisted at balance date are listed below.

Listed Options	No.	%'age
Total Listed Options	-	-
Unlisted Options		
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)	15,000,000	10.14%
Total Unlisted Options	30,000,000	100.00%

Note 30 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 2021 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 2021

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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 2021, the statement of profit or loss and other 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 consolidated entity is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

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

Basis for Opinion

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

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

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

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 Matters (continued)

Key Audit Matter	How our audit addressed this matter
Carrying Value of Exploration & Evaluation Asset Refer to Note 14 in the financial statements	
The consolidated entity has capitalised exploration costs with a carrying value of $14.6m. 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.

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 2021, 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.

Other Information (continued)

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Rimfire Pacific Mining NL for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

INDEPENDENT AUDITOR'S REPORT

Report on the Remuneration Report (continued)

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM AUSTRALIA PARTNERS

J S CROALL
Partner

Dated: 30 September 2021
Melbourne, Victoria

Schedule of Exploration Licences and Mining Licences as at 30 June 2021

Project	Lic No.	Grant Date	Units	Renewal Date	Mineral Focus
The Valley	EL8542	23/03/2017	5	23/03/2023	Porphyry Copper / Gold
	EL8401	22/10/2015	2	22/10/2021	Porphyry Copper / Gold
Cowal	EL8804	31/10/2018	42	31/10/2021	Copper / Gold
	EL8805	31/10/2018	39	31/10/2021	Copper / Gold
Fifield	EL8935	13/07/2021	21	3/02/2023	Gold / PGEs
	M(C)L305	18/11/2004	1.9ha	28/07/2023	Gold / PGEs
	EL6241	17/05/2004	15	17/05/2024	Gold / PGEs
Avondale	EL5565	24/03/1999	4	24/03/2022	Cobalt / PGEs / Gold
	EL7058	1/02/2008	35	1/02/2023	Cobalt / PGEs / Gold
	EL7959	16/08/2012	7	16/08/2023	Cobalt / PGEs / Gold
	EL8401	22/10/2015	98	22/10/2021	Cobalt / PGEs / Gold
	EL8542	23/03/2017	27	23/03/2023	Cobalt / PGEs / Gold
	EL8543	27/03/2017	1	27/03/2023	Cobalt / PGEs / Gold
	EL8935	3/02/2020	19	3/02/2023	Cobalt / PGEs / Gold
Broken Hill	EL 5958*	24/06/2002	27	22/06/2022	Lead, Zinc, Silver

*10% free-carry to RIM, RIM holds the licence and Perilya is the Manager

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.

Additional Information

FOR PUBLICLY LISTED COMPANIES

1. The shareholder information set out below was applicable as at 24 September 2021.

(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	191	54,415	0.00
1,001 – 5,000	154	510,689	0.03
5,001 – 10,000	156	1,335,362	0.07
10,001 – 100,000	858	41,439,433	2.29
100,001 over	1,025	1,762,904,836	97.60
Total	**2,384**	**1,806,244,735**	**100.00**

(b) Marketable Parcels

The number of Ordinary shareholders with shareholdings in less than marketable parcels was 1,057 holding 18,406,064 shares which is 0.01% of Issued Capital as at 24 September 2021.

(c) The number of holders of each class of equity security as at 24 September 2021:

Class of Security	Number
Fully Paid Ordinary Shares	2,384
Unlisted Options	2

(d) Voting Rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

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

Unlisted options

There are no voting rights attached to unquoted options.

There are no other classes of equity securities.

.

(e) 20 Largest Shareholders – RIM Ordinary Shares as at 24 September 2021

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	GOLDEN PLAINS RESOURCES PTY LTD	90,000,000	4.98
2.	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	68,424,666	3.79
3.	BOOKER SUPER SERVICES PTY LTD <G & C BOOKER SF A/C>	50,000,000	2.77
4.	MR TREVOR DOUGLAS NAIRN <T D NAIRN FUND ACCOUNT>	44,360,000	2.46
5.	RESOURCE CAPITAL LIMITED	40,000,000	2.21
6.	MR PENG WANG	38,174,603	2.11
7.	CITICORP NOMINEES PTY LIMITED	35,972,178	1.99
8.	ADRIATIC PROSPECT PTY LTD	33,000,000	1.83
9.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	28,448,506	1.58
10.	TRANS GLOBAL CAPITAL LTD	27,000,000	1.49
11.	MR CHOONG GUANG KOH	26,500,000	1.47
12.	SUTHERLAND FAMILY COMPANY PTY LTD <THE SWAN A/C>	25,000,000	1.38
13.	NEW GOLD INC	23,809,524	1.32
14.	MR GRAHAM CHARLES HOPGOOD + MRS ROBYN LESLEY HOPGOOD <G & R HOPGOOD SUPER FUND A/C>	20,000,000	1.11
15.	AGOSTINO INVESTMENT HOLDINGS PTY LTD <AGOSTINO INVEST HOLDINGS A/C>	19,500,000	1.08
16.	B DAVID NOMINEES PTY LTD <NEVER SATISFIED S/F A/C>	19,333,336	1.07
17.	GREATSIDE HOLDINGS PTY LTD <ADL A/C>	16,000,000	0.89
18.	REEF INVESTMENTS PTY LTD <THE NAIRN FAMILY A/C>	15,600,819	0.86
19.	MR ANTHONY BECK	15,510,965	0.86
20.	COOEE INVESTMENTS PTY LTD	15,065,275	0.83
	Top 20 holders of Fully Paid Ordinary Shares	**651,699,872**	**36.08**

FOR PUBLICLY LISTED COMPANIES

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

   Suite 142, 1 Queens Road
   Melbourne VIC 3004
   Telephone: 03 9620 5866
   Website: www.rimfire.com.au

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

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

5. **Stock Exchange Listing**

   Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited (ASX Code: Shares: RIM).

6. **Restricted Securities**

   There are no restricted securities or securities subject to voluntary escrow on issue as at 24 September 2021.

7. **Unissued shares under option**

   As at 24 September 2021 there were also 15,000,000 unissued shares under option, with performance based vesting conditions (exercisable at 1.10 cents by 31 December 2023) 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**

   No current substantial holder notices have been given to the company.

10. **Annual General Meeting**

   Rimfire Pacific Mining NL advises that its Annual General Meeting will be held on Thursday, 18 November 2021. 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 7 October 2021.

Corporate Directory

rimfire

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

Rimfire Pacific Mining NL
St Kilda Rd Towers
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