Arcus Development Group Inc.

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August 7, 2007

Mr. David Caulfield
Rimfire Minerals Corporation
700 – 700 West Pender Street
Vancouver, British Columbia
V6C 1G8

Dear Dave:

Re: Arcus Development Group Inc. ("Arcus")
Williams Property - 2007 Program Financing

As discussed last week, in order to avoid loosing the entire 2007 exploration season, Rimfire Minerals Corporation ("Rimfire") will provide the initial funding to commence the $255,000 Phase 1 work program on the Williams Property as recommended by Jim Lehtinen. The specific terms under which Rimfire will fund the 2007 program and the terms under which Arcus will reimburse Rimfire are as follows:

1. Rimfire will finance the 2007 Williams Property program up to the full amount of the $255,000 Phase 1 program as recommended by Jim Lehtinen in his April 13, 2007 report.

2. Upon the earlier of: (i) Arcus notifying Rimfire that Arcus has completed its TSX Venture Exchange (the "Exchange") listing; or (ii) September 30, 2007, Rimfire will render an invoice to Arcus for $280,500 (being the $255,000 program costs plus Rimfire's 10% management fee). Any necessary adjustments to actual costs can be made subsequent to the Arcus payment.

3. Arcus will pay any invoice received pursuant to paragraph 2 above within five days of receipt of such invoice. Any balance remaining unpaid after the said 5 day period will become subject to accrued interest at the rate of 1.5% per month (18% per annum) until such time as payment in full has been received by Rimfire.

4. Arcus has discussed this matter with the Exchange and hereby confirms that the proposed expenditures prior to Arcus completing its listing are acceptable to the Exchange. The timing of the work program is not critical so long as proceeds from the Arcus initial public offering are used to finance the work on the Williams Property as disclosed in the Arcus prospectus.

5. For the purposes of the Arcus prospectus, Rimfire will not render an invoice until the earlier of the Arcus listing or September 30, 2007. This is required to avoid Arcus being viewed as having incurred the $280,500 expenditure prior to completion of its listing.

6. In the event that the Arcus listing is not completed by September 30, 2007, Arcus will complete a private placement for the purpose of paying for the 2007 work done on the

Williams Property. This payment will be made on or before December 31, 2007 in order to keep the Williams Option Agreement in good standing.

7. Rimfire will not disclose any Phase 1 Program information, data or results to Arcus until such time as any invoice rendered to Arcus pursuant to paragraph 2 of this letter agreement has been paid in full.

Assuming the above is acceptable to you, please sign in the appropriate space below and this letter shall form a binding agreement between Arcus and Rimfire. On behalf of the Arcus directors and shareholders, I thank the Rimfire directors for their cooperation and patience related to this matter.

Yours truly,

ARCUS DEVELOPMENT GROUP INC.

Ian J. Talbot

Ian J. Talbot
President

Agreed to and accepted on behalf of
RIMFIRE MINERALS CORPORATION
this 7th day of August, 2007 by:

David A. Caulfield
President