

RIMFIRE PACIFIC MINING NL
ACN 006 911 744

**FINANCIAL REPORT FOR THE
HALF-YEAR ENDED
31 DECEMBER 2003**

RIMFIRE PACIFIC MINING NL A.C.N. 010 195 972**DIRECTORS' REPORT**

The directors of Rimfire Pacific Mining NL submit herewith the financial report for the half-year ended 31 December 2003. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

The names of the directors of the company during or since the end of the half-year are:

| | |
|-------------------|----------|
| Norbert Calabro | Director |
| Graham Billingham | Director |
| Geoffrey Stuart | Director |

PRINCIPAL ACTIVITIES

The principal activity of the company is the exploration and development of economic mineral deposits.

RESULTS OF OPERATIONS

The net results for the half-year after applicable income tax expense was a loss of \$277,585. This compares with a loss in 2002 of \$698,907 for the corresponding period.

DIVIDENDS

No dividends were paid during the half-year, nor are any recommended.

REVIEW OF OPERATIONS

The company has continued to focus its operation and concentrate its efforts on the Bingara Diamond Fields and the Fifield Platinum area.

Signed in accordance with a resolution of the directors.

On behalf of the Directors



N CALABRO
CHAIRMAN

Dated in Brisbane this 12th day of March 2004.

RUMFIRE PACIFIC MINING NL A.C.N. 010 195 972**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003**

| | Half-Year Ended 31 Dec 03 \$ | Half-Year Ended 31 Dec 02 \$ |
|---|---|---|
| Revenue from ordinary activities | 4,833 | 16,519 |
| Expenses from Ordinary Activities | | |
| Classification of Expenses by Function: | | |
| Operating Activities: | | |
| Professional Costs | (89,799) | (119,256) |
| Travel Costs | (8,232) | (12,070) |
| Employee Costs | (66,074) | (82,077) |
| Occupancy Costs | (50,479) | (33,267) |
| Marketing Costs | (12,800) | (21,223) |
| Overhead Costs | <u>(64,445)</u> | <u>(77,036)</u> |
| | (291,829) | (344,929) |
| Non-Operating Activities: | | |
| Exploration, evaluation or development costs written off | - | (118,012) |
| Write (down) / up of Other Financial Assets to recoverable amount | <u>9,411</u> | <u>(252,485)</u> |
| | <u>9,411</u> | <u>(370,497)</u> |
| Loss from ordinary activities before income tax | (277,585) | (698,907) |
| Income tax expense relating to Ordinary activities | - | - |
| Total revenues, expenses and valuation adjustments recognised directly in equity | <u>(85,975)</u> | <u>-</u> |
| Net Loss | <u>(363,560)</u> | <u>(698,907)</u> |
| Total changes in equity other than those resulting from transactions with owners as owners | <u>(363,560)</u> | <u>(698,907)</u> |
| Basic Earnings Per Share (cents per share) | (0.41) | (1.43) |
| Diluted Earnings Per Share (cents per share) | (0.29) | (1.43) |

Notes to the financial statements are included on pages 5 to 6.

RIMFIRE PACIFIC MINING NL A.C.N. 010 195 972**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2003**

| | 31 Dec 03 | 30 June 03 |
|---|--------------------|--------------------|
| | \$ | \$ |
| CURRENT ASSETS | | |
| Cash assets | 426,984 | 148,404 |
| Receivables | 69,203 | 47,843 |
| Other financial assets | 20,033 | 10,622 |
| Other | <u>10,378</u> | <u>4,199</u> |
| TOTAL CURRENT ASSETS | <u>526,598</u> | <u>211,068</u> |
| NON CURRENT ASSETS | | |
| Receivables | 122,831 | 122,755 |
| Property, plant & equipment | 30,415 | 41,816 |
| Exploration & evaluation costs carried forward | <u>1,440,539</u> | <u>1,288,954</u> |
| TOTAL NON CURRENT ASSETS | <u>1,593,785</u> | <u>1,453,525</u> |
| TOTAL ASSETS | <u>2,120,383</u> | <u>1,664,593</u> |
| CURRENT LIABILITIES | | |
| Payables | 83,960 | 167,424 |
| Provisions | <u>13,332</u> | <u>2,428</u> |
| TOTAL CURRENT LIABILITIES | <u>97,292</u> | <u>169,852</u> |
| TOTAL LIABILITIES | <u>97,292</u> | <u>169,852</u> |
| NET ASSETS | <u>2,023,091</u> | <u>1,494,741</u> |
| EQUITY | | |
| Contributed Equity | 8,294,342 | 7,488,407 |
| Accumulated losses | <u>(6,271,251)</u> | <u>(5,993,666)</u> |
| TOTAL EQUITY | <u>2,023,091</u> | <u>1,494,741</u> |

Notes to the financial statements are included on pages 5 to 6.

RIMFIRE PACIFIC MINING NL A.C.N. 010 195 972**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003**

| | Half-Year Ended 31 Dec 03 \$ Inflows (Outflows) | Half-Year Ended 31 Dec 02 \$ Inflows (Outflows) |
|--|--|--|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Receipts from customers | - | - |
| Payments to suppliers and employees | (402,218) | (473,936) |
| GST Refund | 23,743 | 49,616 |
| Interest received | 4,833 | 3,854 |
| Dividends received | - | 200 |
| Interest paid | <u>(109)</u> | <u>-</u> |
| Net cash used in operating activities | <u>(373,751)</u> | <u>(420,266)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Refund of security deposits | - | 13,500 |
| Proceeds from sale of investments | - | 49,476 |
| Payment for mining tenement exploration | (151,584) | (111,154) |
| Purchase of property plant and equipment | <u>(2,020)</u> | <u>(2,785)</u> |
| Net cash used in investing activities | <u>(153,604)</u> | <u>(50,963)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Costs associated with share issue | (85,975) | - |
| Proceeds from share issue | <u>891,910</u> | <u>93,000</u> |
| Net cash provided by financing activities | <u>805,935</u> | <u>93,000</u> |
| Net increase (decrease) in cash held | 278,580 | (378,229) |
| Cash at beginning of the half-year | <u>148,404</u> | <u>415,236</u> |
| Cash at the end of the half-year | <u>426,984</u> | <u>37,007</u> |

Notes to the financial statements are included on pages 5 to 6.

RIMFIRE PACIFIC MINING NL A.C.N. 010 195 972**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003****1. BASIS OF PREPARATION**

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and Accounting Standard AASB1029 "Interim Financial Reporting", Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2003 and public announcements made by Rimfire Pacific Mining NL during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The half-year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the 2003 annual financial report.

The accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the 2003 annual financial report.

2. RETAINED PROFITS

| | Consolidated Entity | |
|--|---------------------|--------------------|
| | 31/12/03 | 30/6/03 |
| | \$ | \$ |
| Balance at the beginning of the period | (5,993,666) | (4,894,008) |
| Net profit attributable to the members of the entity | (277,585) | (1,099,658) |
| | <u>(6,271,251)</u> | <u>(5,993,666)</u> |

3. TOTAL EQUITY

| | Consolidated Entity | |
|--|---------------------|------------------|
| | 31/12/03 | 30/6/03 |
| | \$ | \$ |
| Total Equity at the Beginning of the period | 1,494,741 | 2,286,600 |
| Transactions with owners as owners: | | |
| Contribution of equity | 891,910 | 317,999 |
| Total Changes in Equity recognised in the statement of financial performance | (363,560) | (1,109,858) |
| | <u>2,023,091</u> | <u>1,494,741</u> |
| Total Equity at the end of the year | | |

RIMFIRE PACIFIC MINING NL A.C.N. 010 195 972

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003**

4. CONTRIBUTED EQUITY

| | 31-12-2003 Number | 30-06-2003 of Shares | 31-12-2003 \$ | 30-06-2003 \$ |
|--|----------------------|-------------------------|------------------|------------------|
| Issued Shares | | | | |
| Fully paid ordinary shares | 95,018,051 | 59,341,657 | 8,294,342 | 7,439,527 |
| Fully paid deferred options | 4,884,391 | 4,884,391 | 48,880 | 48,880 |
| | <u>99,902,442</u> | <u>64,226,048</u> | <u>8,343,222</u> | <u>7,488,407</u> |
| Ordinary Shares on issue at beginning of year | 59,341,657 | 48,726,869 | 7,488,407 | 7,131,728 |
| <u>Movements during the year:</u> | | | | |
| Issued on 20 November 2003 under the Share Purchase Plan | 35,676,394 | - | 891,910 | - |
| Issued in previous financial year | - | 10,614,788 | - | 317,999 |
| Transaction costs relating to issues | - | - | (85,975) | (10,200) |
| Shares on issue at end of year | <u>95,018,051</u> | <u>59,341,657</u> | <u>8,294,342</u> | <u>7,439,527</u> |
| Deferred Options (exp 30/9/04) on issue at beginning of year | 4,884,391 | 4,884,391 | 48,880 | 48,880 |
| <u>Movements during the year:</u> | | | | |
| Listed Options on issue at end of year | <u>4,884,391</u> | <u>4,884,391</u> | <u>48,880</u> | <u>48,880</u> |
| Free Options on issue at beginning of year | - | - | - | - |
| <u>Movements during the year:</u> | | | | |
| Free options under Share Purchase Plan exercisable at 8 cents expiring 30 September 2006 | 35,676,394 | - | - | - |
| Listed Options on issue at end of year | <u>35,676,394</u> | <u>-</u> | <u>-</u> | <u>-</u> |

5. CONTINGENT LIABILITIES

The directors are not aware of any matters or circumstances which have arisen during or since the financial year which may significantly affect the operation of the entity, the results of that operation or stated affairs of the consolidated entity in future financial years.

6. SEGMENT REVENUES AND RESULTS

The company operated predominately in one industry, mining, exploration and prospecting and one geographical area, Australia.

RIMFIRE PACIFIC MINING NL A.C.N. 010 195 972**DIRECTORS' DECLARATION**

In the opinion of the directors of Rimfire Pacific Mining NL :

- (a) the accompanying financial statements and notes comply with the accounting standards and give a true and fair view of the consolidated entity's financial position as at 31 December 2003 and its performance for the half-year ended on that date.
- (b) at the date of this declaration there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

On behalf of the Directors



**N CALABRO
CHAIRMAN**

Dated in Brisbane this *12th* day of March 2004.

RIMFIRE PACIFIC MINING NL A.C.N. 010 195 972**INDEPENDENT REVIEW REPORT**

To the members of Rimfire Pacific Mining NL:

Scope

We have reviewed the financial report of Rimfire Pacific Mining NL for the half-year ended 31 December 2003 as set out on pages 2 to 7. The financial report includes the consolidated financial statements of the consolidated entity comprising the disclosing entity and the entities it controlled at the end of the half-year or from time to time during the half-year. The entity's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029: "Interim Financial Reporting" issued in Australia and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Rimfire Pacific Mining NL is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2003 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029: "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.


**PKF
CHARTERED ACCOUNTANTS
BRISBANE PARTNERSHIP**


**JIM BRAYNE
PARTNER**

Dated in Brisbane this 12th day of March 2004.