RIMFIRE PACIFIC MINING NL ACN 006 911 744 ("RIMFIRE")

TERMS & CONDITIONS OF SHARE PURCHASE PLAN

1. **DEFINITIONS**

1.1 In this Plan, unless the context otherwise indicates:

"**Application Form**" means the application form distributed with these Terms and Conditions;

"**Application Amount**" means the total amount payable by an Eligible Shareholder who applies for Shares under the Plan based on the Subscription Price for the total number of Shares applied for by that Eligible Shareholder;

"**ASX**" means the Australian Stock Exchange Limited;

"**Board**" means the board of directors of Rimfire;

"**Eligible Shareholders**" means those Shareholders who satisfy the conditions set out in clause 2.1;

"**Listing Rules**" means the official listing rules of the ASX (as amended from time to time);

"**Market Price**" has the same meaning as defined in the Listing Rules;

"**Offer**" means a non-renounceable offer of up to $5,000 worth of ordinary fully paid shares in Rimfire to Eligible Shareholders under the Plan;

"**Plan**" means the Rimfire Pacific Mining NL Share Purchase Plan approved by the Board;

"**Record Date**" means 5.00pm (Brisbane time) on 2 June 2004;

"**Rimfire**" means Rimfire Pacific Mining NL ACN 006 911 744;

"**Shares**" means up to a maximum of 16,767,891 new ordinary fully paid shares in Rimfire to be issued pursuant to the Plan;

"**Shareholders**" means those persons or entities that hold ordinary shares in the issued capital of Rimfire;

"**Subscription Price**" means the subscription price of the Shares as calculated in accordance with clause 6; and

"**Terms and Conditions**" means the terms and conditions set out herein.

2. **ELIGIBILITY TO PARTICIPATE**

2.1 Those shareholders of Rimfire that will be eligible to apply for Shares under the Plan must:

(a) be recorded in Rimfire's register of shareholders at 5.00 pm (Brisbane time) on the Record Date; and

(b) have an address in a jurisdiction in which it is lawful and practical for Rimfire to issue the Shares (in the reasonable opinion of the Board).

2.2 The Offer does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an Offer.

3. **TERMS OF THE OFFER**

3.1 The Offer will be open on and from 9.00am (Brisbane time) on 3 June 2004 ("Opening Date") until, subject to the discretion of the Board, 5.00pm (Brisbane Time) on 2 July 2004 ("Closing Date").

3.2 The Board reserves the right to close the Offer at any time prior to the Closing Date without further notification.

3.3 In response to the Offer, Eligible Shareholders:

(a) may apply for Shares provided that the minimum Application Amount is $500 (based on the Subscription Price for the Offer);

(b) may only apply for Shares in multiples of $500 (based on the Subscription Price for the Offer); and

(c) may only apply for such number of Shares that will result in the Application Amount not exceeding $5,000 subject to clause 5.4.

3.4 All Offers for Shares under the Plan are non-renounceable.

3.5 The maximum number of Shares issued under the Plan is 16,767,891, thereby raising approximately $461,117 before associated costs. Should applications for the Plan Shares exceed this amount the Board will need to scale-back applications.

3.6 If scaling-back does take place, all applications shall be treated equally and scaled-back on a pro rata basis. The difference between the Application Amount and the scaled-back amount will be refunded to the relevant applicant(s) without interest.

3.7 Participation in the Plan by Eligible Shareholders is entirely optional and subject to these Terms and Conditions.

4. APPLICATIONS FOR SHARES

4.1 Eligible Shareholders wishing to apply for Shares under the Plan must:

(a) complete the Application Form;

(b) pay for the Shares in the manner specified on the Application Form; and

(c) forward the completed Application Form and payment for the Application Amount to Rimfire's Share Registrar at the addresses specified on the Application Form, to reach such addresses by no later than 5.00pm (Brisbane time) on the Closing Date.

4.2 All application monies will be deposited into a trust account and shall be refunded by Rimfire without interest if any applications are rejected by the Board under clause 4.4.

4.3 A trustee or nominee registered as a holder of shares on account of one or more persons ("Beneficiaries") where the Beneficiaries expressly named on the share register of Rimfire may make one application, for up to the maximum amount of $5,000, for each of the Beneficiaries. Such Beneficiaries must not exceed the maximum amount by applying for shares under offers which they receive by virtue of being named on the Rimfire share register in any other capacity.

4.4 The Board reserves the right to reject any application for Shares (in whole or in part) including (without limitation) if:

(a) an Application Form is not correctly completed; or

(b) the applicant is not an Eligible Shareholder; or

(c) the issue of those Shares would contravene any law or the Listing Rules; or

(d) the exact payment for the Shares applied for is not received; or

(e) if the applicant has not otherwise complied with the terms of the Plan.

In such circumstances, no Shares will be issued to the relevant applicant(s) and any application monies paid will be refunded to the relevant applicant(s) without interest.

4.5 If there is a consolidation or re-organisation of the issued share capital of Rimfire prior to the Closing Date, the maximum number of Shares to be issued pursuant to and in accordance with the Plan shall be consolidated in the same ratio as the issued capital of Rimfire.

5. ISSUE OF SHARES

5.1 Rimfire intends to issue the Shares under the Plan on or about 16 July 2004 ("Issue Date"). Rimfire reserves the right to vary the Issue Date without further notice in the event that the Closing Date is varied pursuant to clause 3.2.

5.2 In respect of application monies received from an Eligible Shareholder, Rimfire will, prior to the Issue Date, determine the maximum number of Shares rounded up to the nearest whole number which may be acquired by any Eligible Shareholder.

5.3 The allocation of Shares will be determined by the Board.

5.4 In the event that the Offer under the Plan is not fully subscribed, the Board of Rimfire reserves its right to issue Shares in excess of the maximum $5,000 worth of Shares specified in clause 3.3(c) ("Additional Issue"), to any person (whether or not such person is an Eligible Shareholder) so long as the Additional Issue:

(a) satisfies section 708 of the *Corporations Act 2001 (Cth)*; and

(b) any approval of Shareholders to the Additional Issue which is required under the Listing Rules is obtained.

5.5 Rimfire will apply to ASX for quotation of the Shares issued under the Plan and the Additional Issue (if any) within the period prescribed the Listing Rules.

6. PURCHASE PRICE

6.1 The Purchase Price of the Shares is 2.75 cents. This is a 5.8% discount on the weighted average trading price of Rimfire's shares on the ASX over the five (5) trading day period commencing 19 May 2004 and ending on 25 May 2004 ("Calculation Period") and as a result is less than the Market Price during the Calculation Period.

6.2 Although the Purchase Price was a discount at the time of calculation, the Shares are a speculative investment and the Market Price of the Shares may change between the Opening Date and the Issue Date.

6.3 No brokerage, commissions, stamp duty or other transaction costs will be payable by Eligible Shareholders in respect of an application for, and an issue of, Shares under the Plan.

7. GENERAL

7.1 The Board may change or terminate the Plan at any time prior to the Issue Date. In the event that the Board does so, it will advise the ASX. Any omission to give notice of changes to, or termination of, the Plan, or the non-receipt of any such notice, will not invalidate the change or termination.

7.2 If the Plan is withdrawn, all application money will be refunded. No interest will be paid on any refunded application money.

7.3 In addition to any rights of the Board to reject applications as set out in these Terms and Conditions, the Board also reserves the right to allocate fewer, or no, Shares that an Eligible Shareholder applies for under the Plan if the Board believes that the allotment of those Shares would contravene any of the Listing Rules. In any such case, excess application monies will be returned to the relevant applicant(s). No interest will be paid on application monies so returned.