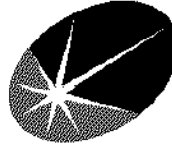


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23 December 2004

Australian Stock Exchange Limited
Company Announcements Office
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

MARKET UPDATE ON ACTIVITIES

The company continues to focus on delivering on its near term objectives, in exploration activities, whilst improving its administrative overhead costs, and is pleased to update its recent progress as follows.

Fifield Alluvial Platinum and Gold prospect - Metal recovery

- The alluvial testing plant has processed 412 cubic meters of wash for a **recovery of 5 ounces of high grade concentrate** of isoferroplatinum and gold with associated accessory minerals. This is considered very encouraging being **above initial projected recovery rates** and is forecast to improve with application of new technology.
- Bill Durnell, retired CEO of Kelsey Centrifugal Jigs, which is now part of Roche Mining Group, and Rimfire Director John Kaminsky recently visited the project area to review operations with particular reference to the alluvial plant and the potential application of the Kelsey Jig, to maximize recovery rates of fines in future operations. The company notes the historic data for the Fifield alluvial areas for platinum and gold had cut-off sizing at the 250~500 micron level, and is therefore aiming to improve this recovery rate substantially, through the trial work.
- Metal refining partner, Focus Metals Pty Ltd has agreed to process a sample of the concentrate recovered to date in mid January, to assist with yield observations, assay and trace element understanding. Historically, gold, iridium and rhodium credits have been available from the Fifield district.
- Substantial rainfall of 120mm has filled the dams on alluvial test plant site within the company's freehold and while hindering operations, this has ensured at least 6 months supply of water to run the trial plant operations.

Fifield Drill Program, Sampling and Reconnaissance.

Whilst the rain was generally welcome in the Fifield district, and assisted the company's water resource, the weather disrupted the drilling program substantially. The company is

now negotiating to complete its drilling program in the new year, once equipment is secured, weather conditions appear suitable, and access rights are re-confirmed.

- The drill programme was commenced, but due to the issues of the performance of the rig and high rainfall a limited number of meters were drilled only.
- Some samples have been dispatched from this current program, along with samples from previous work by Rimfire in the district, for "multi-element" analysis.

Tom and Jerry 500mt bulk sampling plan

Background discussions to enable the completion of the Environmental Approval Application are proposed in the early new year, to enable a sample of 500mt of material to be taken around the Tom and Jerry anomaly. This area contains narrow dispersion of high sodium eclogite garnet in high concentrations, and is therefore considered very prospective for diamond source rock in the area.

The company continues to drive its exploration program, and contain its administrative overheads.

The company is very committed to the Fifield district. Fifield remains the only district in Australia that has had a history of dedicated alluvial platinum mining (historic figures indicating more than 20,000 ounces of Platinum were extracted at Fifield) and remains Australia's premier platinum province. The company is also committed to continuing its search for the **hard rock source** of the nuggets platinum evident in the alluvial resource.

The company continues to grow its expertise and understanding of the Fifield district.

Rimfire will continue to explore for platinum mineralization in the ultramafic intrusives within its tenements concurrent with the alluvial test phase. Follow up of the historic data and the company's data base including high resolution magnetic and previous drill results is ongoing.

The price of Platinum closed in New York at Spot Ask USD\$850 per oz as at 21st December 2004, almost double the price of gold (www.kitco.com).

Yours Faithfully



John Kaminsky
Chairman
Rimfire Pacific Mining NL

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