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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE HALF-YEAR ENDED 31 DECEMBER 2004

	Half-Year Ended 31 Dec 04 $	Half-Year Ended 31 Dec 03 $
Revenue from ordinary activities	3,027	4,833
Expenses from Ordinary Activities Classification of Expenses by Function:		
Operating Activities:		
Professional Costs	(52,360)	(89,799)
Travel Costs	(11,202)	(8,232)
Employee Costs	(44,466)	(66,074)
Occupancy Costs	(45,302)	(50,479)
Marketing Costs	(5,200)	(12,800)
Borrowing Costs	(6,029)	-
Overhead Costs	(52,954)	(72,422)
	(217,513)	(291,829)
Non-Operating Activities:		
Write (down) / up of Other Financial Assets to recoverable amount	-	9,411
	-	9,411
Loss from ordinary activities before income tax	(214,486)	(277,585)
Income tax expense relating to Ordinary activities	-	-
Net Loss	(214,486)	(277,585)
Total revenues, expenses and valuation adjustments recognised directly in equity	(55,185)	(85,975)
Total changes in equity other than those resulting from transactions with owners as owners	(269,671)	(363,560)
Basic Earnings Per Share (cents per share)	(0.20)	(0.41)
Diluted Earnings Per Share (cents per share)	(0.20)	(0.29)

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 2004

	31 Dec 04 $	30 June 04 $
CURRENT ASSETS		
Cash assets	269,476	86,089
Receivables	54,991	84,077
Other	5,825	5,119
Exploration & evaluation costs carried forward	30,000	-
TOTAL CURRENT ASSETS	360,292	175,285
NON CURRENT ASSETS		
Receivables	170,000	133,002
Property, plant & equipment	273,608	244,638
Exploration & evaluation costs carried forward	1,790,385	1,657,558
TOTAL NON CURRENT ASSETS	2,233,993	2,035,198
TOTAL ASSETS	2,594,285	2,210,483
CURRENT LIABILITIES		
Payables	55,477	265,144
Interest-bearing liabilities	170,250	208,318
Provisions	9,792	7,181
TOTAL CURRENT LIABILITIES	235,519	480,643
TOTAL LIABILITIES	235,519	480,643
NET ASSETS	2,358,766	1,729,840
EQUITY		
Contributed Equity	9,135,051	8,291,639
Accumulated losses	(6,776,285)	(6,561,799)
TOTAL EQUITY	2,358,766	1,729,840

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

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2004

	Half-Year Ended 31 Dec 04 $ Inflows (Outflows)	Half-Year Ended 31 Dec 03 $ Inflows (Outflows)
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	-	-
Payments to suppliers and employees	(268,202)	(402,218)
GST Refund	46,688	23,743
Interest received	3,027	4,833
Dividends received	-	-
Interest paid	-	(109)
Net cash used in operating activities	(218,487)	(373,751)
CASH FLOW FROM INVESTING ACTIVITIES		
Refund of security deposits	-	-
Proceeds from sale of investments	-	-
Payment for mining tenement exploration	(255,649)	(151,584)
Purchase of property plant and equipment	(2,596)	(2,020)
Net cash used in investing activities	(153,604)	(258,245)
CASH FLOW FROM FINANCING ACTIVITIES		
Costs associated with share issue	(24,752)	(85,975)
Proceeds from borrowings	63,250	-
Proceeds from share issue	722,939	891,910
Net cash provided by financing activities	761,437	805,935
Net increase (decrease) in cash held	284,705	278,580
Cash at beginning of the half-year	(15,229)	148,404
Cash at the end of the half-year	269,476	426,984

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 2004

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 2004 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 2004 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 2004 annual financial report.

2. RETAINED PROFITS

	Consolidated Entity	
	31/12/04	30/6/04
	$	$
Balance at the beginning of the period	(6,561,799)	(5,993,666)
Net profit attributable to the members of the entity	(214,486)	(568,133)
	(6,776,285)	(6,561,799)

3. TOTAL EQUITY

	Consolidated Entity	
	31/12/04	30/6/04
	$	$
Total Equity at the Beginning of the period	1,729,840	1,494,741
Transactions with owners as owners:		
Contribution of equity	898,597	887,141
Total Changes in Equity recognised in the statement of financial performance	(269,671)	(652,042)
Total Equity at the end of the year	2,358,766	1,729,840

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2004

4. CONTRIBUTED EQUITY

	31-12-2004	30-06-2004	31-12-2004 $	30-06-2004 $
	Number	of Shares		
Issued Shares				
Fully paid ordinary shares	128,007,172	95,018,051	9,086,171	8,242,759
Fully paid deferred options	-	4,884,391	48,880	48,880
	128,007,172	99,902,442	9,135,051	8,291,639
Ordinary Shares on issue at beginning of year	95,018,051	59,341,657	8,242,759	7,439,527
Movements during the year:				
Issue on 16 July 2004 under the Share Purchase Plan	6,581,857	-	173,890	-
Issue on 17 August 2004 as payment for mining equipment purchased	1,000,000	-	30,000	-
Issue on 13 October 2004 under the Share Purchase Plan	9,079,353	-	249,682	-
Issue on 22 October 2004 as payment for underwriting fee	1,106,681	-	30,434	-
Issue on 28 October 2004 as payment for consulting fees	1,294,147	-	35,589	-
Issue on 16 November 2004 under a sophisticated share placement	12,060,000	-	327,657	-
Issue on 22 November 2004 under a sophisticated share placement	1,640,000	-	45,100	-
Issue on 22 December 2004 as payment for services rendered	227,083	-	6,245	-
Issued in previous financial year	-	35,676,394	-	887,141
Transaction costs relating to issues	-	-	(55,185)	(83,909)
Shares on issue at end of year	**128,007,172**	**95,018,051**	**9,086,171**	**8,242,759**
Deferred Options excercisable at 20 cents on or before 30 September 2004.				
On issue at beginning of year	4,884,391	4,884,391	48,880	48,880
Expired during year	(4,884,391)	-	-	-
On issue at end of year	-	4,884,391	48,880	48,880
Options Outstanding				
Excercisable at 8 cents on or before 30 September 2006				
On issue at beginning of year	35,676,394	-	-	-
Issued during year	-	35,676,394	-	-
On issue at end of year	**35,676,394**	**35,676,394**	-	-

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

Excercisable at 12 cents on or before 30 November 2005				
On issue at beginning of year	7,000,000	-	-	-
Issued during year		7,000,000	-	-
On issue at end of year	**7,000,000**	**7,000,000**	-	-

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 predominantly in one business segment, mining, exploration and prospecting and one geographical segment, Australia.

7. SUBSEQUENT EVENTS

The 100% owned subsidiary of Rimfire Pacific Mining NL, Axis Mining NL, has entered into a contract for the sale of its mining tenements in Queensland. Dated 11 February 2005, the contract gives the purchaser an option, for a non-refundable fee of $5,000, to acquire the tenements within a specified time frame provided a further payment of the agreed upon sum of $15,000 is made by the purchaser by 11 May 2005 AND a Nett Smelter Royalty agreement (NSR) of 2% is completed in favour of Axis Mining NL.

At the date of this report, Axis Mining has received $5,000 as the option payment. The additional $15,000 is due to be received within the time frame, but is dependent on successful due diligence by the purchaser.

At the directors meeting dated 18 January 2005, the decision was made to issue 2,343,000 ordinary shares in lieu of repayment of principal and interest of a related party loan of $63,250.

No other events have taken place since 31 December 2004.

8. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Australian equivalents of IFRS's will be adopted in the financial report for the year ended 30 June 2006 and in the comparative information presented in that report for the year ending 30 June 2005. In preparation opening balances at 1 July 2004 for the year ending 30 June 2005 will be converted to IFRS's in accordance with a new standard AASB 1 First-time Adoption of International Financial Reporting Pronouncements.

The transition to AIFRS is not expected to be significant for the group but is being managed by advice from external advisers of the company.

Currently there are not key differences in accounting policies expected to arise from adopting Australian equivalents to IFRS. The standard to apply to extractive industries does not require change to current accounting practices.

The standard will permit an entity to use an alternative level of aggregation for exploration expenditure carried forward when testing for impairment in accordance with AASB 136. Even so it may be necessary to write down further exploration assets under IFRS.

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 2004 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

J A KAMINSKY
CHAIRMAN

Dated in Brisbane this 16th day of March 2005.

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

AUDITOR'S INDEPENDENCE DECLARATION

To: The Directors of Rimfire Pacific Mining NL

As lead engagement partner of the review of Rimfire Pacific Mining NL for the half year ended 31 December 2004, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(b) no contravention of any applicable code of professional conduct in relation to the review.

PKF

PKF
CHARTERED ACCOUNTANTS
BRISBANE PARTNERSHIP

CRAIG BELLAMY
PARTNER

Dated at Brisbane the 16th day of March 2005.

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 2004 as set out on pages 2 to 8. 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 2004 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

PKF
CHARTERED ACCOUNTANTS
BRISBANE PARTNERSHIP

CRAIG BELLAMY
PARTNER

Dated in Brisbane this 16th day of March 2005.