RIMFIRE PACIFIC MINING NL
ABN 59 006 911 744

NOTICE OF ANNUAL GENERAL MEETING
And
EXPLANATORY MEMORANDUM

Date of Meeting	28th November 2005
Time of Meeting	10.00 am
Place of Meeting	Christie Corporate “Endeavour 2” Room Level 6 320 Adelaide Street BRISBANE. QLD. 4000

This Notice of Annual General Meeting and Explanatory Memorandum should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

RIMFIRE PACIFIC MINING NL
ABN 59 006 911 744

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Rimfire Pacific Mining NL ("Company") will be held at Christie Corporate, "Endeavour 2" Room, Level 6, 320 Adelaide Street, Brisbane on 28th November 2005 at 10.00 am (Brisbane time).

The Explanatory Memorandum which accompanies and forms part of this "Notice of Annual General Meeting" describes the various matters to be considered at the annual general meeting.

AGENDA

ORDINARY BUSINESS

Item 1 - FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Company's annual report comprising the Directors' Report, Auditor's Report and Financial Statements for the year ended 30 June 2005.

To consider and, if thought fit, pass the following resolutions, with or without amendment, as ordinary resolutions of the Company:

Item 2 -Resolution 1: REMUNERATION REPORT

"To adopt the Remuneration report for the Year ended 30 June 2005."

Short explanation

The Corporations Act 2001 requires listed companies to put to shareholders at the AGM a non-binding resolution concerning the Remuneration Report which is contained in the Directors' Report section of the Annual Report.

Shareholders will be given an opportunity to ask questions concerning the Remuneration Report at the AGM.

As stated, the resolution is non-binding.

Item 3 - Resolution 2:RE-ELECTION OF DIRECTOR GRAHAM BILLINGHURST

"That Mr Graham Billinghurst, who retires by rotation in accordance with Article 40 of the Company's constitution and being eligible, offers himself for re-election, be re-elected as a Director".

Item 4 – Resolution 3: ELECTION OF RAMONA ENCONNIERE AS A DIRECTOR

"That Ms Ramona Enconniere, who was appointed a Director of the Company since the last Annual General Meeting, retires in accordance with Article 38.2 of the Company's constitution and being eligible, offers herself for re-election, be elected as a Director".

Item 5 – Resolution 4: ELECTION OF ANDREW KNOX AS A DIRECTOR

"That Mr Andrew Knox, who was appointed a Director of the Company since the last Annual General Meeting, retires in accordance with Article 38.2 of the Company's constitution and being eligible, offers himself for re-election, be elected as a Director".

Short explanation – resolutions 3 to 5

The Company's Constitution requires one third of the Directors (other than the Managing Director) to retire at each Annual General Meeting, being the Directors longest in office at the date of the Annual General Meeting. It also requires Directors who were appointed since the last Annual General Meeting to be re-elected at the next Annual General Meeting following their appointment.

Messrs Billinghurst and Knox, and Ms Enconniere must therefore retire and have offered themselves for re-election. Their details are set out in the Directors' Report section of the Annual Report.

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions, with or without amendment, as ordinary resolutions of the Company.

Item 6 – Resolution 5: APPROVAL TO ISSUE SECURITIES TO UNRELATED PARTIES

"That pursuant to Listing Rule 7.1, of the ASX Listing Rules ("the Listing Rules") the Company hereby approves the issue and allotment of up to 10,000,000 ordinary shares to such person or persons, and at an issue price and time, to be determined by the Directors, provided that:

- The issue price is not less than 80% of the market price for the Company's ordinary shares at the time of issue;
- The issue and allotment is made within 3 months of the date of this meeting."

Short explanation

This resolution is proposed to give the Company some flexibility in raising a relatively small amount of capital at short notice, without having to call a shareholder meeting. Listing Rule 7 requires shareholder approval for this type of discretionary share issue.

This resolution is further considered in the Explanatory Memorandum.

Voting exclusion statement

The Company will disregard any votes cast in respect of Resolution 2 by:

(a) any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed; and

(b) any associate of those persons;

However the Company need not disregard a vote if:

(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Item 7 - Resolution 6: APPROVAL TO ISSUE SECURITIES TO DIRECTORS AT MARKET VALUE

"Conditional upon passing of Resolutions 3 and 4, that in accordance with the provisions of Listing Rule 10.11 of the Listing Rules and for all other purposes, the Company be authorized to issue 5,000,000 fully paid ordinary shares in the capital of the Company at a unit price of 1.85 cents per share ($0.0185) as follows:

6.1 2,500,000 fully paid ordinary shares to Mr Andrew Knox, being a Director of the Company (the "Recipient") on the terms set out in the Explanatory Memorandum accompanying this Notice:

6.2 2,500,000 fully paid ordinary shares to Ms Ramona Enconniere, being a Director of the Company (the "Recipient") on the terms set out in the Explanatory Memorandum accompanying this Notice."

Short explanation

In order to align the interests of all Directors with the Company and its Members, and to reward those Directors for services as officers of the Company, the Board resolved to make a small placement to the two new Directors of the Company, subject to Shareholder approval, and in the absence of those two Directors.

The proceeds raised from the issue will be used to retire debt and for general working capital purposes

The Listing Rules generally require shareholder approval before any securities are issued to a Director. This resolution seeks the required approval.

This resolution is further considered in the Explanatory Memorandum.

Voting Exclusion Statement

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on resolution 6 by a Director of the Company, and by associates of that person. The Directors of the Company at the date of this Notice are Mr John Kaminsky, Mr Graham Billinghurst, Ms Ramona Enconniere and Mr Andrew Knox.

However, the Company need not disregard a vote if:

(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides (and the acknowledgment box on the proxy form in relation to this resolution is marked).

Item 8 – Resolution 7: APPROVAL OF ISSUE OF OPTIONS TO EXPLORATION MANAGER – COLIN PLUMRIDGE

> "That in accordance with the provisions of Listing Rule 7.1 of the Listing Rules and for all other purposes, the Company be authorized to issue a total of 1,500,000 unlisted call options to acquire ordinary shares in the capital of the Company to Mr Colin Plumridge, being contract Geologist and Exploration Manager of the Company, and to issue 1,500,000 ordinary shares to him on exercise of those options, on the terms and conditions as set out in the Explanatory Memorandum.

This resolution is considered in full in the Explanatory Memorandum.

Voting Exclusion Statement

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on resolution 7 by Colin Plumridge, and by associates of that person.

However, the Company need not disregard a vote if:

(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides (and the acknowledgment box on the proxy form in relation to this resolution is marked).

Item 9 – Resolution 8: APPROVAL OF ISSUE OF OPTIONS TO DIRECTORS

> "Conditional upon passing of Resolutions 3 and 4, that in accordance with the provisions of Listing Rule 10.11 the Company be authorized to issue 6,500,000 call options to acquire ordinary shares in the capital of the Company, and to issue 6,500,000 ordinary shares on exercise of those options, to the Directors of the Company, Mr John Kaminsky, Mr Andrew Knox and Ms Ramona Enconniere listed in the Table A in the Explanatory Memorandum accompanying this Notice and on the terms set out in the Explanatory Memorandum".

Short Explanation:

The Board has resolved, subject to Shareholder approval, and in the absence of the Directors listed in Table A, to issue options to those Directors. The issue is designed to incentivise performance for the current financial year and form an additional part of the remuneration as an officer of the Company. The proposed issue also aligns the interests of those Directors with the other Directors of the Company, who have previously been granted options. The recipients of the options will only receive a benefit if there is a significant increase in the Company's share price over the next ten months.

The Listing Rules generally require shareholder approval before any securities are issued to a Director. This resolution seeks the required approval.

This resolution is further considered in the Explanatory Memorandum.

Voting Exclusion Statement

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on resolution 9 by a Director of the Company, and by associates of that person. The Directors of the Company at the date of this Notice are Mr Graham Billinghurst, Mr Andrew Knox, Ms Ramona Enconniere and Mr John Kaminsky.

However, the Company need not disregard a vote if:

(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy

decides (and the acknowledgment box on the proxy form in relation to this resolution is marked).

Item 10 – Resolution 9: ISSUE OF SECURITIES TO JOHN KAMINSKY AS PART OF CONSULTING REMUNERATION PACKAGE

"That pursuant to ASX Listing Rule 10.11, the Company approves the issue of 4,000,000 call options to to acquire ordinary shares in the capital of the Company to interests associated with John Kaminsky, and to issue 4,000,000 ordinary shares to him on exercise of those options, as part of a consulting contract package, on the terms and conditions as set out in the Explanatory Memorandum,."

Short explanation

The Board, in Mr Kaminsky's absence have tailored a Consulting Package for Executive and Consulting Services provided to the Company, which includes the issue of 4,000,000 options to subscribe for 4,000,000 fully paid ordinary shares for nil consideration in two tranches. Full details of the consulting remuneration package and options are set out in the Explanatory Memorandum.

The Listing Rules generally require shareholder approval before any securities are issued to a Director. This resolution seeks the required approval.

The proposed issue concerns Mr Kaminsky's role as an executive and is to be differentiated from the issue of options to him as an officer of the Company under the previous resolution. This resolution is further considered in the Explanatory Memorandum.

Voting Exclusion Statement:

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on resolution 10 by a Director of the Company, and by associates of that person. The Directors of the Company at the date of this Notice are Mr Graham Billinghurst, Mr Andrew Knox, Ms Ramona Enconniere and Mr John Kaminsky.

However, the Company need not disregard a vote if:

(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides (and the acknowledgment box on the proxy form in relation to this resolution is marked).

BY ORDER OF THE BOARD

Graham Billinghurst
Company Secretary
DATED 20th October 2005.

PROXY, REPRESENTATIVE AND VOTING ENTITLEMENT INSTRUCTIONS

PROXY AND BODY CORPORATE REPRESENTIVE INSTRUCTIONS

Shareholders are entitled to appoint up to two individuals to act as proxies to attend and vote on their behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the Meeting under Section 250D of the Corporations Act 2001 (Cth).

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) and certificates appointing body corporate representatives or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) or certificate appointing a body corporate representative must be deposited at, posted to, or sent by facsimile transmission to the Company's office, Level 13, 379 Queen Street, Brisbane (GPO Box 725, Brisbane Queensland 4001) or fax# (07) 3221 7166, not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the shareholder or his/her attorney duly authorized in writing or, if the shareholder is a corporation, in the manner permitted by the Corporations Act.

The proxy may, but need not, be a shareholder of the Company.

In the case of shares jointly held by two or more persons, all joint holders must sign the proxy form.

A proxy form is attached to this Notice.

VOTING ENTITLEMENT

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7:00pm, 26th November 2005. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of members of Rimfire Pacific Mining NL ABN 59 006 911 744 ("Rimfire" or "Company") in connection with the business to be conducted at the Annual General Meeting of members to be held on 28th November 2005 at 10.00am ("Meeting").

The Notice of Meeting sets out the details of nine (9) separate resolutions to be put to Shareholders comprising the following:

- Resolution 1 seeks the approval to adopt the Remuneration Report as it appears in the 2005 Annual Report on pages 13 to 15. This is a new requirement of the Corporations Act. The resolution is non binding on the Company.
- Resolution 2 seeks the re-election Mr Graham Billinghurst as a Director of the Company;
- Resolution 3 seeks the election Ms Ramona Enconniere as a Director of the Company. Ms Enconniere was appointed in April 2005 by the Board and is therefore required to seek election at the Company's AGM;
- Resolution 4 seeks the election of Mr Andrew Knox as a Director of the Company. Mr Knox was appointed in July 2005 by the Board and is therefore required to seek election at the Company's AGM;
- Resolution 5 seeks the approval to authorize the Directors of the Company to place up to 10 million fully paid ordinary shares to unrelated parties yet to be named at a price being no less than an 80% discount to market price at the date of issue during the 3 months following the AGM;
- Resolution 6 seeks the approval for the issue of a total of 5,000,000 ordinary shares in the company to Ms Ramona Enconniere (2,500,000 shares) and Mr Andrew Knox (2,500,000 shares). This resolution is conditional on Resolutions 3 and 4 being passed in which case both Ms Enconniere and Mr Knox remain Directors of the Company, and are therefore related parties of the Company;
- Resolution 7 seeks the approval to the issue of 1,500,000 options to acquire shares in the Company to Mr Colin Plumridge, an unrelated party to the Company and Exploration Manager of the Company;
- Resolution 8 seeks the approval to the issue of 6,500,000 options to acquire shares in the Company to Mr John Kaminsky (2,500,000), Mr Andrew Knox (2,000,000) and Ms Ramona Enconniere (2,000,000), who are related parties to the Company. This resolution is conditional on Resolutions 3 and 4 being passed in which case both Ms Enconniere and Mr Knox remain Directors of the Company.
- Resolution 9 seeks the approval for the issue of 4,000,000 options for ordinary shares in the company to Mr John Kaminsky, who is a related party to the Company, at a nil strike price. This payment is in lieu of cash for consultancy services provided under a consultancy agreement for the period 1/12/05 to 30/11/06;

Resolutions 1 to 4 are standard for an Annual General Meeting of a Company and no further comments are made below.

Specific comments relating to Resolutions 5 to 10 are set out below.

2. RESOLUTION 5 – APPROVAL OF ISSUE OF SHARES TO UNRELATED PARTIES

2.1 Introduction

The Company seeks approval to issue up to 10,000,000 ordinary shares pursuant to a placement to as yet unidentified persons. At the date of this Notice of Meeting, the issue price of those ordinary shares is also undetermined, but will be not less than 80% of the market price for ordinary shares in the Company as at the date of issue.

The date of issue and allotment of shares is also undetermined, but will be no later than three months from the date of this shareholder meeting.

It is intended to use funds raised for working capital debt retirement and other purposes at the discretion of the Board. Using 100% of the closing share price at the date of 12th October 2005, the Company would raise $260,000 by issuing 10,000,000 shares.

The resolution is sought because it gives the Board flexibility to raise a relatively small amount quickly over the next three months as it progresses the Company's exploration activities.

No shares will be issued to related parties of the Company.

2.2 Listing Rules issues

(a) ASX LISTING RULE 7.1

Listing Rule 7.1 provides that a company must not issue more equity securities than the number calculated in accordance with a formula contained in that Listing Rule without the approval of its shareholders. For reasons previously explained, for present purposes that number is zero.

(b) ASX LISTING RULE 7.3

ASX Listing Rule 7.3 requires certain information to be contained in the Notice of General Meeting and Explanatory Memorandum where shareholders will consider a resolution pursuant to ASX Listing Rule 7.1. This information is set out below in relation to the proposed allotment of shares.

(i) The maximum number of securities to be issued: The maximum number of shares to be issued is 10,000,000 ordinary shares.

(ii) The date by which the securities will be issued: the shares must be issued within 3 months after the date of the General Meeting. If not, the approval granted by shareholders for the issue of the shares will lapse.

(iii) The issue price of the securities: the shares will be issued for a minimum issue price per share which is at least 80% of the average market price of shares calculated over the last 5 days on which the sale of the shares are recorded prior to the day of the issue.

(iv) The names of the allottees (if known) or the bases upon which the allottees will be determined; the names of the allottees are not known however no shares will be issued to any related party of the Company.

(v) The terms of the securities: the shares will be fully paid ordinary shares ranking pari passu with all other fully paid ordinary shares currently on issue.

(vi) The intended use of the funds raised: see paragraph 2.1 above.

(vii) The dates of allotment or a statement that allotment will occur progressively: allotment will occur within 3 months of the date of this meeting.

2.3 Benefits of approving issue of discretionary securities

(a) Advantages

The main advantage of approving the discretionary issue of shares is that it enables the Directors to raise funds by issuing shares without having to call a separate meeting of shareholders to approve that issue of shares. If approval is not given at this meeting, Directors would be required to issue shares conditional upon that approval, then call another shareholder meeting to seek that approval.

(b) Disadvantages

The issue of the shares will result in the dilution of the shareholdings of existing shareholders. If all 10,000,000 shares are issued, this would result in the issue of shares equal to approximately 5.3% of the expanded total shares in the Company following the issue.

3. RESOLUTION 6 – APPROVAL OF ISSUE OF SHARES TO DIRECTORS

3.1 Introduction

The Company proposes to issue 5,000,000 ordinary shares in the Company at market value to New Directors as follows:

Director	Appointed	Current Shareholding	Proposed Placement	Cash payable by Director
Ms Ramona Enconniere	27/04/05	Nil	2,500,000	$46,250
Mr Andrew Knox	06/07/05	Nil	2,500,000	$46,250
TOTAL		Nil	5,000,000	$92,500

At a meeting of the Board of Directors it was resolved, in the absence of the above named Directors, to issue fully paid ordinary shares to the named Directors for consideration being the moving average trading price for the previous 10 days trading, which equates to $0.0218 (2.18 cents) per fully paid ordinary share, less 15%. This equates to a total consideration payable of $92,500 (based on rounding to a unit value of $0.0185 (1.85 cents)).

The issue is proposed in order to align the interests of the existing Directors, the Company and its Members with that of the new Directors. The Directors were underwriters to the recent Prospectus 1 for 3 Rights issue to Members and took the risk of underwriting, but, as the Rights Issue was fully subscribed, no shares were available to them.

Further, as can be seen from the Directors' Report section of the Annual Report, the above Directors receive no remuneration for their role as officers of the Company. A small discount to the market price of securities of 15% was therefore offered, as this is on usual commercial terms and provides a small reward to the above Directors in recognition of their substantial work as officers.

The Company intends to issue the shares to the Recipients as soon as practicable after the Annual General Meeting but in any event not later than one (1) month from the date of the Meeting.

Funds will be raised from the issue of the Shares, and the Company will receive the benefit of securing the services of a two very skilled Non-Executive Directors.

The planned use of the funds is as follows:

Proposed Use of Funds	**$**
Debt Repayment	$92,500
TOTAL	$92,500

The Board also reserves the right to use the funds at its discretion for alternate purposes, depending on specific circumstances of the Company.

3.2 Additional information

This proposed resolution, if passed, will confer a financial benefit to a related party. The Company therefore provides the following information.

a) The related parties to whom the resolution would permit the financial benefit to be given

Ms Ramona Enconniere and Mr Andrew Knox both Directors of the Company.

b) The nature of the financial benefit

The nature of the proposed financial benefit to be given is the issue of 2,500,000 ordinary shares in the capital of the Company to each Director.

c) Directors' Recommendation

The Directors of the Company excluding Ms Enconniere and Mr Knox (who are interested in the outcome of this resolution each being a recipient), recommend the Resolution to shareholders. The recommendation is based on the fact that the recipients of the shares at the date of the resolution decision to place the shares pay market value for them, and the Company therefore receives the benefit of a closer alignment between the Directors' interests and its own, while also receiving fair value for its shares.

d) Costs and Detriments of Providing Financial Benefit

The opportunity costs and benefit forgone by the Company issuing the Shares to the recipients, is nil. The issue of the shares has a dilutionary, albeit slight, impact on the issued share capital of the Company.

e) Directors' Interest

The current interests of the recipients in securities of the Company is as follows:

Ms Ramona Enconniere	Nil
Mr Andrew Knox	Nil

f) Company Share Price Trading Range

The trading price range during the last 12 months for the Company's shares was Low 1.7 cents and High 3.7 cents (based on closing prices up to 12th October 2005)

3.3 Listing Rules issues

Listing Rule 10.11 requires shareholder approval to be obtained, and Listing Rule 10.13 requires the following information to be given to shareholders:

(i) *the name of the person:* Ms Ramona Enconniere, Mr Andrew Knox
(ii) *the number of securities to be issued:* 5,000,000 ordinary fully paid shares (2,500,000 to each related party)
(iii) *the date by which the entity will issue the securities:* within one month of the date of this meeting;
(iv) *the issue price of the securities:* deemed issue price is $0.0185;
(v) *the use or intended use of the funds raised:* see para 3.1;
(vi) *a voting exclusion statement:* this information is set out in the Notice of Meeting.

4 RESOLUTION 8 – ISSUE OF CALL OPTIONS TO – MR COLIN PLUMRIDGE

4.1 Introduction

In order to assess accountable performance in its exploration program the Board has decided to put in place an additional incentive package to Mr Plumridge in his role as Exploration Manager and contract Geologist, along with performance measures of his role. The Board considers that Mr Plumridge is a very important part of the Company's exploration activities.

Measures of performance include:

- Successful completion of each phase of a defined exploration program undertaken on behalf of the Company

- Keeping within budget limits as defined by the Company
- Assisting the sourcing and securing of new exploration areas
- Meeting agreed timetables

The incentive is in terms of options. Details of the options are as follows:

1. 500,000 exercisable at eight cents ($0.08) exercisable on or before 30 September 2006;
2. 1,000,000 exercisable at twelve cents ($0.12) exercisable on or before 30 September 2007,

The Company requires approval of its shareholders prior to issuing the Options for the reasons set out in paragraph 4.2.

Shareholders should note that Mr Plumridge will only gain a benefit from the options if there is a significant rise in the Company's share price.

A Black-Scholes pricing model was used to value the options, with the same variables and inputs used in Section 5.2 f) of this Explanatory Memorandum.

Based on this information, the Company has adopted an indicative value for the options to be issued pursuant to Resolution 8 as:

- Sept 06 Options $12.15 ($0.0000243 each option)
- Sept 07 Options $90.50 ($0.0000905 each option)

4.2 Listing Rules issues

(a) ASX LISTING RULE 7.1

Listing Rule 7.1 provides that a company must not issue more equity securities than the number calculated in accordance with a formula contained in that Listing Rule without the approval of its shareholders. For reasons previously explained, for present purposes that number is zero.

(b) ASX LISTING RULE 7.3

ASX Listing Rule 7.3 requires certain information to be contained in the Notice of General Meeting and Explanatory Memorandum where shareholders will consider a resolution pursuant to ASX Listing Rule 7.1. This information is set out below in relation to the proposed allotment of shares.

(i) The maximum number of securities to be issued: The maximum number of securities to be issued is 1,500,000 options to acquire 1,500,000 ordinary shares.

(ii) The date by which the securities will be issued: the options will be issued within one month of the date of this meeting. Shares will be issued on exercise of the options.

(iii) The issue price of the securities: the options will be issued at no cost and are exercisable for the prices set out in paragraph 4.1.

(iv) *The names of the allottees (if known) or the bases upon which the allottees will be determined*; this is set out in paragraph 4.1.

(v) *The terms of the securities*: this is set out in paragraph 4.1.

(vi) *The intended use of the funds raised*: no funds will be raised by issuing the options.

(vii) *The dates of allotment or a statement that allotment will occur progressively:* allotment will occur within one month of the date of this meeting.

4.3 BENEFITS OF APPROVING ISSUE OF DISCRETIONARY SHARES

(a) Advantages

The main advantage of approving the issue of options is that it provides an incentive to Mr Plumridge and further aligns his interest with that of the Company's. There is no cash outlay required, so the issue of options preserves the Company's cash resources.

(b) Disadvantages

The issue of the shares will result in the dilution of the shareholdings of existing shareholders. If all 1,500,000 options are exercised, this would result in the issue of shares equal to approximately 0.84% of the expanded total shares in the Company following the issue.

5. RESOLUTION 8 – APPROVAL OF ISSUE OF OPTIONS TO DIRECTORS

5.1 Introduction

The Company proposes to issue to Mr John Kaminsky, who was appointed Executive Chairman on 1st Dec 2004, Ms Ramona Enconniere and Mr Andrew Knox who were appointed Directors to the Company during 2005, call options exercisable at eight cents ($0.08) each on or before 30 September 2006 ("Options1") and options exercisable at twelve cents ($0.12) each on or before 30 September 2007 ("Options2").

The issue is designed to incentivise performance for the current financial year and form an additional part of the remuneration as an officer of the Company. The proposed issue also aligns the interests of those Directors with the other Director of the Company, who has previously been granted options. The recipients will only receive a benefit if there is a significant increase in the Company's share price over the next ten months.

Table A

Director	Options1	Options2
Andrew Knox	**1,000,000**	**1,000,000**
Ramona Enconniere	**1,000,000**	**1,000,000**
John Kaminsky	**1,000,000**	**1,500,000**
TOTAL	**3,000,000**	**3,500,000**

A summary of the material items of Options1 and Options2 is set out below:

- The securities to be issued to the above recipients are options to subscribe for ordinary shares in the capital of the Company;
- The exercise price of the options issued will be:
  - For Options1, eight cents ($0.08) and;
  - For Options2, twelve cents ($0.12);
- Shares issued on exercise wholly or in part by notice in writing to the Company received:
  - For Options1 at any time on or before 30 September 2006 ("Expiry Date") together with a cheque for the exercise price of eight cents ($0.08) and the options certificate (if any) for those Options for cancellation by the Company;
  - For Options2 at any time on or before 30 September 2007 ("Expiry Date") together with a cheque for the exercise price of twelve cents ($0.12) and the options certificate (if any) for those Options for cancellation by the Company;
  - Notwithstanding the above, for both Options1 and Options2, generally, the holder must be a Director of the Company at the date of exercise. If the holder ceases to be a Director for any reason, the options must be exercised within 3 months of ceasing to be a Director.
- Quotation of Options1 and Options2 on the Australian Stock Exchange Limited ("ASX") will not be sought. The Company will allot the number of shares the subject of any exercise notice, and apply, at its cost, for listing of the shares so allotted;
- Holders of Options1 and Options2 will be permitted to participate in new issues of securities of the Company on the prior exercise of Options1 and Options2, in which case the holders of Options1 and Options2 will be afforded the period of at least ten (10) business days notice prior to and inclusive of the books closing date (to determine entitlements to the issue) to exercise Options1 and Options2'
- In the event of any reconstruction (including consolidation, sub division, reduction or return) of the issued capital of the Company;

  - The number of Options1 and Options2, the exercise price of Options1 and Options2, or both will be reconstructed (as appropriate) in a manner consistent with the Listing Rules of the ASX, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Options which are not conferred on shareholders; and
  - Subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of Options1 and Options2 will remain unchanged.
  - Options1 and Options2 must be exercised within 3 months of leaving the office of Director of the Company.

The company intends to issue Options1 and Options2 to the Recipients as soon as practicable after the Annual General Meeting, but in any event not later than one (1) month from the date of the Meeting.

No funds will be raised from the issue of Options1 and Options2, however the company will receive the benefit of subscription monies in the event that all or part of Options1 and Options2 are exercised.

5.2 Additional information

This proposed resolution, if passed, will confer a financial benefit to a related party. The Company therefore provides the following information

a) The related party to whom the resolution would permit the financial benefit to be given

Mr John Kaminsky, Ms Ramona Enconniere and Mr Andrew Knox being Directors of the Company.

b) The nature of the financial benefit

The nature of the proposed financial benefit to be given is the issue of 6,500,000 options in total (Options1 3,000,000 and Options2 3,500,000) to acquire ordinary shares in the capital of the Company.

c) Directors' Recommendation

Each of the Directors of the Company excluding Mr J Kaminsky, Ms Ramona Enconniere and Mr Andrew Knox in turn (who have an interest in the outcome of this resolution being a Recipient), recommend this Resolution to shareholders for the reasons given in paragraph 5.1.

d) Costs and Detriments of Providing Financial Benefit

The opportunity costs and benefit forgone by the Company issuing Options1 and Options2 to the recipients, is the obligation of the Company to issue shares in the future at potentially less than their market price at the time. The future exercise of Options1 and Options2 will also have a dilutionary, impact on the issued share capital of the Company.

e) Directors' Interest

The following unlisted options have been granted to Directors as part of their remuneration in lieu of cash consideration:

Options granted on 04/04/2005. Exercisable on or before 15/07/05

John Kaminsky	2,000,000

Options granted on 04/04/2005. Exercisable on or before 15/01/06

John Kaminsky	2,000,000

Ramona Enconniere	Nil
Andrew Knox	Nil

Options exercisable on or before 15 January 2006 are exercisable at nil cents each.

Options exercisable on or before 15 July 2005 were exercised on 1 July 2005.

Directors' Shareholdings

The Directors disclose their interest in shares, as at the date of this report:

Shares held beneficially:

Ramona Enconniere	Nil
Andrew Knox Stuart	Nil
John Kaminsky	4,100,000

Shares in which there is a relevant interest:

Ramona Enconniere	Nil
Andrew Knox	Nil
John Kaminsky	4,346,000

f) Valuation

The options are not to be quoted on the ASX and as such have no market value. The options each grant the holder thereof a right of grant of one ordinary share in the Company upon exercise of Options1 and Options2 and payment of the exercise price of Options1 and Options2 described above. Accordingly, the options may have a present value at the date of their grant.

Options1 and Options2 may acquire future value dependent upon the extent to which the shares exceed the exercise price of the options during the term of the options.

The Company has estimated the value of Options1 and Options2 and has done so using the Black-Scholes Model for pricing options. The value of an option calculated by the Black-Scholes Model is a function of the relationship between a number of variables, being the share price, the exercise price, the time to expiry, the risk-free interest rate and the volatility of the Company's underlying share price.

Inherent in the application of the Black-Scholes Option Price Model are a number of inputs, some of which must be assumed. The data relied upon in applying the Black-Scholes Option Price Model was:

- The exercise price of the options
  - Option1 eight cents ($0.08);
  - Option2 twelve cents ($0.12);

- Expiry Date being
  - Option1 30 September 2006;
  - Option2 30 September 2007;
- The closing share price of the Company as at 6 October being 2.1 cents ($0.021);
- A volatility measure of 47% (This measure was determined having regard to the low and high values of the Company's shares over the last 52 weeks and general risk factors associated with exploration companies such as Rimfire);
- A risk-free interest rate of 6.4%; and
- No expected dividend yield (assumed data).

Based on this information, the Company has adopted an indicative value for the options to be issued pursuant to Resolution 8 as:

- Options1 $72.81. ($0.0000243 each option1)
- Options2 $316.91. ($0.0000905 each option2)

Table B

Director	Options1 (Value $)	Options2 (Value $)
Andrew Knox	**$24.27**	**$90.55**
Ramona Enconniere	**$24.27**	**$90.55**
John Kaminsky	**$24.27**	**$135.81**
TOTAL	**$72.81**	**$316.91**

g) Any other information that is reasonably required by shareholders to make a decision and that is known to the Company or any of its Directors

There is no other information known to the Company or any of its Directors save and except as follows:

- Opportunity Costs

  The opportunity costs and benefits foregone by the Company issuing Options1 and Options2 to each of the Recipients is the potentially dilutionary impact on the issued share capital of the Company (in the event that the options are exercised). Until exercised, the issue of Options1 and Options2 will not impact upon the number of ordinary shares on issue in the Company. To the extent that upon their exercise the dilutionary impact caused with the issue of shares will be detrimental to the Company, this is more than offset by the advantages accruing from the Company securing the services of experienced and skilled Directors on appropriate incentivised terms.

It is also considered that the potential increase of value in Options1 and Options2 is dependent upon a concomitant increase in the value of the Company generally.

- Taxation Consequences

  In so far as the Company is aware, there are no adverse taxation consequences to the Company arising from the proposed issue of the Options in accordance with Resolution 8.

- Prior Year Remuneration Summary of Directors

TABLE C

Name of Director	Primary Salary, Fees & Commissions	Cash Bonus	Post Employment Superannuation Contributions	Equity Compensation Options	Total
A Knox	Nil	Nil	Nil	Nil	Nil
R Enconniere	Nil	Nil	Nil	Nil	Nil
J Kaminsky	56,000	Nil	5,040	63,250	124,290
	56,000	Nil	5,040	63,250	124,290

All of the assumptions underlying the method of valuing options in this table are set out in the Annual Report accompanying this Notice of Meeting.

- Share price range in the last 12 months

The Company's share price traded at a low of 1.7 cents and a high of 3.7 cents for the last 12 months

5.3 Listing Rules issues

Listing Rule 10.11 requires shareholder approval to be obtained, and Listing Rule 10.13 requires the following information to be given to shareholders:

(i) *the name of the person:* John Kaminsky, Ramona Enconniere and Andrew Knox

(ii) *the number of securities to be issued:* 6,500,000 options to acquire 6,500,000 ordinary fully paid shares

(iii) *the date by which the entity will issue the securities:* the options will be issued within one month of the date of this meeting, and are exercisable as set out in paragraph 5.1;

(iv) *the issue price of the securities:* nil;

(v) *the use or intended use of the funds raised:* no funds will be raised by the issue of securities.

(vi) *a voting exclusion statement:* this information is set out in the Notice of Meeting.

6 RESOLUTION 9 – ISSUE OF SECURITIES TO JOHN KAMINSKY AS PART OF CONSULTING CONTRACT

6.1 Summary of proposal

This resolution deals with a proposed issue of shares as part of Mr Kaminsky's role as Executive Chairman.

The Board, in Mr Kaminsky's absence, resolved to confirm a consulting agreement with Mr Kaminsky for a 12 month period from 1st December 2005 to 30th November 2006, subject to any required shareholder approvals. This was in recognition of the substantial progress made by Mr Kaminsky in the preceding period. Shareholder approval is required to approve the issue of options to Mr Kaminsky under that agreement.

Details of the proposed consultancy with Mr Kaminsky for the period are as follows:

This notional value of the 12 month consultancy is of the order of $205,000 (assuming a value for the options is 2.5 cents per option). This compares with a package valued in the previous 12 months to Mr Kaminsky at A$214,640.

The consultancy proposed is broken down as follows:

1. Cash A$105,000 (excluding GST).
2. 4,000,000 options to acquire 4,000,000 fully paid ordinary shares at a nil strike price to vest in two phases, valued at $100,000:
    a. 2,000,000 options vest on May 31st 2006 and must be exercised by July 15th 2006 ("OptionsA"));
    b. 2,000,000 options vest on November 30th 2006 and must be exercised by 15th January 2007 ("OptionsB");
3. All direct expenses reimbursed.

The options to acquire shares represent a higher risk to the recipient than cash and therefore act as incentive tied to the performance of the company.

The issue of shares as part of Mr Kaminsky's consulting arrangements with the Company is considered desirable as it is important to give Mr Kaminsky an ongoing stake in the Company so that his interests are closely aligned with shareholders. The Board also notes that the proposed remuneration package, including the shares, is, in the Board's experience, reasonable for an executive Director of a company such as the Company, and for a Director of the experience of Mr Kaminsky.

The Board, other than Mr Kaminsky recommend to shareholders that the transaction be approved, because the benefit is reasonable, and the share issue preserves the cash resources of the Company. Mr Kaminsky declines to make a recommendation given that he is the related party.

The proposed issue concerns Mr Kaminsky's role as an executive and is to be differentiated from the issue of options to him as an officer of the Company under the previous resolution.

6.2 Additional information

This proposed resolution, if passed, will confer a financial benefit to a related party. The Company therefore provides the following information

a) The related party to whom the resolution would permit the financial benefit to be given

Mr J Kaminsky

b) The nature of the financial benefit

The nature of the proposed financial benefit to be given is the issue of 4,000,000 options in total to acquire ordinary shares in the capital of the Company.

c) Directors' Recommendation

Each of the Directors of the Company excluding Mr Kaminsky, (who has an interest in the outcome of this resolution), recommend this Resolution to shareholders for the reasons set out in paragraph 6.1.

d) Costs and Detriments of Providing Financial Benefit

The opportunity costs and benefit forgone by the Company issuing the options to the recipient, is the obligation of the Company to issue shares in the future at potentially less than their market price at the time. The future exercise of the options will also have a dilutionary, impact on the issued share capital of the Company.

e) Directors' Interest

This is set out in paragraph 5.2

f) Valuation

OptionsA and OptionsB are not to be quoted on the ASX and as such have no market value. The options each grant the holder thereof a right of grant of one ordinary share in the Company upon exercise of the option and payment of the exercise price of the option described above. Accordingly, OptionsA and OptionsB may have a present value at the date of their grant.

OptionsA and OptionsB may acquire future value dependent upon the extent to which the shares exceed the exercise price of the options during the term of the options.

The Company has estimated the value of OptionsA and OptionsB and has done so using the Black-Scholes Model for pricing options. The value of an option calculated by the Black-Scholes Model is a function of the relationship between a number of variables, being the share price, the exercise price, the time to expiry, the risk-free interest rate and the volatility of the Company's underlying share price.

Inherent in the application of the Black-Scholes Option Price Model are a number of inputs, some of which must be assumed. The data relied upon in applying the Black-Scholes Option Price Model was:

- The exercise price of the Options
  - OptionsA - Nil ;

- OptionsB - Nil;

- Expiry Date being
  - OptionsA 15th July 2006;
  - OptionsB 15th Jan 2007;
- The share price of the Company adopted was the 10 day market average as at 14th October being 2.5 cents ($0.025);
- A volatility measure of 47% (This measure was determined having regard to the low and high values of the Company's shares over the last 52 weeks and general risk factors associated with exploration companies such as Rimfire);
- A risk-free interest rate of 6.4%; and
- No expected dividend yield (assumed data).

Based on this information, the Company has adopted an indicative value for OptionsA and OptionsB is

- OptionsA $50,000
- OptionsB $50,000

Table B

Director	2006 Options (OptionsA)	2007 Options (OptionsB)
John Kaminsky	$50,000	$50,000
TOTAL	$50,000	$50,000

g) Any other information that is reasonably required by shareholders to make a decision and that is known to the Company or any of its Directors

There is no other information known to the Company or any of its Directors save and except as follows:

- Opportunity Costs

  The opportunity costs and benefits foregone by the Company issuing OptionsA and OptionsB to the recipient is the potentially dilutionary impact on the issued share capital of the Company (in the event that the options are exercised). Until exercised, the issue of the options will not impact upon the number of ordinary shares on issue in the Company.

  It is also considered that the potential increase of value in the options is dependent upon a concomitant increase in the value of the Company generally.

- Taxation Consequences

In so far as the Company is aware, there are no adverse taxation consequences to the Company arising from the proposed issue of OptionsA and OptionsB in accordance with Resolution 9.

- Prior Year Remuneration Summary of Directors

  This is set out in paragraph 5.2

- Share price range in the last 12 months

  This is set out in paragraph 5.2

6.3 Listing Rules issues

Listing Rule 10.11 requires shareholder approval to be obtained, and Listing Rule 10.13 requires the following information to be given to shareholders:

(i) *the name of the person:* John Kaminsky
(ii) *the number of securities to be issued:* 4,000,000 options to acquire 4,000,000 ordinary fully paid shares
(iii) *the date by which the entity will issue the securities:* the options will be issued within one month of the date of this meeting, and are exercisable as set out in para 7.1;
(iv) *the issue price of the securities:* nil;
(v) *the use or intended use of the funds raised:* no funds will be raised by the issue of securities.
(vi) *a voting exclusion statement:* this information is set out in the Notice of Meeting.