RIMFIRE PACIFIC MINING NL
ABN 59 006 911 744

NOTICE OF ANNUAL GENERAL MEETING

And

EXPLANATORY MEMORANDUM

Date of Meeting	29th November 2006
Time of Meeting	10.00 am
Place of Meeting	Rialto Hotel on Collins 495 Collins Street Melbourne Victoria 3000 "Latrobe Room" Lower Ground Level

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 Rialto Hotel on Collins, 495 Collins Street, Melbourne Victoria 3000, "Latrobe Room" Lower Ground Level on 29th November 2006 at 10.00 am (Melbourne 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 2006.

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 2006."

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 JOHN KAMINSKY

"That Mr John Kaminsky, 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".

Short explanation

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.

Mr Kaminsky must therefore retire and has offered himself for re-election. The details of all Directors 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 4 – Resolution 3: CONFIRMATION OF CHANGE OF AUDITOR

"That following the resignation of PKF Brisbane as auditor of the Company, the appointment of PKF Melbourne as auditor of the Company be ratified."

Previous Auditor	New Auditor
PKF – Brisbane	PKF – Melbourne
Level 6, 120 Edward Street	Level 11, 485 LaTrobe Street
Brisbane QLD 4000 Australia	Melbourne Vic 3000 Australia

"

Short explanation

The Company Auditor is typically appointed at a general meeting of Shareholders. However, in this instance, a change in Auditor was required due to the change in the Company's head office domicile from Brisbane to Melbourne in March 2006. Accordingly, the Directors approved a change in Auditor, subject to special dispensation from ASIC, which was subsequently approved, recognizing that it was both practical and cost effective for the new auditors to be based in the vicinity of the new Company head office location. Shareholder approval is still required to ratify the change in Auditor.

This resolution is further considered in the Explanatory Memorandum.

Item 5 – Resolution 4: 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 1,000,000 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 1,000,000 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 4 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 6 – Resolution 5: APPROVAL OF ISSUE OF SHARES TO NON EXECUTIVE DIRECTORS

"That in accordance with the provisions of Listing Rule 10.11 and Part 2E of the Corporations Act the Company be authorized to issue a total of 2,550,000 ordinary shares in the capital of the Company to the Non Executive Directors of the Company, Mr Graham Billinghurst, Mr Andrew Knox and Ms Ramona Enconniere listed in Table A in the Explanatory Memorandum accompanying this Notice and on the terms set out in the Explanatory Memorandum".

Short Explanation:

The Board seeks Shareholder approval to issue shares at nil consideration to the Non Executive Directors listed in Table A of the Explanatory Memorandum. The issue is designed to form the core part of the remuneration as non executive officers of the Company. The proposed issue is provided in lieu of cash payments to the Non Executive Directors of the Company and preserves the Company's cash position. The recipients of the shares have not received any cash payment or shares in lieu of cash payment since their appointments to the Board of Directors, in April 2005, in the case of Ms Enconierre, in July 2005, in the case of Mr Knox and since July 2004 in the case of Mr Billinghurst.

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 5 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 7 – Resolution 6: APPROVAL OF ISSUE OF OPTIONS TO DIRECTORS

"Conditional upon passing of Resolution 2 in the case of Mr Kaminsky, that in accordance with the provisions of Listing Rule 10.11 and Part 2E of the Corporations Act the Company be authorized to issue 5,000,000 call options to acquire ordinary shares in the capital of the Company, and to issue 5,000,000 ordinary shares on exercise of those options, to the Directors of the Company, Mr John Kaminsky, Mr Graham Billinghurst, Mr Andrew Knox and Ms Ramona Enconniere listed in Table C in the Explanatory Memorandum accompanying this Notice and on the terms set out in the Explanatory Memorandum".

Short Explanation:

The Board seeks Shareholder approval to issue options to the Directors listed in Table C of the Explanatory Memorandum. The issue is designed to incentivise performance for the current financial year and form an additional part of the remuneration as officers 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 strike price for the call options is 12 cents per share compared with a recent trading price of 3.5 cents per ordinary share.

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 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 8 – Resolution 7: ISSUE OF SECURITIES TO JOHN KAMINSKY AS PART OF CONSULTING REMUNERATION PACKAGE

"That pursuant to ASX Listing Rule 10.11 and Part 2E of the Corporations Act, the Company approves the issue of 3,000,000 call options to acquire ordinary shares in the capital of the Company to interests associated with John Kaminsky, and to issue 3,000,000 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 by him, which includes the issue of 3,000,000 options to subscribe for 3,000,000 fully paid ordinary shares for nil consideration in two lots. 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.

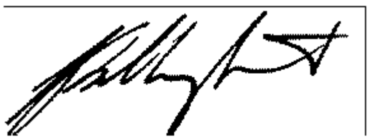
Voting Exclusion Statement:

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on resolution 7 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 2006.

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, as follows:

Suite 810, 530 Little Collins Street, Melbourne, Victoria 3000 or
Fax # (03) 9620-5822 and

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, 27th November 2006. 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 29th November 2006 at 10.00am ("Meeting").

The Notice of Meeting sets out the details of seven (7) 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 2006 Annual Report on pages 17 to 19. The resolution is non binding on the Company.
- Resolution 2 seeks the re-election Mr John Kaminsky as a Director of the Company;
- Resolution 3 seeks the approval to ratify the change in Company Auditor that occurred on 2nd August 2006.
- Resolution 4 seeks the approval to the issue of 1,000,000 options to acquire shares in the Company to Mr Colin Plumridge, an unrelated party to the Company and Exploration Manager of the Company;
- Resolution 5 seeks the approval to the issue of 2,550,000 shares in the Company to Mr Graham Billinghurst (850,000), Mr Andrew Knox (850,000) and Ms Ramona Enconniere (850,000), who are related parties to the Company.
- Resolution 6 seeks the approval to the issue of 5,000,000 options to acquire shares in the Company to Mr John Kaminsky (1,000,000), Mr Graham Billinghurst (2,000,000), Mr Andrew Knox (1,000,000) and Ms Ramona Enconniere (1,000,000), who are related parties to the Company. This resolution is conditional on Resolutions 2 in Mr Kaminsky's case being passed in which case Mr Kaminsky remains a Director of the Company.
- Resolution 7 seeks the approval for the issue of 3,000,000 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 1/12/06 to 30/11/07;

Resolutions 1 & 2 are standard for an Annual General Meeting of a Company and no further comments are made below.

Specific comments relating to Resolutions 3 to 7 are set out below.

2. RESOLUTION 3 – CONFIRMATION OF CHANGE IN AUDITOR

2.1 Introduction

The Company seeks approval from shareholders to ratify the change in Auditor that took place on 2nd August 2006. The Auditor is typically appointed at a general meeting of Shareholders. However, in this instance, a change in Auditor was required due to the change in the Company's head office domicile from Brisbane to Melbourne in March 2006. Accordingly, the Directors accepted the resignation of the former Auditor, subject to special dispensation from ASIC, which was subsequently approved, recognizing that it was both practical and cost effective for the new Auditor to be based in the vicinity of the new Company head office location. Shareholder approval is still required to ratify the change in Auditor.

The change in Auditor was as follows:

Previous Auditor	New Auditor
PKF – Brisbane	PKF – Melbourne
Level 6, 120 Edward Street	Level 11, 485 LaTrobe Street
Brisbane QLD 4000 Australia	Melbourne Vic 3000 Australia

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

3.1 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:

> 1,000,000 exercisable at twelve cents ($0.12) exercisable on or before 30 September 2008.
>
> The full terms and conditions of Mr Plumridge's call options are identical to the terms and conditions as outlined in section 5.1 of this document.

The Company seeks approval of its shareholders prior to issuing the Options for the reasons set out in paragraph 3.2
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. The Company's share price at the date of this Notice of Meeting is 3.5 cents.

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 4 as:

- Sept 08 Options - $0.0087091 each option for a total value of $8,709.07.

3.2 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. The effect of this resolution is that the securities to be issued to Mr Plumridge will not count towards that number.

(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 1,000,000 options to acquire 1,000,000 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 3.1.

(iv) The names of the allottees (if known) or the bases upon which the allottees will be determined; this is set out in paragraph 3.1.

(v) The terms of the securities: this is set out in paragraph 3.1.

(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.

3.3 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 1,000,000 options are exercised, this would result in the issue of shares equal to approximately 0.51% of the expanded total shares in the Company following the issue.

4. RESOLUTION 5 – APPROVAL OF ISSUE OF SHARES TO NON EXECUTIVE DIRECTORS

4.1 Introduction

The Company proposes to issue to Mr Graham Billinghurst, long standing Director, Ms Ramona Enconniere and Mr Andrew Knox who were appointed Directors to the Company during 2005 (April and July respectively), fully paid ordinary shares at nil consideration.

The issue is designed to act as the core form of remuneration for non executive officers of the Company. The recipients will receive a benefit in the form of shares which will increase if there is a significant increase in the Company's share price over the next ten months.

All current Non Executive Directors of the Company have not received any cash payment for their roles as officers of the Company since 1st July 2004, in the case of Mr Billinghurst and since their appointments as Directors, in the case of Ms Enconierre and Mr Knox.

The number of shares proposed to be issued is as follows:

Table A

Director	Shares
Andrew Knox	**850,000**
Ramona Enconniere	**850,000**
Graham Billinghurst	**850,000**
TOTAL	**2,550,000**

A summary of the material items of the issue of shares is set out below:

- The securities to be issued to the above recipients are ordinary shares in the capital of the Company;
- The shares will be issued within one month of the date of the approval of this resolution, as is required under the Listing Rules;
- Quotation of the Shares on the Australian Stock Exchange Limited ("ASX") will be sought.
- Holders of the Shares will be permitted to participate in new issues of securities of the Company.

No funds will be raised from the issue of the Shares, however the company will have provided remuneration to the Non Executive Directors whilst conserving the cash reserves of the Company.

4.2 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 Graham Billinghurst, 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 2,550,000 ordinary shares in total as set out in Table A above.

c) Directors' Recommendation

Each Director other than Mr Kaminsky declines to give a recommendation, as a related party to the transaction proposed. Mr Kaminsky recommends that the resolution be approved, for the reasons set out in section 4.1.

d) Costs and Detriments of Providing Financial Benefit

The issue of the shares will have a minor dilutionary, impact on the issued share capital of the Company. The number of ordinary shares on issue at the date of this notice was 196,804,262 shares, the dilutionary effect would be 1.3%

e) Directors' Interest

Details of Options for the Year Ended 30 June 2006

Directors	Options Granted No.	Value at Grant Date $	Options Exercised No.	Options Lapsed Value at exercise date $	Total value of options granted, exercised and lapsed Value at time of lapsed $	Value of options included in remuneration for the year	% of total remuneration for the year that consists of options	
J Kaminsky	6,500,000	104,877	4,000,000	92,000	-	196,877	113,544	72
A Knox	2,000,000	633	-	-	-	633	633	100
R Enconniere	2,000,000	633	-	-	-	633	633	100
G Billinghurst	Nil	Nil	Nil	Nil	Nil	Nil	Nil	

Details of Remuneration for the Year Ended 30 June 2006

Name of Director	Primary Salary, Fees & Commissions	Cash Bonus	Post Employment Superannuation Contributions	Equity Compensation Options	Total
A. Knox	Nil	Nil	Nil	633	633
G. Billinghurst	Nil	Nil	Nil	Nil	Nil
G. Stuart*	Nil	Nil	Nil	Nil	Nil
R Enconniere	Nil	Nil	Nil	633	633
J Kaminsky	40,000	Nil	3,600	113,544	157,144
	40,000	Nil	3,600	114,810	158,410

* Retired

Shareholdings

Number of Shares held by Key Management Personnel at 30th June 2006

2006 Parent Entity Directors	Balance 1.7.05	Received as Remuneration	Options Exercised	Net Change Other*	Balance 30.6.06
G Billinghurst	3,992,597	-	-	3,007,403	7,000,000
G Stuart (1)	1,060,693	-	-	353,566	1,414,259
J Kaminsky	3,346,000	-	4,000,000	3,100,000	10,446,000
A Knox	-	-	-	2,500,000	2,500,000
R Enconniere	-	-	-	2,500,000	2,500,000
Total	8,399,290	-	4,000,000	11,460,969	23,860,259

* Net change other refers to shares purchased or sold during the financial year.

(1) Resigned as Director during the year

f) Valuation

The Company has estimated the value of the Shares being the value of the shares at the date of 11th October 2006 closing share price, namely 3.4 cents per share, giving a value to each non executive director share issue of $27,200.

Based on this information, the Company has adopted an indicative value for the shares as follows:

Table B

Director	Share (total value $)
Andrew Knox	$27,200
Ramona Enconniere	$27,200
Graham Billinghurst	$27,200
TOTAL	$81,600

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

  There will be a dilutionary impact caused with the issue of shares on 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.

- 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 shares in accordance with Resolution 5.

- Share price range in the last 12 months

  The Company's share price traded at a low of 1.6 cents and a high of 8.5 cents for the last 12 months. At the date of this notice was approved, the share price was 3.4 cents per share.

The Company is required to attract and maintain quality non executive directors if it wishes to succeed in its business objectives. To do so it must offer competitive remuneration that compensates a non executive director for the time and risk associated with the role. The value of shares offered is not high, but gives some compensation to non executive directors while maintaining the cash resources of the Company. The alternative to offering shares is to pay cash, which the Board is able to do under the Company's Constitution. When directors' fees were last paid in cash, non executive directors were entitled to each receive $24,000 per annum.

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:* Graham Billinghurst, Ramona Enconniere and Andrew Knox
(ii) *the number of securities to be issued:* 2,550,000 ordinary fully paid shares
(iii) *the date by which the entity will issue the securities:* the shares will be issued within one month of the approval of this resolution;
(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.

5. RESOLUTION 6 – APPROVAL OF ISSUE OF OPTIONS TO DIRECTORS

5.1 Introduction

The Company proposes to issue to Mr Graham Billinghurst, long standing Director, 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 twelve cents ($0.12) each on or before 30 September 2008 ("Options").

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 Mr Billinghurst with the other Director of the Company, who have 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.

All current Non Executive Directors of the Company have not received any cash payment for their roles as officers of the Company since 1st July 2004.

Table C

Director	Options
Andrew Knox	**1,000,000**
Ramona Enconniere	**1,000,000**
John Kaminsky	**1,000,000**
Graham Billinghurst	**2,000,000**
TOTAL	**5,000,000**

A summary of the material items of the Options 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 twelve cents ($0.12);
- Shares issued on exercise wholly or in part by notice in writing to the Company received:
    - at any time on or before 30 September 2008 ("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, 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 the Options 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 the Options will be permitted to participate in new issues of securities of the Company on the prior exercise of the Options, in which case the holders of the Options 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 the Options.
- In the event of any reconstruction (including consolidation, sub division, reduction or return) of the issued capital of the Company;

    - The number of Options, the exercise price of the Options, 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 the Options will remain unchanged.
    - the Options must be exercised within 3 months of leaving the office of Director of the Company.

The company intends to issue the Options 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 the Options, however the company will receive the benefit of subscription monies in the event that all or part of the Options 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 Graham Billinghurst, 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 5,000,000 options in total to acquire ordinary shares in the capital of the Company. The options are designed to address the current differences in the option holdings of the Directors, and are a small additional incentive offered for remuneration, in their roles as officers of the Company

c) Directors' Recommendation

Each Director declines to give a recommendation, as a related party to the transaction proposed.

d) Costs and Detriments of Providing Financial Benefit

The opportunity costs and benefit forgone by the Company issuing the Options 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 the Options will also have a dilutionary, impact on the issued share capital of the Company discussed below.

e) Directors' Interest

Director's interests are set out in Section 4.2 e)

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 the Options and payment of the exercise price of the Options described above. Accordingly, the options may have a present value at the date of their grant.

The Options 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 the Options 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 is twelve cents ($0.12);
- Expiry Date being 30 September 2008;
- The closing share price of the Company as at 5 October being 3.5 cents ($0.035);
- A volatility measure of 93% (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 7.4%; 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 6 as $43,545.35 ($0.0087091 each option):

Table D

Director	Options (total value $)
Andrew Knox	**$8,709.07**
Ramona Enconniere	**$8,709.07**
John Kaminsky	**$8,709.07**
Graham Billinghurst	**$17,418.14**
TOTAL	**$43,545.35**

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 the Options 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 the Options 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 the Options is dependent upon a concomitant increase in the value of the Company generally.

- Dilutionary effect of issuing new shares from the exercising of call options

  If the options are exercised, there would be a slight dilutionary effect, from the 5,000,000 new shares issued, when added to the existing number of shares on issue as at the date of this notice 196,804,262, of approximately 2.54%

- 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 6.

- Share price range in the last 12 months

The Company's share price traded at a low of 1.6 cents and a high of 8.5 cents for the last 12 months. At the date of this notice, the share price was 3.5 cents

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, Graham Billinghurst, Ramona Enconniere and Andrew Knox
(ii) *the number of securities to be issued:* 5,000,000 options to acquire 5,000,000 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 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 7 – 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 2006 to 30th November 2007, 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 $225,000 (assuming a value for the options is 3.5 cents per option). This compares with a package valued in the previous 12 months to Mr Kaminsky at A$205,000 and $214,640 for the year to November 2005.

The consultancy proposed is broken down as follows:

1. Cash A$120,000 (excluding GST).
2. 3,000,000 options to acquire 3,000,000 fully paid ordinary shares at a nil strike price to vest in two phases, valued at $105,000:
    a. 1,500,000 options vest on May 31st 2007 and must be exercised by July 15th 2006 ("OptionsA"));
    b. 1,500,000 options vest on November 30th 2007 and must be exercised by 15th January 2008 ("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 3,000,000 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 4.2

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 2007;
  - OptionsB 15th Jan 2008;
- The share price of the Company adopted was the 10 day market average as at 5th October being 3.5 cents ($0.035);
- A volatility measure of 93% (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 7.4%; and
- No expected dividend yield (assumed data).

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

- OptionsA $52,500 at 3.5 cents per option
- OptionsB $52,500 at 3.5 cents per option

Table E

Director	2006 Options (OptionsA)	2007 Options (OptionsB)
John Kaminsky	$52,500	$52,500
TOTAL	$52,500	$52,500

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.

- Dilutionary effect of the issue of shares from the options

If all the options are exercised and 3,000,000 shares are issued, there will be a dilutionary effect on the existing number of shares on issue, which was 196,804,262 at the time of this notice of meeting. The dilution would be 1.52%

- 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 7.

- Prior Year Remuneration Summary of Directors

  This is set out in paragraph 4.2

- Share price range in the last 12 months

  This is set out in paragraph 4.2

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:* 3,000,000 options to acquire 3,000,000 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.