

TGS → RDN



RIMFIRE
MINERALS CORPORATION

886809

February 23, 2000

Mr. Jack Ebbels
Deputy Minister
Ministry of Energy and Mines
2-1810 Blanshard Street
Victoria, B.C. V8W 9N3

MINISTRY OF ENERGY AND MINES
RECEIVED
FEB 29 2000
DEPUTY MINISTER'S OFFICE
LOG # 7969

Dear Jack:

As a reminder to you, I had the pleasure of meeting you at a private meeting organized by Wayne Roberts at the Cordilleran Round-Up Conference. I represented our company at this meeting; Wayne wanted me to be there to put forward my perspective as a junior company that recently completed an IPO on the VSE in 1999. We were one of only two junior mining IPOs completed on the VSE last year, but we were even more unique in that we were raising money on an early stage project named the RDN which is located in northwestern B.C. Rimfire's mandate is to explore early stage projects in B.C., Yukon and Alaska. Of these three jurisdictions, our preference is B.C. for three reasons: excellent government databases, a long mining history and a lower cost of exploration, but I should also add, the province's geology is permissive for hosting world class ore bodies. At that meeting, I mentioned that we were in the process of negotiating with a major company to form an option/joint venture to explore our RDN property. At that time, negotiations had stalled as a political risk assessment was being completed on the province. I guess this is an example of how the rhetoric has blinded our industry, but it also tells us that the province has dug itself into a pretty deep hole in regards to attracting investment. I naively thought that those types of assessments were needed for unstable, third world countries.

Well, I am happy to announce that we have concluded a Letter of Intent with Newmont, as you can see in the attached News Release PR00-03. This signing is significant in terms of the potential for the property, but also for B.C. as it signifies the return of Newmont to B.C. after a long absence. Richard Gorton, the new Exploration Manager for Alaska and Canada was instrumental in selling the project/B.C. to Newmont's head office and Bruce McKnight of the BCYCM was extremely helpful in selling the attributes of B.C. mining to Newmont's political risk assessment expert. I should also mention that Tom Schroeter, your Senior Regional Geologist based in Vancouver, was equally helpful in this regard. As a result of the Newmont agreement, we have acquired another property which we will be exploring this year.

I was impressed with your frank and open attitude at the meeting. To follow up on one of the ideas I put forth to you and Joan, I think it would be very instrumental to come to Vancouver and meet one on one with a number of the important players in the mining industry and as importantly, the exploration sectors. I will be attending the PDAC reception on March 6 in Toronto; I am hoping that Richard Gorton of Newmont will be invited and you will have a chance to meet with Richard (I am assuming you will be there).

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If you want to bounce any ideas off of me, don't hesitate to call. As you may expect, running a small junior company requires a significant investment in time but I would like to be a part of the process that brings exploration dollars back into B.C.

Yours truly,

RIMFIRE MINERALS CORPORATION

A handwritten signature in black ink, appearing to read 'D. Caulfield', written over a horizontal line.

David A. Caulfield, P. Geo.
President

Attach.

Energy and Mines

DMO-Deputy Minister

Feb 29, 2000

Action: **Info/File** Due: Id No: **7969**

David CAULFIELD
President
Rimfire Minerals Corporation
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Type: Letter
Office: DMO-Deputy Minister
Entry By: wconnoll
Sign By:
Batch:
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Referrals

From: DMO-Deputy Minister Action: Info/File Due:
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From comments: 2000/2/29 wconnoll (DMO-Deputy Minister) into DM for info.

From: DMO-Deputy Minister Action: Info/File Due:
To: EMD-Energy & Mineral Status: Sent Received: Completed:

From comments: 2000/2/29 wconnoll (DMO-Deputy Minister) to EMD (Joan) for info

Fax To Tom Schroeten

*Tom well done
We see positive
comment coming in
from clients.*

Feed

*TOM SCHROETEN
775-0313*

4 Pages





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NEWS RELEASE

February 21, 2000

PR00-03

RDN PROPERTY OPTIONED TO NEWMONT

Rimfire Minerals Corporation (RFM-CDNX) has signed a letter of intent granting Newmont Exploration of Canada Limited, a wholly-owned subsidiary of Newmont Mining Corporation (NEM-NYSE) an option on the Company's wholly-owned RDN property in northwestern British Columbia. Newmont can earn a 51% interest in the RDN property by carrying out \$3.5 million in property expenditures by December 31, 2003 and making staged payments totaling \$140,000 cash to Rimfire by the fourth anniversary of the agreement. Newmont may elect to earn an additional 24% interest, for a total of 75%, by completing a positive feasibility study on the property by December 31, 2009 and paying Rimfire an additional \$450,000. At that point, Rimfire will still retain a 25% interest in the RDN property, subject to a 1.33% NSR held by the underlying vendors. The terms of the Option are subject to completion of a formal option/joint venture agreement and to approval by the Canadian Venture Exchange and Newmont's Board of Directors.

The 21 kilometre long RDN property is largely underlain by Early to Middle Jurassic stratigraphy similar in age, lithology, alteration and mineralization to that hosting the Eskay Creek precious metal-rich massive sulphide deposit, 40 kilometres to the south-southeast. Homestake Canada Inc.'s Eskay Creek Mine is Canada's highest grade gold mine at 53.4 g/tonne (1.6 oz/ton) gold and is the world's fifth largest silver producer with production and reserves totalling 3.4 million ounces gold and 156 million ounces silver. Rimfire drilled nine core holes totalling 574 metres on the RDN property in 1999, confirming the validity of the Eskay Creek mineralizing model.

Rimfire is very pleased to welcome Newmont back to British Columbia after an eleven-year absence. This agreement combines Newmont's technical and financial strengths with the tremendous exploration potential of the RDN property.

On behalf of Rimfire Minerals Corporation

David A. Caulfield, President

If you have an E-mail address and would prefer to receive Rimfire's news through this format, please E-mail us at info@rimfire.bc.ca

The Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the release.