2014 Annual General Meeting, 14 November 2014, Perth:

Full Year Results – Overview

($m)	2014	2013	Change %
Sales revenue	21.7	22.5	(4%)
EBITDA	3.9	5.8	(32%)
Profit before tax	3.6	5.4	(35%)
Acquisition costs and R & D expensed	0.3	0.2	89%
Underlying profit before tax	**3.9**	**5.6**	(31%)
Net profit after tax	**2.4**	**3.8**	(36%)
Earnings per share (cents)	1.8	2.9	(38%)
Weighted average no. of shares	132,157,097	130,734,266	1%
Number of employees	64	62	3%
Dividends (cents per share)	1.1	1.7	(35%)
Dividend payout ratio	61%	59%	2%

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Good morning ladies and gentlemen, I'm pleased to report to you our 2014 financial year.

2014 completes a difficult year for our company and the industry. After conditions weakened in January 2013, sales to customers retained a holding pattern throughout most of 2014, which lead to a 31% decline in underlying profits before tax to $3.9m, after acquisition costs being expensed.

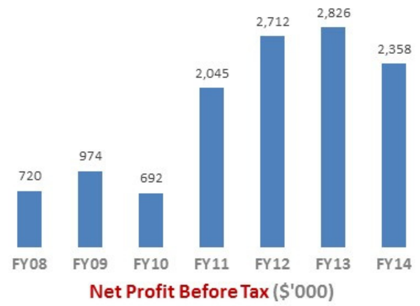
Although sales only declined by 4% to $21.7m, this was the result of the lower margin Kitco Labware business that was acquired, that delivered $3.6m in revenue for its eleven month contribution to the group.

The Management and team at XRF are to be commended for this result. Whilst other companies in the sector have reported significantly larger declines, the commitment from our employees has ensured a reasonable result was delivered to shareholders.

The dividend payout ratio remained steady on the prior year at 61%, via the payment of a fully franked dividend of 1.1 cents per share. This is in line with our commitment to shareholders, to continue with increased payout returns on a sustainable basis.

Consumables

($m)	FY14	FY13
Sales revenue	**6.4**	**7.2**
Change in %	(11%)	(3%)
NPBT	**2.4**	**2.8**
Change in %	(17%)	4%
Margin %	**37%**	**39%**



- **Overview for FY14:**
  - Revenue down 11% on FY13
  - NPBT down 17% on FY13
  - Low levels of exploration related analysis
  - First contract sales into Brazil
  - Increased shareholding in Scancia from 19.99% to 49.99%
- **Outlook for FY15:**
  - Total sales to 31 October 2014 YTD of $2.1m: revenue run rate equates to $516k per month, flat on 2H14 of $506k
  - Increased sales to production miners
  - Increasing world-wide distribution
  - Continued marketing effort on specialised analysis chemicals

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Looking at the first of our divisions, Consumables, revenue was down for the year by 11%, which resulted in a corresponding decline in profits before tax of 17% to $2.4m. Although sales to production mining companies increased, the decline was primarily driven by a reduction in activity in the exploration sector, where sample volumes remained low. Certain customers were also reducing inventory levels and others moved to just in time ordering. Overall, conditions were, and have remained steady since January 2013, when the decline was initially experienced.

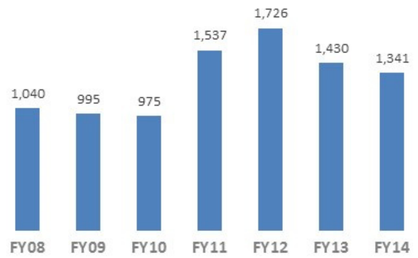
The Company increased its position in Canadian flux manufacturer Scancia throughout the year from 19.99% to 49.99%. This strategic investment provides access to a different type of flux product, which is popular with certain customers.

Whilst sales into the high priority target of Brazil remained difficult, we were fortunate enough to achieve the first major sales into the iron ore industry.

After a slow start to the year in July and August, consumable sales have increased strongly since September, which has resulted in revenue for the year to date of $2.1m being generated. We are now currently on track to deliver a result that is similar to 2014. A number of new opportunities are currently being progressed around the world, which may provide additional consumable volumes in the second half of the year. The division continues to market its specialised analytical chemicals, which have been designed to make analysis of iron ore, copper and nickel significantly more accurate.

Precious Metals

($m)	FY14	FY13
Sales revenue	**10.5**	**8.5**
Change in %	23%	(21%)
NPBT	**1.4**	**1.4**
Change in %	(6%)	(17%)
Margin %	**13%**	**17%**



Net Profit Before Tax ($'000)

- **Overview for FY14:**
  - Revenue up 23% on FY13
  - NPBT down 6% on FY13
  - Completion and integration of Kitco Labware acquisition in Montreal, Quebec
  - New platinum labware product launch
- **Outlook for FY15:**
  - Total sales to 31 October 2014 YTD up 3% on the PCP to $3.3m (2014: $3.2m)
  - Stable conditions with international growth opportunities
  - Further adoption of new platinum labware range
  - Growth of Kitco Labware business through additional product sales

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The Precious Metals division generated a result for the year of $1.4m, which was marginally down on the PCP by 6%. Earnings were maintained via the acquisition of Kitco Labware, which generated $300k in profits before tax, for an eleven month contribution to the group. The division also released a new platinum labware range, which significantly extends the life of products before they require remanufacturing. This is particularly useful for busy mining laboratories and has already been adopted by a number of large users. Numerous exisiting customers are also expected to adopt this product in the year ahead.

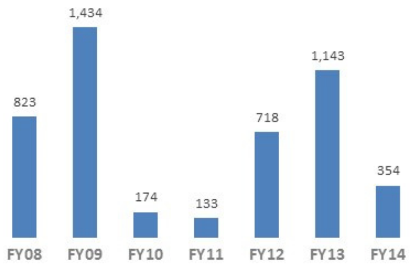
Conditions for new product sales were difficult in the first half but improved from January onwards. Throughout the year the division continued to benefit from repeat income that is delivered from the remanufacturing of used platinum labware products. Refurbishment of these products remains important to lab customers, to ensure their results do not become adversely effected.

Looking into the new financial year, revenue for the year to date has increased by 3% to $3.3m, as compared to $3.2m in the previous corresponding period (PCP).

The Kitco Labware business continues to perform well. Now that the division has been completely integrated, it will be used as a channel for selling additional XRF products throughout the Americas, in particular South America.

Capital Equipment

($m)	FY14	FY13
Sales revenue	**5.6**	**8.4**
Change in %	(34%)	7%
NPBT	**0.4**	**1.1**
Change in %	(69%)	59%
Margin %	**6%**	**14%**



Net Profit Before Tax ($'000)

- **Overview for FY14:**
  - Revenue down 34% on FY13
  - NPBT down 69% on FY13
  - Weak capital equipment conditions
  - Launch of flagship xrFuse 6 electric fusion machine in October 2013
- **Outlook for FY15:**
  - Total sales to 31 October 2014 YTD up 7% on the PCP to $1.9m (2014: $1.7m)
  - Improving conditions for capital equipment sales
  - Launch of smaller xrFuse 2 electric fusion machine in August 2014
  - Further new product developments underway

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Conditions for Capital Equipment were extremely difficult throughout the year, especially in the first-half. The division generated a profit before tax of $0.4m as compared to $1.1m in the PCP. A down turn in the exploration sector and excess capacity in the market, meant minimal investment in equipment, especially in places such as Australia and Canada. As a result, equipment orders were solely driven by expansion in production mining companies or replacement CAPEX. The situation was not helped by the fact that our product range had become aged and did not meet the growing safety and cost reduction concerns of remote mine site operations.

This situation began to be addressed with the launch of the Company's flagship electric fusion machine, xrFuse 6, in October 2013. As a result of this product launch, a number of new capital equipment orders were received in the second half of 2014.

Conditions are now continually improving, as indicated by revenue for the year to date of $1.9m as compared to $1.7m in the PCP.

XRF also completed the launch of the xrFuse 2 a few months ago in August. Whilst the xrFuse 6 was designed for larger users in the mining industry, the xrFuse 2 is targeted at smaller users, in industries such as cement, glass, steel and research. The product launch was extremely successful and a number of orders have already been received and completed. It is expected that this unit will be popular in the market, as it offers customers a number of significant advantages over the competition.

To complement the xrFuse machines launched over the past 12 months, the division is currently working towards the release of additional new products during the remainder of financial year.

At a corporate level, our growth strategy continues to concentrate on acquisitions and geographical expansion.

During the year the Company reviewed a number of complementary acquisition opportunities. The Board continues to remain disciplined and is only willing to proceed with acquisitions that meet the strictly defined criteria. Although a number of targets have been reviewed and dismissed, a steady pipeline of opportunities are currently under review. This has already resulted in the acquisition of the small, but highly complementary Coltide Drift Monitors business, as announced to ASX last week. The Company continues to retain a strong cash balance of $5.2m, which is being reserved for the larger acquisition opportunities currently being considered.

In pursuit of geographical expansion, a number of high quality distributors have been recently appointed, in countries such as China, Korea, Malaysia and Turkey. Such countries provide diversification away from XRF's typical mining exposure, where our products are used to control manufacturing processes in industries such as cement, glass and steel. Further new distribution opportunities in South America are also currently being assessed.

Although conditions have remained difficult now for well over 20 months, we remain encouraged by developing signs of an improvement in the industry, as is being reported by a number of larger mining services companies. Should these conditions continue to improve, XRF is poised for growth in 2015 over the prior year. We are excited at the potential that lies ahead and look forward to delivering increased returns to shareholders in the future.