

2015 Annual General Meeting, 13 November 2015, Perth:



Full Year Results – Overview

(\$m)	2015	2014	Change %
Sales revenue	20.5	21.7	(5%)
EBITDA	4.1	3.9	4%
Profit before tax	3.6	3.6	3%
Acquisition costs and R & D expensed	0.3	0.3	(23%)
Underlying profit before tax	3.9	3.9	1%
Net profit after tax	2.6	2.4	8%
Earnings per share (cents)	2.0	1.8	11%
Weighted average no. of shares	132,157,097	132,157,097	0%
Number of employees	61	64	(5%)
Dividends (cents per share)	1.2	1.1	9%
Dividend payout ratio	60%	61%	

2

Good morning ladies and gentlemen, I'm pleased to report to you our 2015 financial year.

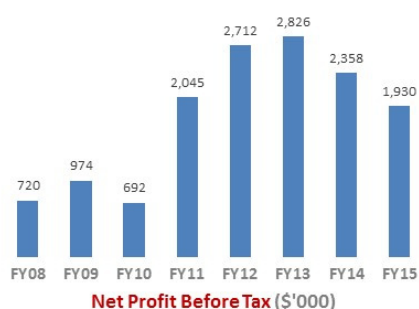
Despite difficult conditions being experienced for a second year in a row, a strong level of profitability has been delivered. Although revenue fell by 5% to \$20.5m, underlying profit before tax was maintained at \$3.9m, which was flat on the PCP. This is directly the result of initiatives in development of international sales, new product releases and acquisitions.

Credit should be given to our dedicated Management team and employees. They have worked extremely hard to ensure this result was possible. With them, XRF stands out as one of the select companies in the sector who remain profitable.

In line with our commitment to shareholders, the dividend payout ratio was maintained at 60%, resulting in total dividends of 1.2 cents per share, fully franked.

Consumables

(\$m)	FY15	FY14
Sales revenue	6.0	6.4
Change in %	(6%)	(11%)
NPBT	1.9	2.4
Change in %	(18%)	(17%)
Margin %	32%	37%



Overview for FY15:

- Revenue down 6% on FY14
- NPBT down 18% on FY14
- Acquisition and integration of ICPH Flux
- Forex impact from USD raw materials

Outlook for FY16:

- Total sales to 31 October 2015 YTD down 12% on the PCP to \$1.8m (2015: \$2.1m)
- Full-year contribution from ICPH Flux
- Continue efforts of expanding international sales

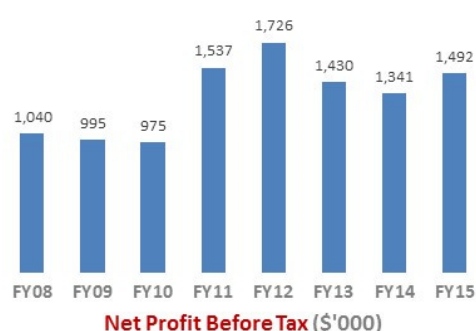
3

Looking at the first of our divisions, Consumables, revenue was down for the year by 6%, which resulted in a decline in profits before tax of 18% to \$1.9m. Revenue was in general stable, which has been approximately \$3m per half for the last 18 months. Sales to production clients remained steady, however revenue from the exploration sector further declined. Results were also negatively affected by the strength of the USD against the AUD, in which many of our raw production materials are purchased. The bolt on acquisition of ICPH was completed, which has assisted in growing non-mining revenues, primarily into Europe.

Conditions in Q1 2016 were difficult, however a significant improvement in orders was experienced in October. As a result, revenue of \$1.8m has been delivered to 31 October, as compared to \$2.1m in the PCP. This year the division will benefit from a full year contribution of the ICPH acquisition, which yields higher margins from its specialised chemical products. The focus for the year will be to maintain our existing client base and to look for growth in international sales.

Precious Metals

(\$m)	FY15	FY14
Sales revenue	10.0	10.5
Change in %	(4%)	23%
NPBT	1.5	1.3
Change in %	11%	(6%)
Margin %	15%	13%



Overview for FY15:

- Revenue down 4% on FY14
- NPBT up 11% on FY14
- New product sales generated by fusion machine releases
- Strong performance by office in Canada

Outlook for FY16:

- Total sales to 31 October 2015 YTD down 5% on the PCP to \$3.2m (2015: \$3.3m)
- \$3.3m expansion investment in new facility and equipment

4

The Precious Metals division continues to perform solidly. Revenue decreased by 4%, however profits before tax were up 11% to \$1.5m. The increase was in part from XRF's Canadian division that increased profitability on platinum products in 2015.

During the current year, conditions have remained steady, with revenue being generated of \$3.2m as compared to \$3.3m in the PCP. This demonstrates the resilient nature of revenue in the division, which has led to the decision to make a significant investment in expansion of production. As recently announced, XRF will invest \$3.3m in a new facility and production equipment. The investment has one target, to enhance our products, to gain additional international market share. XRF will develop a new baseline level of capability from the investment, providing an option to expand into new product areas, and further develop revenues outside mining.

Capital Equipment

(\$m)	FY15	FY14
Sales revenue	5.7	5.6
Change in %	3%	(34%)
NPBT	0.6	0.4
Change in %	79%	(69%)
Margin %	11%	6%



Overview for FY15:

- Revenue up 3% on FY14
- NPBT up 79% on FY14
- Launch of xrFuse 2, Phoenix II and xrWeigh

Outlook for FY16:

- Total sales to 31 October 2015 YTD down 39% on the PCP to \$1.1m (2015: \$1.9m)
- Significantly improved order book in Q2
- Continue product development initiatives
- Further development of international sales network

5

Sales of products in the Capital Equipment division were robust, which generated revenue of \$5.7m. Profits increased strongly by 79% to \$632k. The result was primarily driven by the release of new products, which throughout the year included xrFuse 2, Phoenix II and xrWeigh. Alongside the xrFuse 6 that was released in 2014, voids in the division's product range have now been filled. Our new products are safe, technically advanced and industry leading.

Sales of capital equipment products were extremely difficult for the first part of this year. As a result, the division has delivered revenue of \$1.1m, as compared to \$1.9m in the PCP. We are however pleased to report that conditions improved significantly towards the end of October. A number of new orders were received, which should see the division busy for the months ahead. Marketing initiatives and expansion of our international distribution network are expected to have an additional positive impact on sales. We will also be working on new product opportunities that have been identified, with more releases likely in the next 12 months.

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

Over the past two years, 8 new distributors have been added, primarily throughout Asia. This has allowed us to have a more co-ordinated approach to international sales and support. We have already seen our expanded distribution network delivering success, with a number of our new partners exceeding our expectations. In partnership with our distributors, marketing efforts will continue to remain a focus. Our new products have been displayed to customers all around the world, at exhibitions throughout Asia, Europe and the Americas.

We are also continuing to pursue our acquisition strategy, which resulted in the purchase of ICPH and Coltide Drift Monitors in 2015. As shareholders will be well aware, the Board has set strict acquisition criteria, which must be adhered to. A number of opportunities are continually under review, and should they meet our criteria, there is a strong possibility of acquisitions this year.

Whilst trading may remain difficult this year, we remain cautiously excited at the numerous opportunities we have before us. The precious metals division expansion in particular, could become a game changer for XRF. Our detailed planning will ensure that the investment has the best chance of success. We look forward to delivering positive results to shareholders in the future.