

16 November 2015

New Division in Europe by Acquisition

XRF Scientific Ltd (“XRF” or “The Company”) is pleased to advise that it has entered into a binding but conditional Share Purchase Agreement to acquire 100% of the shares in Socachim SPRL (Socachim). Socachim was founded in 1994 by Mr Michel Davidts, and has been a distributor of XRF’s products since 1998. The business is located in Brussels, Belgium and currently sells XRF’s products throughout Europe and Northern Africa.

With the large majority of Socachim’s revenue being derived from XRF’s products, the business will change its name to XRF Scientific Europe. Alongside XRF Scientific Americas (formerly Kitco Labware) it will form the Company’s second international office, allowing XRF to provide customers and distributors with 24 hour direct support. The new European division will be managed by Frederic Davidts, who is highly regarded in the industry and one of the world’s leading experts in fusion sample preparation.

Key Acquisition Benefits

- A low-risk, bolt-on acquisition, within XRF’s core competencies
- Further diversification of revenue into non-mining industries
- Strengthening of our presence in Europe, our largest international market for fusion machines
- An improved ability to provide direct support to XRF’s large customers and partners in Europe
- Addition of expertise in complementary sample preparation products and processes

Acquisition Price

The consideration for the acquisition will be as follows:

- EUR €275,000 (AUD \$417k) of upfront consideration in cash to Michel Davidts
- EUR €225,000 (AUD \$341k) of upfront consideration in XRF shares to Frederic Davidts. The XRF shares will be issued at the 10 day VWAP prior to settlement and held in escrow for a period of two years

The acquisition will be funded from XRF’s existing cash reserves. The business is expected to initially generate EBIT of approximately €100,000 pa under XRF’s ownership.

Please direct any inquiries to:

Vance Stazzonelli
Chief Executive Officer

vance.stazzonelli@xrfscientific.com
[+61 8 9244 0600](tel:+61892440600)

About XRF Scientific:

XRF Scientific Limited is an Australian listed company (ASX: XRF) based in Perth, Western Australia. XRF manufactures equipment and chemicals, which are distributed to production mines and commercial analytical laboratories in Australia and overseas and used in the preparation of samples for analysis.

XRF has manufacturing, sales and support facilities located in Perth, Melbourne and Canada, plus a global network of distributors. The Company has representation in the United States, South America, Europe, Africa, the Middle East and Asia and has a customer base that includes multinational blue-chip customers such as:- BHP Billiton, Rio Tinto, Vale, South 32, Iluka, Glencore, Nickel West, Robe River Iron Associates, Alcoa, CSIRO, Intertek, Pilbara Iron, Bureau Veritas, SGS and ALS.

XRF's technology is used to measure the composition and purity of materials and is mainly applied in industrial quality control and in process control for manufacturing processes in industries such as metals and mining, construction materials, chemicals and petrochemicals.

XRF products help customers to improve product quality and performance, increase productivity and yield and reduce downtime and waste. Its businesses have established positions in their specialised markets.