

30 October 2015

Expansion of Precious Metals Division

XRF Scientific Ltd (“XRF”) is pleased to announce a significant expansion of its Precious Metals Division. XRF will invest \$3.3m in a new production facility and additional equipment. The purpose of the investment is to significantly enhance current product quality, to gain a greater market share.

It also enables XRF to quickly accommodate additional capacity for future anticipated growth, especially in overseas markets. Given the resilient nature of precious metals sales activity throughout the economic cycle, the investment is an attractive growth area.

The decision is the result of a detailed market review undertaken by XRF, which identified growth opportunities for international sales. XRF is planning to achieve this by producing better quality products that meet and exceed the expectations of potential new international customers. The enhanced products are expected to strengthen XRF’s position as a global leader of platinum labware. XRF will develop a new baseline level of capability from the investment, providing an option to expand into new product areas and further develop non-mining revenues.

Background Information

New Melbourne factory

XRF’s current precious metals facility is located in Epping, Victoria, where the business has been located at since 2007. Manufacturing has grown to a point where the building is now operating at maximum capacity. As well as precious metals manufacturing, the Epping facility houses XRF’s applications laboratory, used for customer support and training, process development, drift monitor production and analysis control of manufacturing.

To provide additional space for growth, and to house new equipment necessary for expansion, XRF has entered into a contract to acquire a 2100sqm facility, in Campbellfield VIC. Settlement of the property is expected to occur by the end of November. The building will be partially funded by a bank loan, which will cover 65% of the \$1.71m purchase price, excluding costs. To cater for the specific requirements of precious metals manufacturing vis-à-vis security, production areas, power and offices, an investment is also required in the internal fitout of \$0.7m.

New production and analysis equipment

In order to enhance current product quality, it has been determined that an investment of \$0.8m is required in new equipment. The new equipment will allow XRF to implement alternative production techniques and produce superior products by using more efficient processes. Part of the investment will include new analytical instruments, required to monitor production quality. As an added benefit, the instruments can be used in the customer support process. XRF will develop its own platinum refining plant, to complement the refining services it currently engages from third party providers.

Please direct any inquiries to:

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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, Canada, 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.