

12 December 2014

XRF acquires ICPH flux business

XRF Scientific Ltd (“XRF” or “The Company”) is pleased to advise that it has entered into a binding Asset Purchase Agreement, to acquire the business of ICPH flux, from Industries Chimiques Du Pays-Haut SARL. ICPH is a manufacturer of x-ray flux based in Malzéville, France. The business was established in 1984 by Mr Gérard Lang, using a unique manufacturing process, and was one of the first producers of x-ray flux in the world.

Under XRF’s ownership, manufacturing will be transferred to the Company’s facility in Perth, which will commence immediately using existing equipment. Sales will initially occur directly from Perth, with a transition program being managed with the assistance of the Vendors.

Key Acquisition Benefits

- A low-risk, bolt-on acquisition, within XRF’s core competencies
- Diversification of revenue into non-mining industries
- Strengthening of our presence in Europe
- Expands our customer data base through a long lasting brand name
- Provides an alternative flux manufacturing technology

Acquisition Price

The consideration for the acquisition will be as follows:

- EUR €658,000 (AUD \$968,000) of upfront consideration*
- An additional EUR €35,000 (AUD \$51,500) in cash consideration, should the business generate revenue of EUR €300,000 in the period of 12 months from settlement
- A further EUR €35,000 (AUD \$51,500) in cash consideration, should the business generate revenue of EUR €350,000 in the period of 12 months from settlement

*Includes EUR €110,000 (AUD \$162,000) of platinum labware, which is not required for production and will be liquidated back into cash assets.

The acquisition will be funded from XRF’s existing cash reserves. The business is expected to generate EBIT of approximately \$200,000 pa under XRF’s ownership.

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 and Melbourne 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, Iluka, Xstrata, Nickel West, Robe River Iron Associates, Alcoa, CSIRO, Intertek, PT Inco, 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.