2019 Annual General Meeting, 28 October 2019, Perth:

Half Year Results – Overview

Full Year Results

($m)	2019	2018	2017	2016
Sales revenue	29.0	24.2	21.5	21.0
EBITDA	4.1	2.5	1.7	3.0
Profit before tax	3.2	1.5	1.0	2.4
Acquisition costs	0.0	0.2	0.1	0.2
Platinum Division expansion costs	0.4	0.8	1.1	0.5
Bank Refinancing costs	0.1	0.0	0.0	0.0
Underlying profit before tax	**3.6**	**2.5**	**2.2**	**3.0**
Net profit after tax	**2.1**	**1.0**	**0.8**	**1.5**
Earnings per share (cents)	1.6	0.8	0.6	1.2
Weighted average no. of shares	133,825,803	133,825,803	133,825,803	133,126,318
Dividends (cents per share)	1.0	0.30	0.24	0.5
Dividend payout ratio	63%	39%	40%	43%

2

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

For FY19, $29.0m in revenue was generated, which resulted in a statutory net profit after tax of $2.1m, which was a 109% increase on the prior year. All three of our divisions performed well during the year and contributed towards the result.

Operating cash flow was robust at $3.9m, which increased our cash at bank position to $3.2m at 30 June 2019 compared to $415k at 30 June 2018.

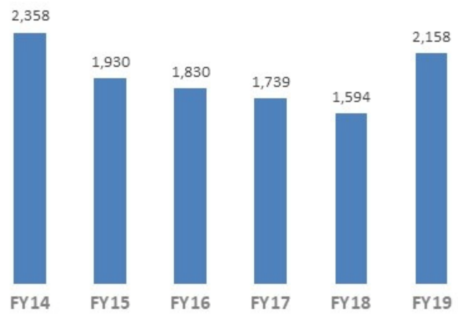
During the year, $103k in borrowing costs were expensed, relating to the refinancing and movement of the Company's debt and banking facilities to HSBC. HSBC's global reach now allows XRF to utilise one core bank and provides precious metals inventory funding, which is critical to our expansion in the Precious Metals division.

Post refinancing, our debt level has remained consistent from 2018, totalling $2.3m at 30 June 2019. We made additional drawdowns on our platinum loan facilities, which increased inventories and provisional liabilities by $1m.

In line with the increase to profits and our cash position, the Board declared a final fully franked dividend of 1 cent per share, restoring the payout ratio to 63%.

Consumables

($m)	FY19	FY18
Sales revenue	**8.0**	**7.5**
Change in %	6%	9%
NPBT	**2.2**	**1.6**
Change in %	35%	(8%)
Margin %	**27%**	**21%**



Net Profit Before Tax ($'000)

- **Overview of FY19:**
  - Revenue up 6% on FY18
  - NPBT up 35% on FY18
  - Growth in market share from new microbeads flux product line (Scancia acquisition)
  - New mine-site customers acquired

3

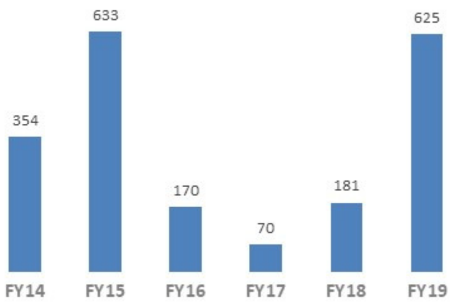
In our Consumables Division, we recorded a 35% increase in profits to $2.2m. Record revenue was generated of $8m, which was a 6% increase on 2018.

Growth came from a number of areas, including new mine site customers that were acquired. Our market share increased overall through the addition of the microbeads flux line from the Scancia acquisition. The new plant in Perth continues to operate well and deliver high quality products to customers.

Capital Equipment

($m)	FY19	FY18
Sales revenue	**9.2**	**7.1**
Change in %	29%	13%
NPBT	**0.6**	**0.2**
Change in %	244%	161%
Margin %	**7%**	**3%**

- **Overview of FY19:**
  - Revenue up 29% on FY18
  - NPBT up 244% on FY18
  - High order levels driven by replacement capex and new mine sites
  - Launch of Phoenix GO S machine



Net Profit Before Tax ($'000)

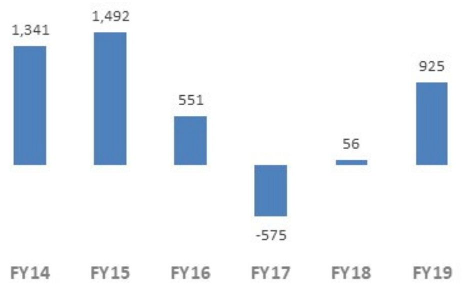
4

The Capital Equipment Division had an excellent year during FY19, increasing revenue by 29% to $9.2m. This resulted in a large 244% increase in profit before tax to $625k. The high level of sales were driven by demand from numerous sectors, in particular production miners who have been replacing old machines and setting up new mines.

We launched one new machine, the Phoenix GO S, which replaced one of our older generation machines. The new machine is targeted at smaller labs that only need to process a few samples per hour. Product development activities also continued on other machines during the year.

Precious Metals

($m)	FY19	FY18
Sales revenue	**13.1**	**11.0**
Change in %	19%	23%
NPBT	**0.9**	**0.1**
Change in %	1564%	(110%)
Margin %	**7%**	**1%**



Net Profit Before Tax ($'000)

- **Overview of FY19:**
  - Revenue up 19% on FY18
  - NPBT up 1564% on FY18
  - Positive conditions across Australia, North America and Europe
  - Remanufacturing services and new product sales strong across the board
  - Improvement in results from Germany
  - Key manufacturing developments made in Melbourne factory

5

The Precious Metals Division delivered a large increase in revenue, which was up 19% to $13.1m. Profits increased significantly from $56k in the prior year to $925k. The turn-around was a result of positive conditions in Australia, North America and Europe, as well as a large reduction in the loss from the German operations. The net result from the European expansion activities was a loss of $57k as compared to $555k in the prior year.

Revenue from the German operations increased by almost $1m to reach $2.8m for the year. Numerous new customers were acquired, as well as a steady flow of repeat customers for new and remanufactured products.

There were many advancements in the Melbourne production plant during the year. Our new equipment is being used to improve the manufacture of our existing products, as well as more complicated items for our German operations. Several complicated manufacturing projects came together in the last half of 2019, which will open up new revenue opportunities in the industrial platinum markets.

FY20 First Quarter Update

The group has had a positive start to FY20, building on the strong results from FY19. Revenue for the September 2019 quarter increased to $7.39m (unaudited) compared to $7.26m in the PCP. Profit before tax increased, with $913k (unaudited) being generated vs $648k in the PCP.

One of the main driving factors has been sales in the Consumables division, which has seen a period of positive activity. Revenue for the first quarter in FY20 was $2.49m vs $2.13m in the PCP. Sales have been robust both within Australian and internationally, primarily driven by the mining sector. We are also starting to see the benefit of regular orders from customers that were acquired during the second half of FY19.

Sales of Capital Equipment products had started to slow during the first quarter, however there was a solid inflow of orders towards the end of the quarter. Revenue for the first quarter of FY20 was $1.70m vs $2.27m in the PCP. We are continuing to work on our new product development activities, with at least one new machine on track for release during FY20.

The Precious Metals expansion is still progressing well and a number of developments occurred during the September quarter. Order levels were positive, in particular for labware products in Australia, Europe and North America. Revenue for the division was $3.21m for the September 2019 quarter vs $2.86m in the PCP. There were some developments in manufacturing at the Melbourne plant, improving existing products, as well as adding some products to our precision portfolio. Business in Germany is continuing to develop, with the operations recording $789k in revenue for the September quarter compared to $491k in the PCP.

We continue to be positive about increasing our profits and shareholder returns in FY20, and look forward to reporting next at the half-year results in February.