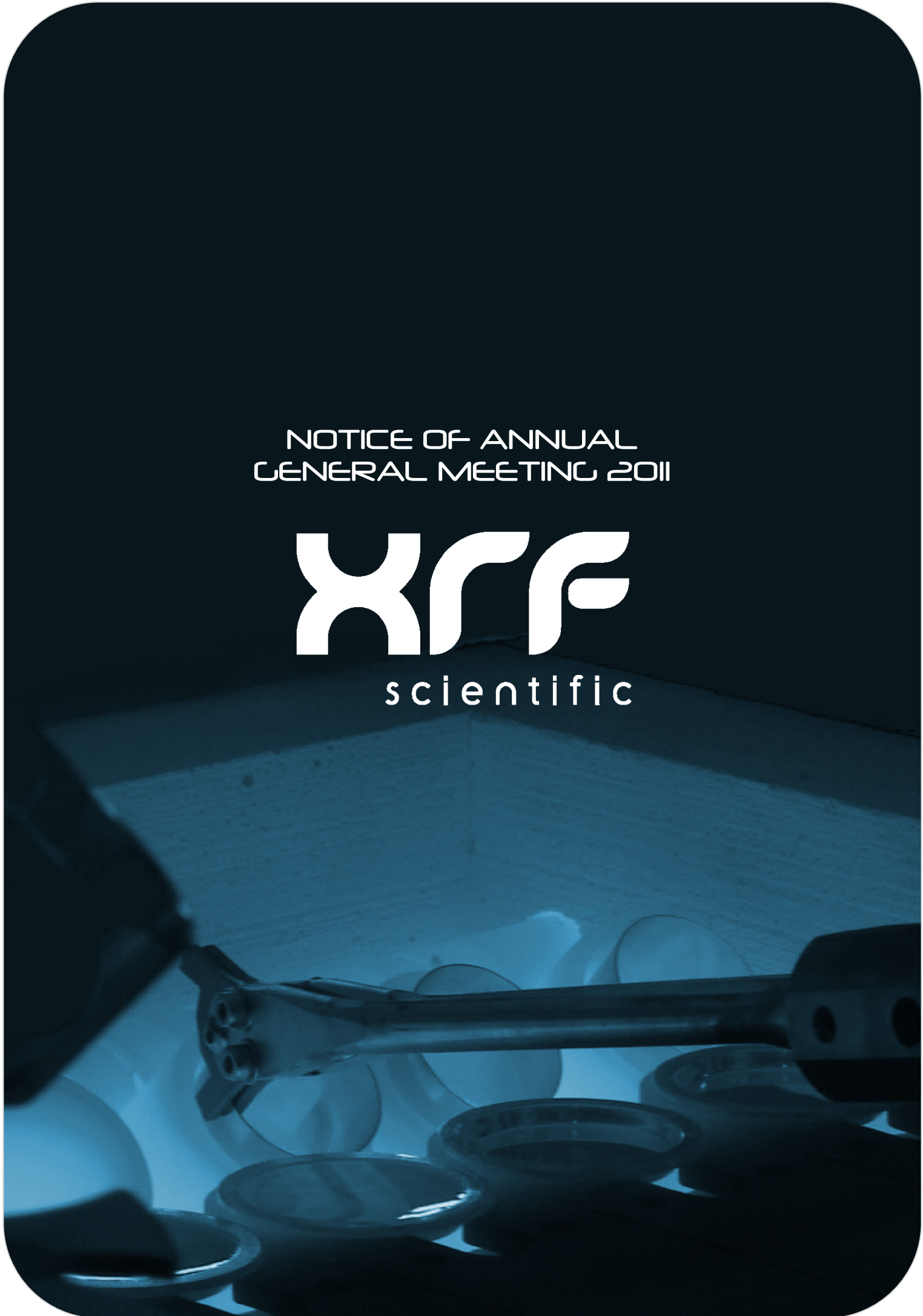


NOTICE OF ANNUAL
GENERAL MEETING 2011

xrf
scientific



Shareholders are advised that the 2011 Annual General Meeting of XRF Scientific Limited will be held on:

Wednesday, 30 November 2011 at Rendezvous Hotel Perth, The Esplanade, Scarborough WA 6019, commencing at **9.30am (Perth Time)**.

The Annual General Meeting (AGM) of XRF Scientific Limited ("Company") will be held on Wednesday, 30 November 2011, at Rendezvous Hotel Perth, The Esplanade, Scarborough, WA 6019, commencing at 9:30 a.m (Perth time).

The Explanatory Statement that accompanies and forms part of this Notice describes the matters to be considered at this meeting.

AGENDA

FINANCIAL STATEMENTS AND REPORTS (NO RESOLUTION REQUIRED)

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2011 together with the declaration of the Directors, Directors' report, remuneration report and the auditor's report.

RESOLUTION 1 – REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That the Remuneration Report, which forms part of the Directors' Report of the Company for the financial year ended 30 June 2011, be adopted."

Note: the vote on this Resolution is advisory only and does not bind the Directors of the Company

Voting Prohibition Statement

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- d) the vote is cast on behalf of a person described in sub-paragraphs a) or b) above.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR JOHN PARSONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr John Parsons, being a Director of the Company who retires by rotation in accordance with clause 13.2 of the Constitution, be re-elected as a Director of the Company."

RESOLUTION 3 - RATIFICATION AND APPROVAL OF PREVIOUS ISSUE AND ALLOTMENT OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, this meeting approves and ratifies the prior issue and allotment of 15,544,252 Shares at an issue price of 21.5 cents each and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast on Resolution 3 by any person who participated in the issue and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

BY ORDER OF THE BOARD

V Stazzonelli
Company Secretary
24 October 2011

NOTES:

1. A member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote on behalf of the member. A proxy need not be a member of the Company, but must be a natural person (not a corporation). A proxy may also be appointed by reference to an office held by the proxy (eg "the Company Secretary").
2. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the member's voting rights. If no such proportion is specified, each proxy may exercise half of the member's votes.
3. A proxy form is enclosed. A separate form must be used for each proxy. An additional form can be obtained by writing to the Company at 88 Guthrie Street, Osborne Park, WA 6017 or by fax to (08) 9244 9611. Alternatively, you may photocopy the enclosed form.
4. A duly completed proxy form and (where applicable) any power of attorney or a certified copy of the power of attorney must be received by the Company at its registered office or the address or fax number set out below, **not less than 48 hours before** the time for commencement of the meeting. Please send by post to 88 Guthrie Street, Osborne Park, WA 6017 or by fax to (08) 9244 9611.
5. To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and

- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

6. The Company will accept proxy appointments by a corporate member executed in accordance with either section 127(1) (not under seal) or section 127(2) (under seal) of the Corporations Act 2001.
7. The time nominated by the Board pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) for the purpose of determining the voting entitlements at the meeting is 5:00 pm WST on Monday, 28 November 2011.
8. The Explanatory Statement attached to this Notice forms part of this Notice.

EXPLANATORY STATEMENT

This explanatory statement forms part of the notice of annual general meeting.

This Explanatory Statement has been prepared to provide shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of XRF Scientific Limited ("**Company**").

The Directors recommend shareholders read this Explanatory Statement in full before making any decision in relation to the resolutions.

Financial Statements and Reports

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2011 together with the declaration of the Directors, Directors' report, remuneration report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.xrfscientific.com.

Resolution 1 – Remuneration Report

1.1 General

During this item, there will be a reasonable opportunity for shareholders at the meeting to comment on, and ask questions about, the Remuneration Report which is incorporated in the Directors' Report in the Company's 2011 Annual Financial Report.

In accordance with the Corporations Act 2001, the vote on the proposed resolution is advisory only and will not bind the Directors or the Company; however the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2012 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's 2012 annual general meeting. All of the Directors who were in office when the Company's 2012 Directors' report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election as Directors is approved will be the Directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

1.2 Proxy Restrictions

Pursuant to the Corporations Act, if you elect to appoint the Chair, or another member of the Key Management Personnel whose remuneration details are included in the Remuneration report or any Closely Related Person of that member as your proxy to vote on this Resolution 1, *you must direct the proxy how they are to vote*. Where you do not direct the Chair, or another member of the Key Management Personnel whose remuneration details are included in the Remuneration Report or Closely Related Party of that member on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution 1.

1.3 Definitions

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Closely Related Party of a member of the Key Management Personnel means:

- a) a spouse or child of the member;
- b) a child of the member's spouse;
- c) a dependent of the member or the member's spouse;
- d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- e) a company the member controls; or
- f) a person prescribed by the Corporations Regulations 2001 (Cth).

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2011.

Resolution 2 – Re-election of Director – Mr John Parsons

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except the Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A retiring Director is eligible for re-election.

The Company currently has 4 Directors and accordingly 1 must retire.

Mr Parsons, the longest in office since his last election, retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Directors' Recommendation

The Board (other than Mr Parsons) recommends shareholders vote in favour of the Resolution.

Resolution 3 – Ratification and approval of previous issue and allotment of shares

3.1 Background

On 13 July 2011, the Company announced it had reached an agreement for a placement of 15,544,252 Shares at an issue price of 21.5 cents each to raise \$3,342,014 (**Placement**). The Placement was completed on 19 July 2011 with the issue of 15,544,252 Shares under the Company's 15% capacity pursuant to ASX Listing Rule 7.1.

3.2 Regulatory Requirements – ASX Listing Rule 7.4

ASX Listing Rule 7.1 requires that a listed company obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. This rule provides that where a company in a general meeting ratifies the previous issue of securities made without shareholder approval under ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purposes of ASX Listing Rule 7.1.

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of 15,544,252 Shares issued by the Company. By ratifying this issue of Shares, the Company will retain the capacity to issue securities in the future up to the 15% threshold set out in ASX Listing Rule 7.1 without the requirement to obtain Shareholder approval.

3.3 Information required by ASX Listing Rule 7.5

Pursuant to, and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- a) the total number of Shares allotted was 15,544,252 Shares;
- b) the issue price of each Share was 21.5 cents per Share;
- c) the Shares issued were all fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing issued Shares;
- d) the Shares were allotted and issued to institutional and sophisticated investors. None of the allottees were related parties of the Company. No allottee, either individually or in association with any related entity, was allotted securities, which would, if added to existing holdings, result in the holder and their related entities holding in excess of 19.9% of the issued capital of the Company;
- e) the Company intends to use the funds raised by the issue of Shares the subject of Resolution 3, being gross proceeds of \$3,340,014, to fund possible future acquisitions.

Directors' Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

ENQUIRIES

Shareholders are requested to contact the Company Secretary on (+ 61 8) 9244 9600 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$	Australian dollars
ASX	ASX Limited ACN 008 624 691 or, where the context permits, the financial market operated by it
ASX Listing Rules	the Listing Rules of ASX
Board	the current board of directors of the Company
Business Day	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day
Company	XRF Scientific Limited ACN 107 908 314
Constitution	the constitution of the Company
Corporations Act	the Corporations Act 2001 (Cth)
Director	a current director of the Company
Explanatory Statement	the explanatory statement accompanying the Notice
Meeting or Annual General Meeting	the annual general meeting convened by the Notice
Perth Time	the time as observed in Perth, Western Australia
Notice	this notice of meeting including the Explanatory Statement and the Proxy Form
Proxy Form	the proxy form accompanying the Notice
Resolutions	the resolutions set out in the Notice, or any one of them, as the context requires
Share	a fully paid ordinary share in the capital of the Company
Shareholder	a holder of a Share
Sophisticated Investor	An investor meeting the criteria set out in s708(8) of the Corporations Act or eligible to participate under s708(10) of the Corporations Act in an issue of securities
WST	Western Standard Time as observed in Perth, Western Australia

XRF SCIENTIFIC LIMITED

ACN 107 908 314

PROXY FORM

(Name of member/s)

Of

(Address of member/s)

Appointment of Proxy

I/We being a member/s of XRF Scientific Limited and entitled to attend and vote at the annual general meeting hereby appoint

☐

the Chairman of the Meeting
(mark with an 'X')

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting

or, failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given and subject to the relevant laws, as the proxy sees fit) at the Annual General Meeting of XRF Scientific Limited to be held on Wednesday 30 November 2011, at Rendezvous Hotel Perth, The Esplanade, Scarborough, WA 6019, commencing at 9:30 a.m. and at any adjournment of that meeting.

If no directions are given, the Chair will vote in favour of all the Resolutions in which the Chair is entitled to vote undirected proxies.

Important for Resolution 1: If the Chair of the Meeting or any member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or a Closely Related Party of that member is your proxy and you have not directed the proxy to vote on Resolution 1, the proxy will be prevented from casting your votes on Resolution 1. If the Chair, another member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or Closely Related Party of that member is your proxy, in order for your votes to be counted on Resolution 1, you must direct your proxy how to vote on Resolution 1.

☐

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolutions 2 to 3** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 2 to 3 and that votes cast by the Chair of the Annual General Meeting for Resolutions 2 to 3 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 2 to 3 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 2 to 3.

Voting directions to your proxy – please mark ☒ to indicate your directions

	FOR	AGAINST	ABSTAIN
1. Remuneration Report	☐	☐	☐
2. Re-election of Director – Mr John Parsons	☐	☐	☐
3. Ratification and approval of previous issue and allotment of shares	☐	☐	☐

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in calculating the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%.

Please sign here

THIS SECTION MUST BE SIGNED IN ACCORDANCE WITH THE INSTRUCTIONS OVERLEAF TO ENABLE YOUR DIRECTIONS TO BE IMPLEMENTED.

Individual or Securityholder 1

Individual/ Sole Director and
Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/ Company Secretary

Contact Name

Contact Daytime Telephone No.

Date

HOW TO COMPLETE THE PROXY FORM

1. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company.

2. Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

3. Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the Company or you may copy this form.

To appoint a second proxy you must:

- (a) indicate that you wish to appoint a second proxy on the form overleaf;
- (b) on each of the first Proxy Form and the second Proxy Form, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (c) return both forms together in the same envelope.

4. Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the shareholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the Company. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

5. Attending the Meeting

Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General meeting.

6. Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below no later than 48 hours before the commencement of the meeting at 9:30 a.m. on Wednesday, 30 November 2011. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged by posting, delivery or facsimile to:

XRF Scientific Limited
88 Guthrie Street, Osborne Park, WA 6017
Facsimile: (08) 9244 9611