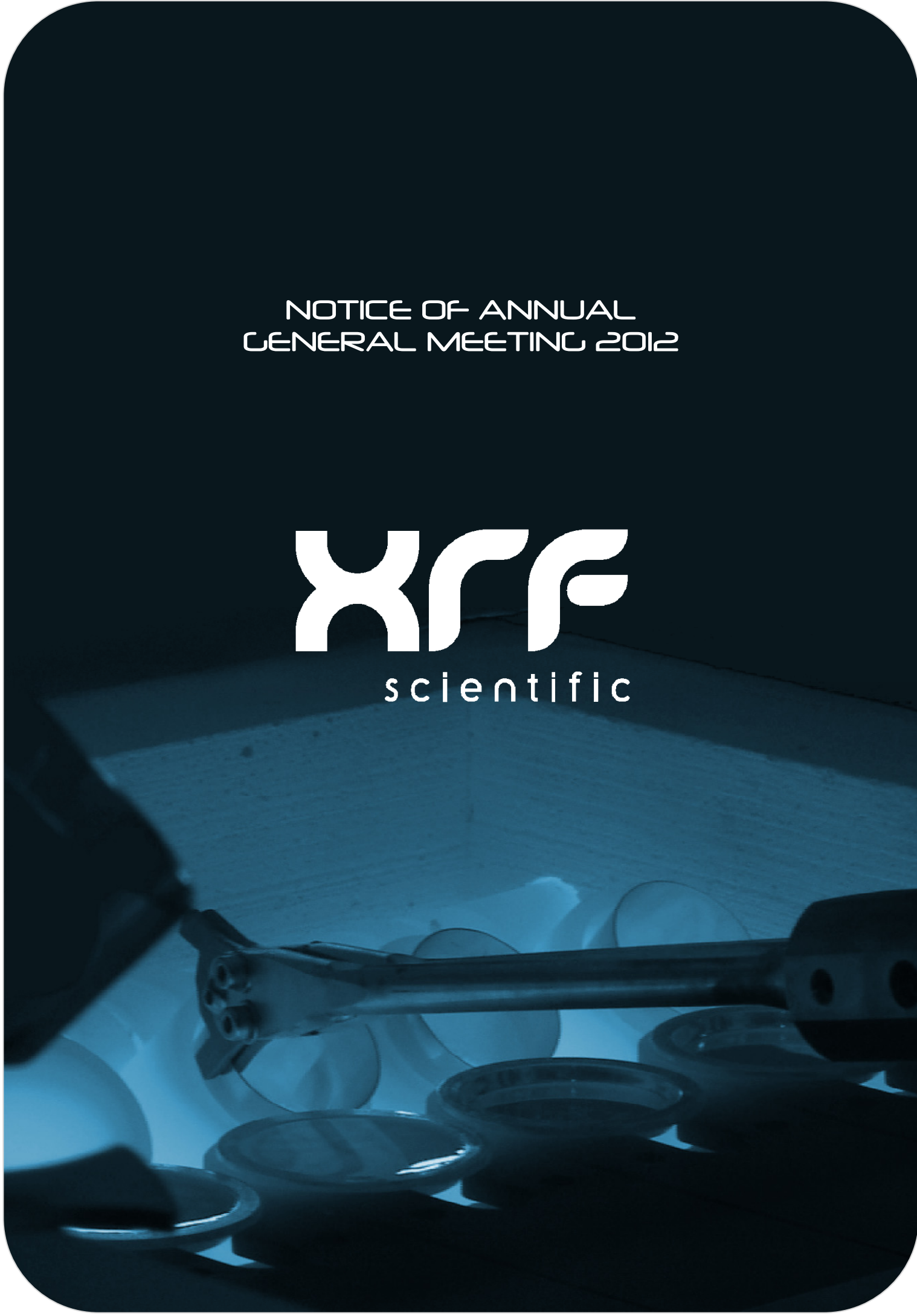


NOTICE OF ANNUAL
GENERAL MEETING 2012

xrf
scientific



Shareholders are advised that the 2012 Annual General Meeting of XRF Scientific Limited will be held on:

Thursday, 15 November 2012 at Rendezvous Hotel Perth, The Esplanade, Scarborough WA 6019, commencing at **11:00 a.m. (Perth Time)**.

The Annual General Meeting (AGM) of XRF Scientific Limited ("Company") will be held on Thursday, 15 November 2012, at Rendezvous Hotel Perth, The Esplanade, Scarborough, WA 6019, commencing at 11:00 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 2012 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, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report, which forms part of the Directors' Report of the Company for the financial year ended 30 June 2012, 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 either 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 (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- b) the voter is the Chair and the appointment of the Chair as proxy:
 - i. does not specify the way the proxy is to vote on this Resolution; and
 - ii. expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR DAVID BROWN

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

"That Mr David Brown, 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 - RE-ELECTION OF DIRECTOR – MR DAVID KIGGINS

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

"That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr David Kiggins, a Director who was appointed on 1 May 2012, retires, and being eligible, is re-elected as a Director."

RESOLUTION 4 - RE-ELECTION OF DIRECTOR – MR FRED GRIMWADE

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

“That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Fred Grimwade, a Director who was appointed on 1 May 2012, retires, and being eligible, is re-elected as a Director.”

RESOLUTION 5 - INCREASE IN DIRECTORS' FEES

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 10.17, clause 13.8 of the Company’s constitution and for all other purposes, Shareholders approve the maximum total aggregate Directors’ remuneration payable to non-executive Directors of the Company be set at \$400,000 per annum, which may be divided among those Directors in the manner determined by the Board of the Company from time to time.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a 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.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- a) the proxy is either:
 - i. i. a member of the Key Management Personnel; or
 - ii. ii. a Closely Related Party of such a member; and
- b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- a) the proxy is the Chair; and
- b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 6 - APPROVAL OF 10% PLACEMENT CAPACITY

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

“That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the Shares on issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a 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

Vance Stazonelli
Company Secretary
24 September 2012

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 (e.g. "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 98 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 98 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 are 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 Tuesday, 13 November 2012.
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 2012 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 2012 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.

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

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the previous financial year) 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 or re-election as directors of the company is approved will be the directors of the company.

1.2 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

1.3 Proxy Restrictions

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy:

You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member:

You ***do not*** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, ***you must mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.***

If you appoint any other person as your proxy:

You ***do not*** need to direct your proxy how to vote on this Resolution, and you ***do not*** need to mark any further acknowledgement on the Proxy Form.

1.4 Definitions

Key Management Personnel has the same meaning as in the accounting standards and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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 Directors' report section of the Company's annual financial report for the year ended 30 June 2012.

Resolution 2 – Re-election of Director – Mr David Brown

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 5 Directors and accordingly 1 must retire.

Mr Brown, 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 Brown) recommends shareholders vote in favour of the Resolution.

Resolution 3 – Re-election of Director – Mr David Kiggins

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following Annual General Meeting and is then eligible for re-election.

Mr David Kiggins was appointed as Non-Executive Director by the Directors on 1 May 2012.

Accordingly, Mr Kiggins will retire in accordance with clause 13.4 of the Constitution and being eligible seeks re-election.

Directors' Recommendation

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

Resolution 4 – Re-election of Director – Mr Fred Grimwade

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following Annual General Meeting and is then eligible for re-election.

Mr Fred Grimwade was appointed as Non-Executive Director by the Directors on 1 May 2012.

Accordingly, Mr Grimwade will retire in accordance with clause 13.4 of the Constitution and being eligible seeks re-election.

Directors' Recommendation

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

Resolution 5 – Increase in Directors' Fees

Clause 13.7 of the Constitution requires that the total aggregate fixed sum per annum to be paid to the Directors (excluding salaries of executive Directors) from time to time will not exceed the sum determined by the Shareholders in general meeting and the total aggregate fixed sum will be divided between the Directors as the Directors shall determine and, in default of agreement between them, then in equal shares.

Resolution 5 seeks shareholder approval in accordance to increase the total aggregate fixed sum per annum that may be paid to non-executive Directors from \$100,000 to \$400,000 per annum, an increase of \$300,000.

The current limit of \$100,000 was approved by shareholders at the 2008 Annual General Meeting. The Board believes that the increase is required in order to attract and retain directors of a high calibre. The size of the Board has also increased following the appointment of an additional two independent non-executive Directors in May 2012. The Board does not propose to allocate the entire new fees limit to the current non-executive Directors, but to provide flexibility in the timing of any future appointment of Directors.

Resolution 6 – Approval of 10% Placement Capacity

6.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may, seek Shareholder approval to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the Annual General Meeting (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 6, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 6.2 below).

The effect of Resolution 6 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 6 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 6 for it to be passed.

6.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its Annual General Meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant Annual General Meeting:

- a) is not included in the S&P/ASX 300 Index; and
- b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$32,205,941 as at 31 August 2012.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of Equity Securities on issue, being the Shares (ASX Code: XRF).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
 - a) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - b) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under ASX Listing Rule 7.1 and 7.4; and
 - d) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

6.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 6:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- i. the date on which the price at which the Equity Securities are to be issued is agreed; or
- ii. if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph 6.3(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- i. 12 months after the date of this Meeting; and
- ii. the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

or such longer period if allowed by ASX (**10% Placement Capacity Period**).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 6 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.125 (50% decrease in current issue price)	\$0.25 (Current issue price)	\$0.375 (50% increase in current issue price)
128,823,764 (Current)	Shares issued	12,882,376 shares	12,882,376 shares	12,882,376 shares
	Funds raised	\$1,610,297	\$3,220,594	\$4,830,891
193,235,646 (50% increase)*	Shares issued	19,323,565 shares	19,323,565 shares	19,323,565 shares
	Funds raised	\$2,415,446	\$4,830,891	\$7,246,337
257,647,528 (100% increase)*	Shares issued	25,764,753 shares	25,764,753 shares	25,764,753 shares
	Funds raised	\$3,220,594	\$6,441,188	\$9,661,782

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a prorata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. The current shares on issue are the Shares on issue as at 31 August 2012.
2. The issue price set out above is the closing price of the Shares on the ASX on 31 August 2012.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

Shareholders should note that there is a risk that:

- i. the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- ii. the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- i. as cash consideration in which case the Company intends to use funds raised for the acquisition of new businesses (including expenses associated with such an acquisition) and general working capital; or
- ii. as non-cash consideration for the acquisition of new businesses, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The 10% Placement Capacity, if approved, will provide the Board with the maximum amount of flexibility when issuing securities for the above purposes.

(e) Allocation under the 10% Placement Capacity

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- i. the purpose of the issue;
- ii. alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- iii. the effect of the issue of the Equity Securities on the control of the Company;
- iv. the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- v. prevailing market conditions; and
- vi. advice from corporate, financial and broking advisers (if applicable).

(f) Previous Approval under ASX Listing Rule 7.1A

The Company has not previously obtained approval under ASX Listing Rule 7.1A.

6.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 6.

ENQUIRIES

Shareholders are requested to contact the Company Secretary on (+ 61 8) 9244 0600 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$	Australian dollars
10% Placement Capacity	has the meaning given in Section 6.1 of this Notice.
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
Eligible Entity	an entity that, at the date of the relevant general meeting: a) is not included in the S&P/ASX 300 Index; and b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.
Equity Securities	includes a Share, a right to a Share or option, an option, a convertible security and any security that ASX decides to classify as an Equity Security.
Explanatory Statement	the explanatory statement accompanying the Notice
Meeting or Annual General Meeting	the Annual General Meeting convened by the Notice
Notice	this notice of meeting including the Explanatory Statement and the Proxy Form
Ordinary Securities	has the meaning set out in the ASX Listing Rules.
Perth Time	the time as observed in Perth, Western Australia
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
Variable A	means "A" as set out in the calculation in Section 6.2 of this Notice.
WST	Western Standard Time as observed in Perth, Western Australia

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, or the Chairman's nominee, 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 Thursday 15 November 2012, at Rendezvous Hotel Perth, The Esplanade, Scarborough, WA 6019, commencing at 11:00 a.m. and at any adjournment of that meeting.

The Chairman intends to vote undirected proxies in favour of all Resolutions in which the Chairman is entitled to vote.

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

	FOR	AGAINST	ABSTAIN
1. Remuneration Report	☐	☐	☐
2. Re-election of Director – Mr David Brown	☐	☐	☐
3. Re-election of Director – Mr David Kiggins	☐	☐	☐
4. Re-election of Director – Mr Fred Grimwade	☐	☐	☐
5. Increase in Directors' Fees	☐	☐	☐
6. Approval of 10% Placement Capacity	☐	☐	☐

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.

Important for Resolutions 1, 5 and 6

If you have not directed your proxy how to vote as your proxy in respect of Resolutions 1, 5 and 6 and the Chair is, or may by default be, appointed as your proxy, you must mark the box below.

☐

I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolutions 1, 5 and 6 (except where I/we have indicated a different voting intention above) and expressly authorise that the Chair may exercise my/our proxy even though Resolutions 1 and 5 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel and acknowledge that the Chair may exercise my/our proxy even if the Chair has an interest in the outcome of Resolution 5 and that votes cast by the Chair for Resolution 5, other than as proxy holder, will be disregarded because of that interest..

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

XRF SCIENTIFIC LIMITED

ACN 107 908 314

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 11:00 a.m. on Thursday, 15 November 2012. 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
98 Guthrie Street, Osborne Park, WA 6017 Facsimile: (08) 9244 9611