GLE Restructure obtains US Government Approval

18 January 2021

Highlights:

- **Notice has been received from US Department of the Treasury, Committee on Foreign Investment in the United States (CFIUS), that it has approved the GLE restructure, meaning all key US Government approvals have now been received;**
- **In December 2019, a binding Membership Interest Purchase Agreement (MIPA) was executed between Silex, GE-Hitachi Nuclear Energy (GEH) and Cameco Corporation for the restructure of SILEX technology Licensee Global Laser Enrichment LLC (GLE);**
- **The restructure will result in Silex acquiring a 51% interest in GLE and uranium and nuclear fuel supplier Cameco increasing their interest from 24% to 49%;**
- **The path to market for GLE and the SILEX technology is underpinned by the agreement between GLE and the US Department of Energy (DOE) under which DOE tails inventories will be made available for the proposed Paducah Laser Enrichment Facility project to produce natural grade uranium.**

Silex Systems Limited (Silex) (ASX: SLX) (OTCQX: SILXY) provides the following information in relation to the receipt of key US Government approvals for the restructure of GLE.

Silex has received notice from the US Department of the Treasury - Committee on Foreign Investment in the United States (CFIUS), that it has approved the transaction with respect to the terms of Section 721 of the Defense Production Act of 1950. The CFIUS investigation concluded that there are no unresolved national security concerns arising from the transaction and therefore the transaction was approved.

As announced on 8 January 2021, GLE received notice from the US Nuclear Regulatory Commission (NRC) that it will be granted a stand-alone Facility Clearance which will enable GLE to continue to operate under new ownership as a foreign owned entity, pursuant to closing of the MIPA.

Silex CEO and Managing Director, Dr Michael Goldsworthy, said: “The receipt of approval from CFIUS for the GLE transaction represents a significant milestone for Silex and reflects the dedicated efforts by the Silex team, our colleagues at Cameco and GEH, along with many representatives within the US Government, and we thank everyone for their contribution.”

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Silex, Cameco and GEH are now working to finalise remaining conditions precedent under the MIPA and other transition arrangements, to allow the parties to proceed to Closing. This is anticipated to occur in the next few weeks.

Authorised for release by the Silex Board of Directors.

Further information is available at: www.silex.com.au or by contacting:

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Forward Looking Statements and Risk Factors:

About Silex Systems Limited (ASX: SLX) (OTCQX: SILXY)

Silex Systems Limited ABN 69 003 372 067 (Silex) is a research and development company whose primary asset is the SILEX laser enrichment technology, originally developed at the Company's technology facility in Sydney, Australia. The SILEX technology was licensed exclusively in 2006 to GE-Hitachi Global Laser Enrichment LLC (GLE) in the USA for application to uranium enrichment. GLE has been undergoing a restructure for a number of years after GE-Hitachi disclosed it was seeking to exit the venture. In view of the time the GLE restructure has taken to date and the dependency of the closing of the restructure on obtaining US Government approvals, combined with the continuing depressed nuclear fuel market conditions, plans for commercial deployment of the SILEX technology have been significantly delayed, and remain at risk.

Silex is also in the early stages of pursuing additional commercial applications of the SILEX technology, including the production of 'Zero-Spin Silicon' for the emerging technology of silicon-based quantum computing. The 'Zero-Spin Silicon' project remains dependent on the outcomes of the project and the viability of silicon quantum computing and is therefore at risk. The future of the SILEX technology is therefore highly uncertain and any plans for commercial deployment are speculative.

Silex also has an interest in a unique semiconductor technology known as 'cREO™' through its ownership of subsidiary Translucent Inc. The cREO™ technology developed by Translucent has been acquired by IQE Plc based in the UK. IQE is progressing the cREO™ technology towards commercial deployment for 5G filter applications. The outcome of IQE's commercialisation program is also highly uncertain and remains subject to various technology and market risks.

Forward Looking Statements

The commercial potential of these technologies is currently unknown. Accordingly, no guarantees as to the future performance of these technologies can be made. The nature of the statements in this Announcement regarding the future of the SILEX technology, the cREO™ technology and any associated commercial prospects are forward-looking and are subject to a number of variables, including but not limited to, unknown risks, contingencies and assumptions which may be beyond the control of Silex, its directors and management. You should not place reliance on any forward-looking statements as actual results could be materially different from those expressed or implied by such forward looking statements as a result of various risk factors. Further, the forward-looking statements contained in this Announcement involve subjective judgement and analysis and are subject to change due to management's analysis of Silex's business, changes in industry patterns, and any new or unforeseen circumstances. The Company's management believes that there are reasonable grounds to make such statements as at the date of this Announcement. Silex does not intend, and is not obligated, to update the forward-looking statements except to the extent required by law or the ASX Listing Rules.

Risk Factors

Risk factors that could affect future results and commercial prospects of Silex include, but are not limited to: ongoing economic uncertainty including concerning the COVID-19 pandemic; the outcome of the GLE restructure including obtaining US Government approvals; the results of the SILEX uranium enrichment engineering development program; the market demand for natural uranium and enriched uranium; the outcome of the project for the production of 'Zero-Spin Silicon' for the emerging technology of silicon-based quantum computing; the potential development of, or competition from alternative technologies; the potential for third party claims against the Company's ownership of Intellectual Property; the potential impact of prevailing laws or government regulations or policies in the USA, Australia or elsewhere; results from IQE's commercialisation program and the market demand for cREO™ products; and the outcomes of various strategies and projects undertaken by the Company.