GLE and Dominion Energy sign Letter of Intent to develop areas of mutual interest and cooperation

3 April 2023

Silex Systems Limited (Silex) (ASX: SLX; OTCQX: SILXY) is pleased to announce the execution of a non-binding Letter of Intent (LOI) between Global Laser Enrichment (GLE) and Dominion Energy Services Inc. (Dominion Energy) for the purpose of developing areas of mutual interest and potential cooperation in the nuclear fuel supply chain. The LOI identifies a number of key areas of potential cooperation, including supporting GLE's deployment of the SILEX laser enrichment technology in the United States and the potential acceleration of commercialisation activities related to the planned Paducah Laser Enrichment Facility (PLEF).

Michael Goldsworthy, Silex's CEO/Managing Director said:

"We are very pleased with the signing of a third LOI with a major US nuclear utility, this one between GLE and Dominion Energy - following on from similar LOIs signed with Constellation Energy Generation and Duke Energy in mid-2022. This is another important step in advancing GLE's strategy to commercialise the SILEX technology in the US and to provide additional diversification in the supply of nuclear fuel, including domestic production of natural uranium from legacy depleted tails owned by the Department of Energy, along with new conversion and enrichment capabilities."

"With the US Government moving to support initiatives to rebuild its domestic nuclear fuel supply chain and lessen its dependence on nuclear fuel imports, particularly from Russia, we anticipate GLE's engagement with US nuclear power generators will provide vital industry support for the commercialisation of the SILEX technology," he added.

GLE is the exclusive licensee of the SILEX laser technology for uranium enrichment and is a 51%/49% jointly-controlled venture between Silex and global uranium and nuclear fuel provider Cameco Corporation. Dominion Energy is one of the largest energy companies in the US and operates 7 major nuclear power units across four sites in the eastern US, generating up to 6,700 megawatts of reliable, carbon-free electricity.

Subject to market conditions, regulatory requirements and other factors, GLE could become a significant contributor to nuclear fuel production in the US for the world's current and future nuclear reactor fleets.

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GLE is uniquely positioned, through its ongoing commercialisation of the SILEX technology, to address the '*Triple Opportunity*' emerging in the nuclear fuel supply chain as a result of global climate change and geopolitical issues:

1) Tails processing (PLEF) to produce natural grade UF_6 and help alleviate UF_6 conversion supply pressure;

2) Build capacity to supply enrichment (SWU) to the market for the production of Low Enriched Uranium (LEU) and Low Enriched Uranium plus (LEU+); and

3) Build additional capacity to produce High Assay LEU (HALEU) fuel for next generation advanced small modular reactors.

Silex and Cameco recently agreed to a significant uplift to the current year GLE operating budget, providing GLE with the option of commencing commercial operations at the Paducah Laser Enrichment Facility (PLEF) multi-purpose production plant as early as 2027/28 – up to three years earlier than previously planned, subject to the availability of government and industry support, along with geopolitical and market factors.

Authorised for release by the Silex Board of Directors.

Further information on the Company's activities can be found on the Silex website: 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 technology commercialisation company whose primary asset is the SILEX laser enrichment technology, originally developed at the Company's technology facility in Sydney, Australia. The SILEX technology has been under development for uranium enrichment jointly with US-based exclusive licensee Global Laser Enrichment LLC (GLE) for a number of years. Success of the SILEX uranium enrichment technology development program and the proposed Paducah commercial project remain subject to a number of factors including the satisfactory completion of the engineering scale-up program and nuclear fuel market conditions and therefore remains subject to associated risks.

Silex is also at various stages of development of 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 subject to various risks. The commercial future of the SILEX technology in application to uranium, silicon, medical and other isotopes is therefore uncertain and any plans for commercial deployment are speculative.

Additionally, Silex has an interest in a unique semiconductor technology known as 'cREO®' through its 100% ownership of subsidiary Translucent Inc. The cREO® technology developed by Translucent has been acquired by IQE Plc based in the UK. IQE has paused the development of the cREO® technology until a commercial opportunity arises. The future of IQE's development program for cREO® is very 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 as applied to uranium enrichment, Zero-Spin Silicon production, medical and other isotope separation projects, 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 Report involve subjective judgement and analysis and are subject to change due to management's analysis of Silex's business, changes in industry trends, government policies 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 Report. 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 and social uncertainty, including in relation to the impacts of the COVID-19 pandemic; geopolitical risks, in particular relating to Russia's invasion of Ukraine and tensions between China and Taiwan which may impact global supply chains among other risks; uncertainties related to the effects of climate change and mitigation efforts; the results of the GLE/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 outcome of the Medical Isotope Separation Technology program; 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; whether IQE's commercialisation program for cREO® is resumed, the results from the program and the market opportunities for cREO® products; actions taken by the Company's commercialisation partners and other stakeholders that could adversely affect the technology development programs and commercialisation strategies; and the outcomes of various strategies and projects undertaken by the Company.