



Silex
Systems Limited

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Silex completes \$120m institutional placement to accelerate commercialisation of SILEX laser enrichment technology

27 February 2023

Silex Systems Limited (**Silex** or the **Company**) (ASX: SLX) (OTCQX: SILXY) is pleased to announce today the successful completion of a \$120 million institutional placement (**Placement**) at an offer price of \$4.05 per new share. The Placement received strong support from local and international investors, including existing eligible shareholders and new institutions.

Accelerating commercialisation of SILEX laser enrichment technology:

Funds raised from the Placement, along with existing cash, will be used to accelerate commercialisation of the SILEX laser enrichment technology, working capital and general corporate purposes.

The focus of acceleration includes significant strategic market opportunities in uranium production and enrichment (nuclear power) (via GLE¹); Zero-Spin Silicon (ZS-Si) (silicon quantum computing); and medical isotopes (nuclear medicine cancer diagnostics and treatments).

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

"We are delighted with the very strong support for the Placement from a broad range of high quality, domestic and international funds. This is an exciting and transformational juncture in our Company's development. This capital underpins a highly value-accretive acceleration in our various technology commercialisation activities, at a time of increasing impetus to improve the security of the global nuclear fuel supply chain and to support a smooth transition toward decarbonisation."

¹ Global Laser Enrichment LLC, owned 51% by Silex and 49% by Cameco Corporation ('Cameco')

New ordinary fully paid shares (**New Shares**) issued under the Placement will rank equally with existing Silex ordinary shares on issue. Allotment of the New Shares issued under the Placement is expected to occur on Tuesday, 7 March 2023 with trading of the New Shares commencing on the ASX on the same date.

Share Purchase Plan

Silex is also offering eligible shareholders the opportunity to acquire up to \$30,000 in New Shares in the non-underwritten Share Purchase Plan (**SPP**) to raise up to a further \$20 million (subject to Silex Board discretion to scale back applications and/or increase to a maximum of \$25 million).

The SPP Booklet and Application Form will be released on the ASX separately and despatched to eligible shareholders on or about Monday, 13 March 2023, being the date that the SPP will open. Application Forms and payments are due no later than 5:00pm (AEDT), Thursday, 30 March 2023, being the date the SPP will close.

The New Shares issued under the SPP will rank equally with existing Silex fully paid ordinary shares on issue. Allotment of the New Shares issued under the SPP is expected to occur on Thursday, 6 April 2023.

Further information can be found in the Investor Presentation titled “*Accelerating SILEX Technology Commercialisation – Equity Raising Presentation*” released to the ASX today, Monday, 27 February 2023.

Euroz Hartleys Limited and Shaw and Partners Limited acted as Joint Bookrunners and Joint Lead Managers to the Placement. Canaccord Genuity (Australia) Limited acted as Joint Lead Manager to the Placement.

This announcement relates to the Company’s request for a trading halt on Thursday, 23 February 2023.

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.