2020 ANNUAL GENERAL MEETING

CHAIR'S ADDRESS

15 October 2020

Good morning and welcome to Silex Systems Limited Annual General Meeting. I am Craig Roy, Chair of the Silex Systems Board of Directors.

This is my second year as Chair of the Silex Board and I am pleased with our progress in the rejuvenation of the Company as a global platform technology company with the overarching strategy to commercialise our innovative SILEX laser isotope separation technology across multiple markets. We executed on a number of important strategic priorities during FY2020 that uniquely position the Company to seize opportunities across diverse targets markets in the coming years. We have built a position of commercial leverage in three globally relevant growth markets being: the nuclear fuel cycle, Quantum Computing and 5G communications technology. Our goal is to deliver long-term value to you, our Shareholders, and to do this with an acute focus on risk management and prudent governance.

A pivotal event was the execution of a transaction agreement in December 2019 with GE-Hitachi and Cameco with respect to our SILEX uranium enrichment technology. Closing of the agreement, which remains subject to US Government approvals, will secure Silex a unique position in the global uranium industry through the acquisition of 51% of US-based SILEX technology licensee, Global Laser Enrichment (GLE). The SILEX uranium enrichment program being conducted by Silex and GLE is underpinned by the agreement with the US Department of Energy for the Paducah, Kentucky uranium production opportunity. This large, multi-decade project could result in the SILEX technology becoming a significant contributor to the production of nuclear fuel for today's conventional nuclear power reactors and the next generation Small Modular Reactors. As the global uranium market continues to recover, we look forward to playing our part in the inevitable revival of the nuclear power industry, one of the largest sources of low carbon base-load electricity in the world today.

We look forward to providing further updates on the US Government approval process and progress towards the potential closing of the GLE restructure.

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We also diversified the utility of the SILEX technology during the year with a new application in the emerging Quantum Computing industry. In late 2019, we commenced a three-year project with leading quantum computing partners, Silicon Quantum Computing Pty Ltd (SQC) and UNSW Sydney to develop production technology for Zero-Spin Silicon (ZS-Si) using a variant of the SILEX laser isotope separation technology. ZS-Si is key to the fabrication of the next generation processor chips for silicon-based quantum computers. The project is supported by $1.8 million of funding from our commercial partner SQC and a $3 million Federal Government funding grant from the CRC-P.

With respect to the cREO™ semiconductor material technology, we received the first minimum annual royalty payment of US$400,000 from IQE Plc for CY2019 in March 2020. The royalty payments are in addition to US$5 million received by Silex subsidiary Translucent Inc in September 2018 (in IQE stock) for IQE's purchase of the technology. IQE is currently focusing their investment and effort into the development of cREO™ for 5G filter applications. IQE is the global leader in the design and manufacture of advanced semiconductor wafer products and is well-placed to capitalize on opportunities in the emerging markets for 5G mobile network infrastructure and handsets.

Looking ahead, we will continue to work with GLE, Cameco and the various US Government agencies on the GLE restructure approval process and the operational requirements to transition GLE to Silex majority ownership. We have a clear set of goals with a focus on completing the restructure of GLE and moving forward with the key commercialisation milestones both at GLE in Wilmington, North Carolina and here in Sydney. We also look forward to continuing our work on the ZS-Si project together with SQC and UNSW and to IQE's progress with respect to the cREO™ development and commercialisation program.

Your Company is supported by a team of highly experienced Directors with depth of knowledge in the nuclear industry and technology commercialisation underpinned by a strong commitment to governance. In early 2019 the Silex Board was renewed when Melissa Holzberger and I joined the Board. In accordance with the Notice of Meeting, Melissa is standing today for re-election, with the full support of the Board. Melissa is currently the Chair of our Audit Committee and a member of the People and Remuneration Committee and is an astute company director who brings a great deal of nuclear industry experience, legal acumen and governance expertise to the Silex Board.

The Board has continued to actively review the Company's remuneration strategy being cognizant that the attraction, motivation and retention of highly qualified and specialized people is fundamental to Silex's success. The Board believes that equity-based compensation is important to not only reduce pressure on our cash flow but to further align our employee's interests to those of our shareholders. Our Employee Incentive Plan, that was reintroduced for employees last year, is an important component of our remuneration structure to align incentives to results and to maximise retention. We are pleased that staff, and our KMP have welcomed the opportunity to receive equity-based compensation.

The COVID-19 pandemic continues to present challenges and create uncertainty. We continue with our operations to the fullest extent possible, with extreme caution and heightened concern for the safety and wellbeing of our team. Notwithstanding the challenges presented this year, Michael and the Silex team have executed on a number of strategic priorities and positive progress continues in all activities. We are well positioned to capitalise on a number of exciting opportunities and to continue to build momentum in our commercialisation programs in the years ahead.

I'd like to take the opportunity to thank you, and all of our Shareholders for your continued loyalty and support of Silex. I'd also like to thank our CEO, Michael Goldsworthy, the Silex team and my fellow directors for their tireless dedication to the Company.

Craig Roy

15 October 2020

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 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.