# Progress with US Government Approvals for GLE Restructure

## 8 January 2021

Silex Systems Limited (Silex) (ASX: SLX) (OTCQX: SILXY) provides the following update in relation to the US Government approvals process for the restructure of GE-Hitachi Global Laser Enrichment (GLE).

GLE has 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 Membership Interest Purchase Agreement (MIPA) executed in December 2019 between Silex, Cameco Corporation (Cameco) and GE-Hitachi Nuclear Energy (GEH). The application for a stand-alone Facility Clearance was submitted to the NRC in February 2020.

“The granting of the GLE Facility Clearance is the key step in gaining full US Government approvals for the transaction” Dr Michael Goldsworthy, Silex CEO said today. “We anticipate the remainder of this process to be concluded in the coming weeks, as recently disclosed. The GLE restructure has been a lengthy and challenging process, but we are now cautiously excited to be within reach of the finish line” he added.

Contemporaneously with the granting of the new Facility Clearance, the NRC will terminate, at GLE’s request, the old License under which GLE would have operated in Wilmington, North Carolina (known as the SNM-2019 License). The termination in part reflects GLE’s intention to base all commercial operations in Paducah, Kentucky, with the Paducah tails enrichment plant being the first planned commercial plant. A separate NRC license for commercial operations at Paducah will be applied for at a future date.

Closing of the MIPA, which remains subject to finalisation of US Government approvals and other factors, would result in Silex acquiring a 51% interest in GLE and Cameco increasing its interest from 24% to 49%. Details of the transaction and the additional approvals required from other US Government agencies have been outlined in previous disclosures.

Assuming a positive outcome of the US Government approvals process in the coming weeks, closing of the transaction would occur shortly thereafter. Silex will promptly provide a further update should this expectation change.



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***Authorised for release by the Silex Board of Directors.***

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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.