2022 ANNUAL GENERAL MEETING

Chair's Address

13 October 2022

Good morning and welcome to Silex Systems Limited's 2022 Annual General Meeting. I am Craig Roy, Chair of the Silex Systems Board of Directors. I want to commence today by firstly thanking our CEO, Michael Goldsworthy and CFO, Julie Ducie for their leadership and tenacity over the past few years and the unwavering efforts of our outstanding team. The achievements of our entire team are exceptional and testament to their focus and first-class expertise as they strive to execute Silex's strategy and capitalise on the growth opportunities for your Company.

Over the year we significantly progressed the commercialisation of our technology in two key global markets, with a priority focus on contributing to the reliable and sustainable supply of nuclear fuel for the world's clean energy needs and developing quantum materials for next-generation quantum computing. Nuclear is going to play a big part of the global thematic towards reliable and sustainable energy as the world strives for net zero against a backdrop of a global appetite for increasing baseload power. We want to be and are part of the global response.

With regard to the SILEX uranium enrichment technology, we are witnessing some significant refocussing on the importance of nuclear power as a key source of zero-emissions base load electricity in a carbon-constrained world. There are also changing dynamics in the nuclear fuel markets that have the potential to create a 'Triple Opportunity' for Silex through our ownership of a 51% interest in SILEX uranium enrichment technology licensee, Global Laser Enrichment (GLE). As we have advised the market, Silex and our GLE joint venture partner Cameco Corporation, are reviewing the feasibility of accelerating GLE's commercialisation program in response to these emerging opportunities.

GLE's commercialisation program for the SILEX uranium technology is underpinned by the agreement between GLE and the US Department of Energy for the proposed Paducah laser enrichment commercial project in the US. This large, multi-decade project could enable the SILEX technology to become the 'go to' technology for the production of all three grades of nuclear fuel required for today's conventional nuclear power reactors and for next-generation advanced Small Modular Reactors (SMRs) currently under development.

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I am proud of the progress that GLE and Silex have made with the SILEX technology commercialisation program during the past year. We have seen significant progress made since the restructure of the GLE joint venture between Silex and Cameco. This includes securing appointees for GLE's new executive team (CEO, Stephen Long and CCO, James Dobchuk) and increasing GLE's presence in the nuclear fuel industry, including the signing of two Letters of Intent with market leading US nuclear utilities.

More recently, Silex and Cameco have been assessing the potential to accelerate GLE's commercialisation program in view of emergent opportunities in the nuclear fuel supply chain, which Michael will cover shortly. It has been particularly pleasing to see the US government focused on various initiatives to support the expansion of domestic supply of nuclear fuel, for which GLE could potentially be a key player.

Both Stephen and James are working tirelessly each day to both progress the technology and ensure that GLE has a growing profile in Washington and with other key stakeholders such as the utilities. The efforts of the entire GLE team are appreciated and so important.

The opportunities in the nuclear fuel cycle are all underpinned by our game changing SILEX uranium enrichment technology that continues to progress at a steady pace towards the completion of the Pilot Demonstration Project. The focus of the technology development project is on maturation of full-scale laser systems and process separator equipment required for a commercial pilot demonstration, to be conducted at GLE's Test Loop facility in Wilmington, North Carolina. The Silex team at Lucas Heights recently completed and shipped the first module of full-scale pilot laser systems following years of world-leading laser technology development activities and the remaining modules required for pilot demonstration will be shipped around the first half of next year.

Meanwhile, we are nearing the completion of our Zero-Spin Silicon (ZS-Si) project, which remains on track for the end of this year. The aim of this project is to verify the capability of the SILEX technology for commercial production of high purity ZS-Si. This silicon enrichment project is being conducted at our Lucas Heights facility in collaboration with world-leading quantum computing partners, Silicon Quantum Computing Pty Ltd (SQC) and UNSW Sydney. We were delighted to announce the completion of construction of the pilot demonstration facility in July 2022 and the commencement of enrichment testing in September. Enriched silicon, in the form of ZS-Si, is a key enabling material for silicon-based quantum computing, with the main source of current supply – from Russian centrifuge – under the threat of disruption due to the situation in Ukraine.

The ZS-Si project has been supported by $1.8 million of funding from SQC and a $3 million Federal Government funding grant from the CRC-P. We would like to thank SQC and UNSW Sydney for their expertise, commitment and support of this potentially ground-breaking project.

Our progress to date with the ZS-Si project give us the confidence to continue with our assessment of additional potential applications of the SILEX technology in fields such as medical radioisotopes - with more news on this to follow in the coming months.

Corporate Governance

The Silex Board underwent some changes during the year that resulted in the appointment of Helen Cook as a Non-executive Director in October 2021. We are delighted with Helen's appointment and have already benefited from her wealth of nuclear industry experience and networks. Helen will be a valuable asset to the Board as we develop and execute our strategies over the coming years.

In accordance with the Notice of Meeting, Chris Wilks is standing today for re-election today with the full support of the Board. Chris is our longest serving director and remains a major contributor to the Board. On a personal note, I would like to underline that Chris is an outstanding Director who continues to add significant value to both the Board and you as Silex Shareholders, and his reappointment is in the Company's interests.

Earlier this week we announced the recruitment of Dr Geordie Graetz as Silex's Chief Commercial Officer – to commence with the Company in mid-November. Geordie has extensive experience in nuclear industry affairs, project management, government relations and public policy, and we believe he is very well equipped to support Silex with its next phase of technology commercialisation and business development.

Our Outlook

We remain acutely focussed on progressing our commercialisation programs for the SILEX technology, specifically targeting the uranium and nuclear fuel industry, and the emerging silicon quantum computing industry, while looking to leverage into other opportunities as we move forward. This is all made possible by the utility of the SILEX technology and the deep expertise and knowledge that exists in the Company today.

Our goal is to deliver long-term value to you, our Shareholders, and to do this with a relentless focus on risk management and prudent governance.

I would once again like to thank my fellow Directors, Chris, Helen and Michael and the hard-working and talented Silex team. We have faced many challenges over the years, but have adapted and prospered through perseverance and relentless dedication to the execution of our strategies. We are also proud of the fact that our team are fellow Shareholders in the Company and are therefore vested in our collective future success.

I would also like to thank you, and all of our Shareholders for your continued loyalty and support of Silex.

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 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 and Zero-Spin Silicon production, 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 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 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 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 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 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.