2023 ANNUAL GENERAL MEETING

Chair's Address

13 October 2023

Good morning and welcome to Silex Systems Limited's 2023 Annual General Meeting. I am very pleased to be able to stand here today and discuss with you the very positive outlook for your Company. In particular, we are currently seeing the strongest tailwinds ever seen in the global nuclear power industry, including the most compelling fundamentals for the nuclear fuel markets.

The commercialisation of our innovative SILEX laser enrichment technology across multiple global markets is our priority, not only to contribute to the reliable and sustainable supply of nuclear fuel to underpin the world's clean energy needs, but also to develop high value quantum materials for next-generation silicon quantum computing.

Firstly, let's discuss our Silex uranium enrichment project being delivered in conjunction with our US-based exclusive licensee Global Laser Enrichment LLC (GLE) and our joint venture partner, Cameco Corporation.

In early 2023, we agreed to a plan and budget for CY2023 to accelerate activities in the commercial-scale pilot demonstration project for the SILEX uranium enrichment technology. This decision was driven by a desire to leverage the 'Triple Opportunity' that has emerged in the global nuclear fuel supply chain, being driven by global climate change and geopolitical issues. The 'Triple Opportunity' represents a unique window for GLE to deploy the SILEX uranium enrichment technology to produce all three grades of nuclear fuel required for current and future nuclear plants at the planned Paducah Laser Enrichment Facility (PLEF).

Continued acceleration of GLE's commercialisation activities will preserve the option of commencing commercial operations at the PLEF up to three years earlier than originally planned, as early as 2028. The PLEF, which is underpinned by the 2016 agreement between GLE and the US Department of Energy, is a large, multi-decade project that could potentially enable the SILEX technology to become the 'go to' technology for the production of nuclear fuel required for today's conventional nuclear power reactors and for next-generation advanced reactors, including Small Modular Reactors (SMRs) currently under development. Importantly, GLE is planning to become the first enrichment Company in the world to introduce third generation laser-based enrichment technology.

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We are seeing increasing support from industry and government for GLE's commercialisation activities. In April 2023, GLE signed a non-binding Letter of Intent (LOI) with US nuclear utility Dominion Energy, following two similar LOIs signed with Constellation Energy Generation and Duke Energy in 2022.

We are also pleased to see clear legislative signals from the US Congress, which may help support the establishment of new nuclear fuel production capacity in the US and the nuclear industry more broadly.

And now let's discuss the opportunity to deploy the SILEX laser enrichment technology in the emerging silicon quantum computing industry. We successfully completed the Zero-Spin Silicon Project early this year, achieving all key target enrichment objectives, including producing enriched silicon-28 at the highest purity of ~99.998%, during extensive testing with the pilot demonstration facility. A path to production scalability was also identified and is being implemented through the Quantum Silicon Production Project that was launched in August, following the award of ~$5m in federal government funding from the Defence Trailblazer for Concept to Sovereign Capability Program.

We again look forward to collaborating with our partners at Silicon Quantum Computing and UNSW Sydney to establish the Quantum Silicon Production Plant, and to leverage the skills and capability we have established to commence manufacturing Quantum Silicon products for commercial sale within the next couple of years – all things going to plan.

Our Outlook

During the year, the Company completed an equity raise, with net proceeds of ~$115m. These proceeds are anticipated to be sufficient to fund our activities over the next three years, including the continued acceleration of the commercialisation of the SILEX uranium enrichment technology and initial commercial production in the Quantum Silicon Production Project. Silex has a strong balance sheet which will support the transition through the commercialisation of the SILEX laser enrichment technology across multiple global markets.

We remain firmly fixed on progressing the strategic positioning of your Company in global growth markets, firstly within the nuclear fuel industry, and the emerging silicon quantum computing industry. We are also encouraged by progress in our new Medical Isotope Separation Technology (MIST) Project and look forward to sharing further updates on our proof-of-concept project later this year.

Our opportunities are made possible by the utility of the SILEX technology and the exceptionally talented Silex and GLE teams who are at the core of our activities and achievements. We continue to recruit carefully and strategically to ensure that we have the right people and expertise to deliver on our priorities and ultimately to create value for shareholders. To reinforce this value creation, we maintain a relentless focus on risk management and prudent governance.

I would like to thank my fellow Directors, Chris, Helen and Michael, and under Michael's enduring leadership, the hard-working and talented Silex team. Their collective continued perseverance, innovation and commitment to the execution of our strategy is first class.

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

In closing, and in accordance with the Notice of Meeting, I am standing for re-election today with the support of my fellow Directors. I remain committed to the Company and to supporting the execution of our strategy to create further shareholder value.

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 'Quantum Silicon' project remains dependent on the outcomes of the project and the viability of silicon quantum computing and is therefore subject to various risks. Silex is also conducting research activities in its Medical Isotope Separation Technology (MIST) Project, which is early-stage and subject to numerous 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 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 GLE/SILEX uranium enrichment pilot demonstration 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 MIST 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.