Full Year Operational Update

29 August 2024

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Recent Highlights and Progress

The SILEX Laser Uranium Enrichment Technology:

- The Company continued to make substantial progress in its various enrichment technology projects, with a primary focus on supporting the continued execution of the commercialisation program for the SILEX laser-based uranium enrichment technology with exclusive licensee Global Laser Enrichment LLC (GLE) in the US;
- Silex and GLE have constructed, integrated, and commissioned full-scale pilot equipment in GLE's Test Loop facility in Wilmington, NC, with the aim of completing technology demonstration (TRL-6[1]) of the SILEX technology by the end of 2024, subject to an independent assessment and report. If successfully completed in 2024, the TRL-6 demonstration would be achieved up to 12 months earlier than originally planned. The required period of demonstration testing, and the timing of the assessment report, are at the discretion of the independent assessor;
- GLE has commenced loading the UF_6 inventory into the Test Loop pilot facility in preparation for the commencement of enrichment testing;
- GLE, the jointly-controlled venture between Silex and Cameco Corporation, is uniquely positioned to address the *'Triple Opportunity'* that is emerging today in the global nuclear fuel supply chain. This is being driven by global climate change and associated net-zero targets, the increasing need for stable baseload power for emerging industrial uses, including Artificial Intelligence (AI), data centres, and electric vehicles, and geopolitical factors, which are providing a catalyst for energy security measures around the world. The '*Triple Opportunity'* consists of:
    1) production of natural grade uranium (U_{nat}) in the form of converted UF_6;
    2) production of low enriched uranium (LEU) for conventional nuclear power plants;
    3) production of high assay LEU (HALEU) for next-generation advanced reactors, including Small Modular Reactors (SMRs)[2];
- GLE's owners agreed to a plan and budget for CY2024 that continues the support of activities in the technology commercialisation project for the SILEX uranium enrichment technology, including: i) completion of GLE's new headquarters facility in Wilmington, NC, which provides significant additional space for the continued growth of the GLE team and the establishment of in-house manufacturing capability; ii) land acquisition activities for the first planned commercial production plant in Paducah, KY; and iii) preparation of an application to the Nuclear Regulatory Commission (NRC) for the commercial plant construction and operating licence;
- GLE intends to participate in the bidding process for the Department of Energy's (DOE) LEU Enrichment Acquisition Request for Proposal (RFP), issued in July 2024, with bids due for submission by 9 September 2024. The RFP provides up to US$2.7bn to support the US domestic nuclear fuel cycle.

[1] Technology Readiness Level 6 (TRL-6), as defined by DOE Technology Readiness Assessment Guide (G 413.3-4A)

[2] SMRs produce up to 300MWe power

Other Highlights:

- The design and construction of the first full-scale Quantum Silicon (Q-Si) Production Plant continues at the Company's Lucas Heights facility, with $5.1m in funding support from the Federal Government's Defence Trailblazer program and a further $4.35m cash contribution from longstanding offtake partner, Silicon Quantum Computing (SQC);

- In December 2023, the Company announced the successful completion of Stage 1 of the Medical Isotope Separation Technology (MIST) Project with proof-of-concept achieved to produce enriched Ytterbium-176 (Yb-176), which is the precursor isotope required for Lutetium-177 (Lu-177), a breakthrough development for the diagnosis and treatment of aggressive metastatic cancers. Work continues on Stage 2 of the Project which aims to achieve technology validation through a prototype demonstration system;

- The Company held cash and term deposits at 30 June 2024 of ~$113.1m, with no corporate debt.

Our Strategy

We are committed to the commercialisation of our innovative SILEX laser enrichment technology across multiple global markets, with a priority focus on contributing to the reliable and sustainable supply of nuclear fuel for the global nuclear power industry, a vital part of the world's clean energy needs. The execution of our strategy is being pursued through the following activities:

- Pursuit of the *'Triple Opportunity'* in the global nuclear fuel supply chain for the SILEX uranium enrichment technology, through our ownership of a 51% interest in exclusive uranium technology licensee, GLE;

- Commercial deployment of the SILEX technology for the production of Q-Si products based on Zero-Spin Silicon – a key enabling material required for silicon quantum computer chip fabrication; and

- Further leveraging and exploiting Silex's core capabilities, including through the potential production of medical isotopes, initially focusing on enrichment of Yb-176 – a key enabling material for breakthrough nuclear medicine cancer treatment.

SILEX Uranium Enrichment Technology

The SILEX technology is the only third-generation laser-based uranium enrichment technology known to be in the advanced stages of commercial development today. Subject to various factors, including the successful completion of TRL-6 pilot demonstration, availability of industry and government support, the successful completion of a feasibility study for the Paducah Laser Enrichment Facility (PLEF), and suitable market conditions, the SILEX technology could become a major contributor to nuclear fuel production for the world's current and future nuclear reactor fleet, through the production of uranium in several different forms, including natural grade uranium (U_{nat}) as UF_6, LEU and LEU+, and HALEU.

Uranium production, conversion, and enrichment are the key value drivers of the nuclear fuel supply chain, accounting for nearly 85% of the value of a reactor fuel bundle. Importantly, successful commercialisation of the SILEX uranium enrichment technology through licensee GLE could create leverage into all three of these nuclear fuel supply chain sectors and could enable the SILEX technology to become a unique nuclear fuel production platform for existing and emerging nuclear power generation systems.

The 'Triple Opportunity' for GLE and SILEX Technology

The *'Triple Opportunity'* for nuclear fuel production is emerging as a result of international developments, which are driving a transformation of the global nuclear fuel supply chain:

- the growing shift towards utilisation of nuclear power by many countries around the world in response to heightened concerns over global climate change and the need to establish emissions-free electrical energy systems;
- the significant increase in global demand for electricity, driven by population and economic growth factors, including substantial investments into AI, data centres, and electric vehicles; and
- the impact of geopolitical developments on global energy security, principally Russia's invasion of Ukraine, resulting in the bifurcation of the international nuclear fuel market.

The *'Triple Opportunity'* could involve production of three different grades of nuclear fuel – all via the deployment of the SILEX laser-based uranium enrichment technology in the US, including:

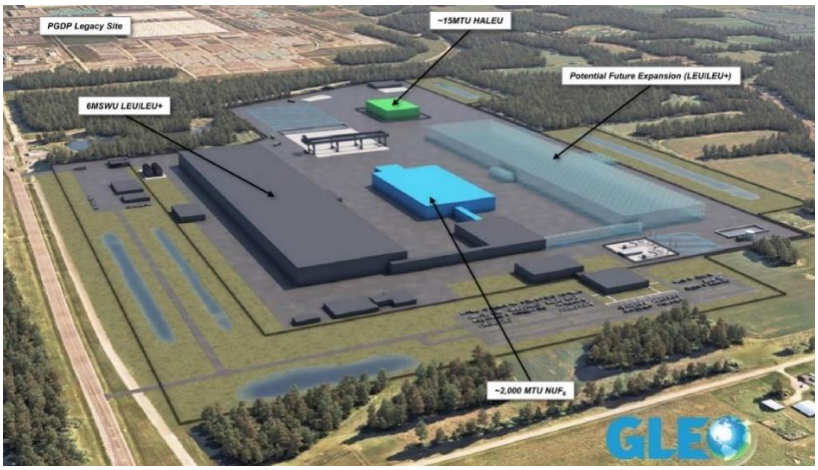
1) **PLEF UF_6 Production:** Production of natural grade UF_6 (with U-235 assay of 0.7%) via processing of depleted UF_6 tails (U-235 assays of 0.25% to 0.5%) with the SILEX technology, which being already converted would also help alleviate UF_6 conversion supply pressures;

2) **PLEF LEU Production:** Production of LEU (U-235 assays up to 5%) and LEU+ (assays from 5% to 10%) from natural grade UF_6 with additional SILEX enrichment capacity – to supply fuel for existing and future large-scale conventional and advanced reactors;

3) **PLEF HALEU Production:** Production of HALEU (U-235 assays up to ~20%) via enrichment with the SILEX technology to supply fuel for next-generation advanced reactors, including SMRs.

*GLE is aiming to address the known nuclear fuel supply chain issues, with the unique potential to produce all three grades of nuclear fuel required for current and future nuclear power plants using the SILEX Technology – described as the '**Triple Opportunity**'.*

PLEF Commercial Plant Opportunities (conceptual)



Source: GLE, PLEF commercial plant (conceptual)

The PLEF commercial opportunities are underpinned by the 2016 agreement between GLE and the DOE, which, through the acquisition of over 200,000 metric tonnes of depleted uranium tails owned by the DOE, provides the feedstock for the production of natural grade uranium hexafluoride (UF_6) over three decades.

PLEF Feedstock: DOE Depleted Uranium Tails, Paducah, KY

Source: US Department of Energy

The output of the proposed plant would be sold into the global uranium market at an expected production rate equivalent to a uranium mine with an annual output of up to 5 million pounds of uranium oxide, which would rank in the top 10 of today's uranium mines.

*Preliminary analysis by Silex of PLEF UF_6 production indicates it could rank equal to a **'Tier 1' uranium mine** based on current estimates of longevity and its potentially low cost of production.*

With Russia currently holding around 44% of the world's uranium enrichment capacity, and given the May 2024 enactment of legislation in the US to prohibit the importation of uranium and nuclear fuel from Russia, there is an urgent need for the global nuclear industry to minimise or eliminate reliance on Russia. This opens up the second and potentially most significant opportunity for GLE and the PLEF – the production of LEU fuel used in the existing global nuclear power reactor fleet.

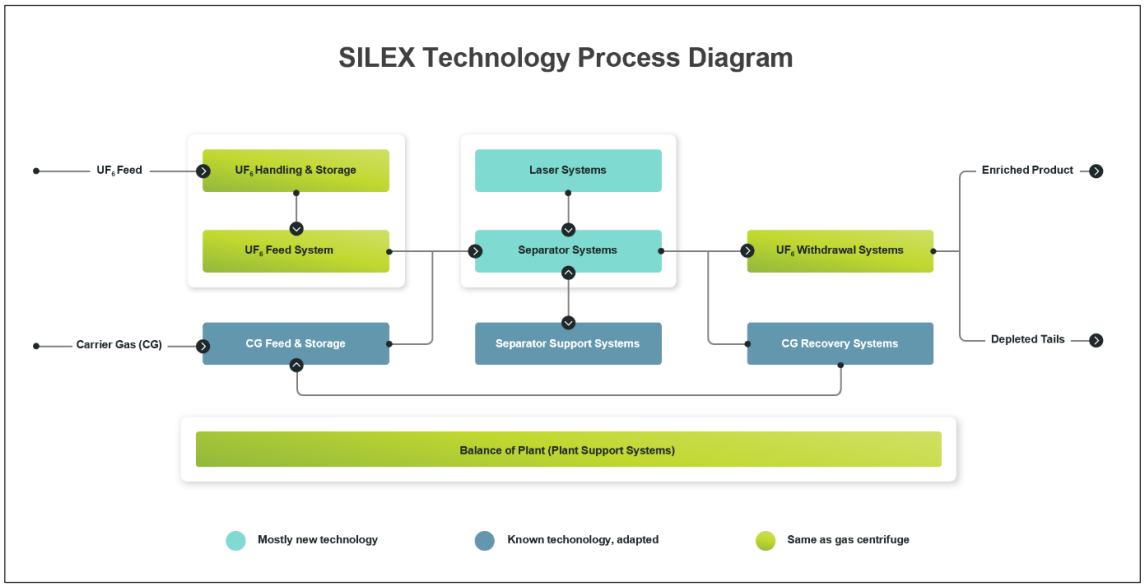
Potential production of HALEU at the PLEF is emerging as a third opportunity as nuclear fuel supply chains exclude Russian-sourced HALEU material. HALEU will be required to fuel many next-generation advanced ('Gen IV') reactor designs, including a number of SMRs.

GLE's Commercialisation Program

TRL-6 Pilot Demonstration Program Update:

The primary focus of the TRL-6 Pilot Demonstration Program being undertaken by Silex and GLE is the construction and testing of full-scale laser systems, separator systems, and associated gas handling equipment, with enrichment testing under plant-like conditions to be assessed for achievement of the pivotal TRL-6 pilot demonstration. In anticipation of completing the integration and commissioning of these systems, GLE received approval from the NRC in March 2024 to load UF_6 for TRL-6 enrichment testing.

At the time of writing, preparations for the commencement of the TRL-6 testing program continue, with the TRL-6 Pilot Demonstration Program expected to be completed by the end of this calendar year, subject to the completion of an independent assessment and submission of a report to GLE's owners, Silex and Cameco. At the core of the SILEX technology are the laser systems and separator systems that form the vast majority of the classified intellectual property (IP) licensed to GLE by Silex, as depicted below:



Successful completion of pilot demonstration would result in the technology reaching ***TRL-6 level – a pivotal milestone in the de-risking of the SILEX laser-based uranium enrichment technology****.*

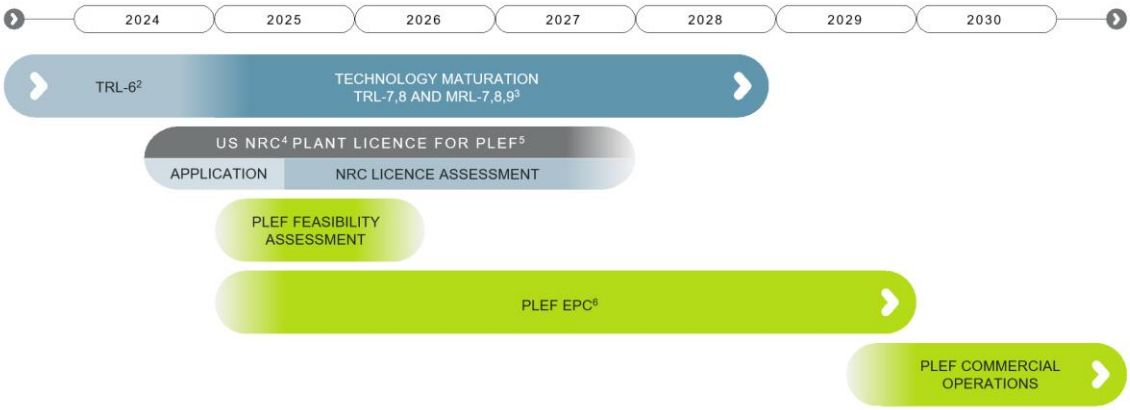
GLE's Commercialisation Timeline[1] and Activities:

Key to progressing GLE's commercialisation activities is the successful TRL-6 demonstration of the SILEX technology. Achievement of TRL-6 demonstration by December 2024 would result in the completion of this key milestone up to 12 months ahead of the original schedule.

GLE's CY2024 plan and budget provides for progress in other key commercialisation efforts, including several activities related to the planned PLEF:

- advancing technology maturation (i.e., TRL-7 and 8) and manufacturing activities (i.e., MRL-7 and 8) in preparation for commercial deployment;
- completion of GLE's new facility in Wilmington (occupancy taken up in June 2024), which provides significant additional space for continued growth of the GLE team, and in-house manufacturing capability to support GLE's commercialisation program;
- Paducah, KY site acquisition activities, with GLE executing a set of agreements in June 2024 that provide GLE with an option to purchase a ~650 acre parcel of land for the planned PLEF – situated adjacent to the DOE's former first-generation Paducah Gaseous Diffusion Plant, at which the legacy depleted uranium inventories (PLEF feedstock) are located; and
- preparations for the NRC commercial plant licence for the PLEF, including the deployment of a highly experienced regulatory team to support the required safety and environmental assessments and licence application documentation.

Subject to various factors, including the successful completion of TRL-6 pilot demonstration, industry and government support, a feasibility study for the PLEF, and continued supportive market conditions, GLE will continue to advance these commercialisation activities in order to support the potential commencement of commercial operations at the PLEF ahead of the original plan of 2030.



1. Timeline subject to technology demonstration outcomes, market conditions, licensing, industry and government support, PLEF feasibility assessment and other factors and may vary according to differing scenarios
2. Includes achievement of Technology Readiness Level 6 (TRL-6) as defined by *DOE Technology Readiness Assessment Guide* (G413.3-4A)
3. MRL: Manufacturing Readiness Level
4. NRC: Nuclear Regulatory Commission
5. PLEF: Paducah Laser Enrichment Facility
6. EPC: Engineering, Procurement and Construction of commercial plant

Government and Industry Support:

GLE's strategy includes active engagement with government and industry organisations, aimed at attracting strategic support and developing opportunities to help expedite and de-risk the commercialisation program for the SILEX uranium enrichment technology.

US Government Initiatives

In response to evolving geopolitical developments, energy security concerns, and the need for reliable, low-cost, carbon-free, baseload electricity generation, the US Congress enacted pivotal legislation with strong bipartisan support through the year to incentivise the establishment of new nuclear fuel production capacity in the US, as well as to reassert America's global nuclear industry leadership. Key recent US legislative developments include:

- the December 2023 passing into law of the *Nuclear Fuel Security Act* – passed as an amendment to the *National Defence Authorization Act for 2024*, which provided DOE with the authority to incentivise new US domestic production of LEU and HALEU;
- the March 2024 passing into law of the *FY2024 Energy and Water Appropriations Act*, which provided authorisation for the release of US$2.7bn for new US domestic LEU and HALEU capacity. In July 2024, the DOE issued its LEU Enrichment Acquisition RFP in respect to the US$2.7bn of available funding;
- the May 2024 passing into law of the *Prohibiting Russian Uranium Imports Act*, which bans imports of Russian uranium (LEU) from 1 January 2028, with waivers facilitating imports from August 2024 until the end of 2027, subject to approval from the US Secretary of Energy; and
- the July 2024 passing into law of the *Accelerating Deployment of Versatile, Advanced Nuclear for Clean Energy (ADVANCE) Act*, which supports US industry and supply chains, the deployment of US nuclear technology internationally, and NRC licensing efficiency.

GLE intends to participate in the bidding process for the DOE's LEU Enrichment Acquisition RFP, issued in July 2024, with bids due for submission by 9 September 2024.

These four laws demonstrate the bipartisan US Government support for the nuclear industry – from which GLE potentially stands to benefit. The above is in addition to the US$700m available under the DOE's HALEU Availability Program – authorised under the *Inflation Reduction Act* (IRA) in August 2022. GLE awaits details regarding the US$100m of funding support for novel nuclear fuel technologies that was also authorised under the IRA. GLE continues to explore opportunities to participate in US Government programs and industry initiatives as they evolve.

US Nuclear Utility Support

GLE continues to receive support from leading US nuclear generators, with four Letters of Intent (LOIs) now in place between GLE and Constellation Energy Generation, Duke Energy, Dominion Energy Services Inc, and another undisclosed entity. The LOIs reflect the strong support of the US nuclear industry to establish greater diversification in the supply of nuclear fuel. GLE engages extensively and proactively with the US nuclear industry to explore opportunities to partner with stakeholders to obtain support for its commercialisation strategy and the planned PLEF.

Nuclear Power Outlook and Fuel Market Update

Nuclear Power Outlook:

Nuclear power is playing an increasingly important role in the supply of carbon-free, baseload electricity. It is anticipated to play a much greater role in the global energy mix as countries around the world adopt policies to meet more urgent net-zero carbon emissions targets. Twenty-five countries, including the US, Canada, the UK, and France, pledged to triple nuclear energy capacity by 2050 at COP28, in Dubai in December 2023. Many countries' energy policies continue to shift in favour of nuclear energy as an ideal companion to renewable energy sources, with five countries (the US, Canada, France, Japan, and the UK) announcing plans at COP28 to invest US$4.2bn into new uranium enrichment and conversion capacity to serve the global nuclear fuel market.

According to the World Nuclear Association, there are currently 439 operable nuclear reactors globally, with significant growth in nuclear power expected from the additional 64 reactors under construction and the hundreds more that are planned. Notwithstanding large nuclear construction programs in China, India, and the Middle East, the US remains the world's largest producer of nuclear power, with 94 operable reactors. The US currently accounts for more than 30% of worldwide nuclear generation of electricity and is expected to remain the largest nuclear power generator for years to come. In addition, several US states and utilities are undertaking studies to assess the potential restart of shutdown reactors.

Growth in demand for nuclear power is also evident in the granting of life extensions for existing reactors. In the US, nearly all of the operable reactors have been granted operating licence extensions from 40 to 60 years, with some potentially planning to operate for 80 years or more.

Furthermore, there is growing interest and significant international investment in the development of next-generation advanced reactor technologies, including SMRs. A number of advanced reactors are being designed to operate with HALEU fuel, while other more near-term designs will use conventional LEU fuel or, in some cases, LEU+ fuel.

With significant growth forecast in nuclear power generation around the world and the ever-increasing awareness of the potential contribution of nuclear energy to mitigate the adverse effects of climate change, as well as to power AI, data centres, and electric vehicles, among other industrial uses of electricity, we remain encouraged by the various opportunities for the SILEX uranium enrichment technology and GLE.

*We believe the **SILEX laser-based uranium enrichment technology** could help make nuclear power a more efficient and cost-effective solution for resilient and sustainable carbon-free, baseload electricity generation.*

Fuel Market Update:

With many countries prioritising government policy initiatives to address the compounding issues of climate change, transport electrification, and geopolitical disruptions to energy markets triggering a new focus on sovereign energy security, we expect to see nuclear power form a more meaningful part of the energy mix for a growing number of countries. This is resulting in market conditions and opportunities for nuclear fuel that have not previously been seen in the nuclear industry.

For many years, global nuclear fuel markets have been highly dependent on Russian supply, as summarised in the table below. The shift away from Russian-sourced material in the wake of its February 2022 invasion of Ukraine has created urgency in establishing alternative supply sources for the medium to long term.

	Russian Share of Global Production Capacity[1]	EU Nuclear Fuel Supplied by Russia[2]	US Nuclear Fuel Supplied by Russia[1,3]
Uranium (U_3O_8)	~14%	~17%	~12%
Conversion	~22%	~22%	~18%
Enrichment (SWU)	~44%	~30%	~27%

1. UxC, various sources 2024
2. Euratom Supply Agency Annual Report 2022, published January 2024
3. EIA, 2023 Uranium Marketing Annual Report, June 2024

With Russia currently providing the European Union ~30% and the US ~27% of their enriched nuclear fuel requirements, Western governments and utilities are seeking to establish secure nuclear fuel production capabilities to free themselves of Russian influence. Importantly, the recently enacted US ban on the importation of Russian uranium (LEU) also prohibits the import of unirradiated LEU that has been swapped ('washed') for prohibited Russian uranium (LEU) or otherwise obtained in a manner designed to circumvent the ban's restrictions.

As a consequence of the abovementioned compounding issues, the global markets for uranium, conversion services, and enrichment services have continued to tighten, with price increases being witnessed across all components of the fuel cycle. Since February 2022, when the term price of uranium traded at ~US$42 per pound, the term price of uranium has rallied to ~US$80 per pound. Term conversion prices have increased from ~US$18/kg to ~US$39/kg, and term enrichment prices from ~US$65/SWU to ~US$163/SWU over the same period.

We believe global nuclear fuel markets will continue to undergo fundamental realignment and move towards a more resilient and sustainable footing, with the aim of becoming less dependent on Russian and other state-owned nuclear fuel suppliers. We expect this realignment will endure for decades, given the renewed focus on long-term energy security and decarbonisation of electricity supply systems.

Quantum Silicon (Q-Si) for Quantum Computing Processor Chips

Silex's Q-Si Production Project, which commenced in August 2023, is being undertaken in conjunction with partners, SQC and UNSW Sydney (UNSW). The Project's objective is to establish the first Q-Si Production Plant and to develop the skills and capability to manufacture Q-Si products, produced from Zero-Spin Silicon (ZS-Si) halosilane, in multiple product forms at commercial scale.

In January 2024, Silex announced the expansion of its commercial arrangements with longstanding partner, SQC, in support of the Q-Si Production Project. This included an increase to SQC's product offtake commitment for Q-Si products and additional funding arrangements that will result in a cash contribution of $4.35m to the Project. The 3.5-year Project is also supported with $5.1m in funding from the Federal Government's Defence Trailblazer for Concept to Sovereign Capability Program, a strategic partnership between The University of Adelaide and UNSW, via the Department of Education's Trailblazer Universities Program.

The aim of the Project is to design and construct the first module of the Q-Si Production Plant at the Company's Lucas Heights facility. It is anticipated that the Plant will produce up to 20kg annually of ZS-Si, which will be converted to Q-Si product forms (gaseous and solid) required by potential customers in the global silicon-based quantum computing industry. A key benefit of the SILEX laser isotope separation technology is its modular nature, allowing for the Production Plant to be scaled-up with more production modules over time, based on market demand and other factors.

During the year, Silex made substantial progress on the design and construction of the Q-Si Production Plant, including in-house laser and plant component manufacture, and significantly expanded its chemistry and engineering team capability. Silex also continued to engage with silicon-based quantum computing developers and other potential industrial users of Q-Si to develop a customer base for the Company's products. Silex will retain 100% ownership of the Q-Si production technology and related IP developed through the Project.

Quantum Computing and Q-Si Outlook:

Australia has been at the forefront of global efforts to develop and commercialise quantum computing and associated quantum technologies, which have the potential to underpin transformational technological advancements in many fields, including AI, robotics, advanced communications, and sensing, and in complex global industries, such as defence and aerospace, finance, biomedical science, chemicals, and logistics. UNSW and its commercial spin out, SQC, are world leaders in developing silicon-based quantum computing technology, which, if successful, will allow Australia to establish sovereign capability in a key strategic technology that will advance the country's future defence, national security, and economic competitiveness in the emerging quantum technology era.

Many other countries around the world are also investing heavily in the development of quantum computing technology, with governments and key corporates (such as Intel, IBM, Google, Microsoft, Amazon, and others) vying for leadership in this emerging strategic industry.

Silicon-based quantum computing technology is reliant on the production of enriched silicon-28 (Q-Si). Current methods for production of Q-Si are limited and costly, with only small quantities produced annually, mostly using gas centrifuge technology in Russia. Due to the Russian invasion of Ukraine, this fragile supply chain has been disrupted, threatening the commercial viability and technical feasibility of silicon-based quantum computing.

Quantum computing promises to provide significant advantage over classical computing in key fields and industries, and is emerging as a ***critical strategic technology*** *– into which governments, globally, are investing billions of dollars and providing a potentially* ***significant new business opportunity for Silex****.*

Medical Isotope Separation Technology (MIST) Project

In February 2023, Silex announced the MIST opportunity and the commencement of its MIST Project. The Project is initially focusing on the development and demonstration of a process to economically produce enriched Yb-176, which is the precursor isotope required for Lu-177 production. The Lu-177 radioisotope has enabled a breakthrough development, called targeted beta therapy, for the diagnosis and treatment of a number of types of aggressive metastatic cancers. It has been approved for use in several applications in the US, Europe, and the UK, and is under trial in Australia. Enriched Yb-176 previously was almost entirely sourced from Russia, with supply disrupted by the war in Ukraine and the shift away from Russian nuclear market services.

In December 2023, Stage 1 of the Project (proof-of-concept) was successfully completed. Proof-of-concept was achieved with a Silex custom-built test system in our Lucas Heights facility. The Stage 1 results involved the demonstration of an isotopic enrichment effect for the Yb-176 isotope, and cleared the path to proceed to Stage 2 (Technology Validation). Silex is currently undertaking Stage 2 of the Project and is completing a series of activities to validate the process at prototype scale, representing a significant level of scale-up. This includes the design and construction of a prototype demonstration system, as well as preliminary enrichment testing. At the time of writing, enrichment testing continues to produce encouraging results.

The MIST platform has potential application to other high-value medical and industrial isotopes, with the technology and all associated IP wholly owned by Silex.

Financial Overview

As at 30 June 2024, the Company held ~$113.1m in cash and term deposits, with no corporate debt. The Company's net cash outflows for the year ending 30 June 2024 were $25m, largely resulting from funding contributions to GLE in support of GLE's commercialisation program for the SILEX uranium enrichment technology.

Workplace Health and Safety

The health, safety, and well-being of our people is paramount. We have a constant focus on the health, safety, and well-being of our team members across all sites. We reported no lost time injuries or reportable incidents at our project sites during the last year. The Company has recently adopted a new Workplace Health and Safety framework with additional policies, procedures, and systems to reflect the growth in the Company's operations.

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 TRL-6 pilot demonstration program, nuclear fuel market conditions, industry and government support, project feasibility and commercial plant licensing, 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 'Quantum Silicon' for the emerging technology of silicon-based quantum computing. The 'Quantum Silicon' project remains dependent on the outcomes of the project as well as the successful development of silicon quantum computing technology by third parties, 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.

Forward Looking Statements

The commercial potential of the abovementioned technologies and activities 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, Quantum Silicon production, medical and other isotope separation projects, and any associated commercial prospects are forward-looking and are subject to a number of variables, including but not limited to, known and 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 (including project outcomes), 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 global economic stresses such as interest rates and inflation; geopolitical risks, in particular relating to Russia's invasion of Ukraine and tensions between China and Taiwan which may impact global supply chains; uncertainties related to the effects of climate change and mitigation efforts; the results of the GLE/SILEX uranium enrichment pilot demonstration (TRL-6) program; the market demand for natural uranium and enriched uranium; the outcome of the project for the production of Quantum 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; 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.