

## **Silex Systems - Update**

**23 April 2019**

Silex Systems Limited (Silex) (ASX: SLX) (OTCQX: SILXY) is pleased to provide the following brief update on its recent activities.

### ***SILEX technology and the GLE restructure:***

As disclosed in our announcements on 6 and 25 February 2019, the Company is working towards finalisation of a binding purchase agreement for the restructure of SILEX technology licensee GE-Hitachi Global Laser Enrichment LLC (GLE). This follows the signing of a Term Sheet on 5 February 2019 which provides the key terms for a proposed joint purchase by Silex and Cameco of GE-Hitachi's (GEH) 76% interest in GLE. Negotiation of a binding purchase agreement and associated documentation is well advanced and, providing there are no unforeseen difficulties, is expected to be finalised for execution in the current quarter. Subject to obtaining US Government approvals, the proposed restructure of GLE would result in Silex acquiring a 51% interest, and Cameco increasing its interest in GLE from 24% to 49%.

We believe this acquisition is potentially a positive turning point which could underpin a new phase of growth for the Company. In particular, the proposed transaction provides an ideal path to market for GLE and the SILEX technology in the US, with the Paducah tails re-enrichment project and the associated agreement between GLE and the US Department of Energy (DOE) pivotal on this path. The proposed transaction also supports the continuation of a reduced but focused technology development program at both the Company's Lucas Heights facility and at GLE's Wilmington Test Loop facility.

### ***Translucent cREO™ technology and IQE:***

IQE Plc (LON: IQE), who acquired Translucent's innovative cREO™ semiconductor materials technology in March 2018, disclosed on 20 March in the commentary to its full year results that positive progress continues to be made in the commercialisation of cREO™ for application in several of its key target markets. A perpetual royalty of between 3% and 6% will be payable to Translucent on the sale of any IQE products worldwide that utilise the cREO™ technology, with minimum annual royalties due to commence being paid in FY2020 for the first 6 years.

Further information on the Company's activities can be found on the Silex website: [www.silex.com.au](http://www.silex.com.au) or by calling +61 2 9704 8888.

**Forward Looking Statements and Business Risks:**

*Silex Systems Limited (Silex) is a research and development company whose primary asset is the SILEX laser uranium 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. 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 continuing uncertainty surrounding the GLE restructure and the continuing depressed nuclear fuel market conditions, plans for commercial deployment of the SILEX technology have been significantly delayed, and remain 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 in various advanced semiconductor products. The outcome of IQE's commercialisation program is also highly uncertain and remains subject to various technology and market risks.*

*The commercial potential of these two technologies is currently unknown. Accordingly, the statements in this announcement regarding the future of the SILEX technology, the cREO™ technology and any associated commercial prospects are forward looking and actual results could be materially different from those expressed or implied by such forward looking statements as a result of various risk factors.*

*Risk factors that could affect future results and commercial prospects include, but are not limited to: the outcome of the GLE restructure; the results of the SILEX uranium enrichment engineering development program; the market demand for natural uranium and enriched uranium; the potential development of competing 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 undertaken by the Company.*