

## **Update on the GLE Restructure**

**24 June 2019**

Silex Systems Limited (Silex) (ASX: SLX) (OTCQX: SILXY) provides the following brief update on the status of activities regarding the restructure of SILEX technology licensee GE-Hitachi Global Laser Enrichment LLC (GLE).

Silex continues to work with GE-Hitachi Nuclear Energy (GEH) and Cameco Corporation towards finalisation of a binding purchase agreement for the restructure of GLE, pursuant to the signing of a Term Sheet on 5 February 2019. The agreement would result in the joint purchase by Silex and Cameco of GE-Hitachi's (GEH) 76% interest in GLE. 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%. Negotiation of a binding purchase agreement and associated documentation is nearing completion and, providing there are no unforeseen difficulties, is expected to be finalised in readiness for execution shortly.

The proposed acquisition of a majority interest in GLE would provide Silex with a unique opportunity to participate in the commercialisation of the SILEX technology through the Paducah tails re-enrichment project, both as an equity partner with Cameco (with the potential to directly share in project returns), and as licensor of the technology to GLE (with the license and royalty agreement remaining intact). The path to market for GLE and the SILEX technology is largely dependent on the Paducah project, which is underpinned by the agreement between GLE and the US Department of Energy (DOE) – involving the purchase of approximately 300,000 metric tons of depleted uranium tails for re-enrichment using the SILEX technology. In order to ensure the tails purchase agreement is aligned with delays impacting the commercialisation project due to continuing adverse market conditions, GLE, Silex and Cameco are seeking assurance that the agreement will remain in full force and effect to enable successful implementation of the Paducah project.

Should the GLE restructure negotiations not be finalised by the time of our full year operational update at the end of August, we will update the market at that time.

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.*