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2017 ANNUAL GENERAL MEETING

10 NOVEMBER 2017

CHAIR'S ADDRESS

Good morning, ladies and gentlemen, and fellow shareholders. I am pleased to welcome you to our 2017 Annual General Meeting.

After my opening comments, our Founder, CEO and Managing Director, Dr Michael Goldsworthy will provide a business update. We are also joined today by our other fellow directors Chris Wilks and Robert Lee, our Chief Financial Officer and Company Secretary, Julie Ducie, and our auditor, David Ronald from PwC.

I would like to commence my address to you today by reassuring you all that the intense focus continues in our Boardroom on the execution of our fundamental strategy - to advance our core asset, the SILEX laser based uranium enrichment technology. This includes completing the commercialisation program for the SILEX technology and positioning ourselves to participate in the forecasted recovery of the global market for nuclear fuel expected from the mid-2020's.

This focus is also the key driver behind our efforts to restructure the exclusive Licensee of the SILEX technology, GE-Hitachi Global Laser Enrichment LLC (GLE) and underpins our intention to become a majority shareholder in GLE. While we have made solid progress over the past 12 months, this remains subject to final negotiation and execution of transaction documentation and the subsequent process to obtain the necessary approvals from the US Government.

The execution of our strategy for the SILEX technology has included several parallel streams of activities which has resulted in a very busy time for my fellow directors and the Silex team. We have increased our presence in the US, the target market for deployment of the SILEX technology and continue to evaluate new opportunities to participate in the nuclear fuel cycle. We are extensively engaged with the many stakeholders in GLE and Silex, including the US and Australian governments who both take a keen interest in future activities and the safeguarding of our cutting-edge technology.

Here in Australia, we work hard to ensure the retention of our talented team and maintaining our Sydney laser development facility as a centre of innovation, whilst focusing on effective cost management to ensure the most efficient use of cash reserves. All of these efforts have been underpinned by our ongoing attention to long-term value creation, risk management and strong governance.

With regard to our semiconductor technology, as you are aware the Translucent cREO™ was licensed exclusively to UK-listed, IQE Plc in 2015. IQE's program to advance the product development and commercialisation for our advanced semiconductor technology continues to yield positive results. In March 2018, IQE can elect to acquire the cREO™ technology and if so, a further payment of US$5 million will be payable. A future royalty of up to 6% would also be payable on the sale of IQE's products which utilise the cREO™ technology.

For the year ahead, we have a clear set of goals with a focus on completing the restructure of GLE and achieving key commercialisation milestones both at GLE in Wilmington, North Carolina and here in Sydney. We also look forward to the ongoing product development program for the cREO™ technology at IQE.

I want to assure all of our shareholders that your Board remains vigilant in ensuring the successful execution of the Company's strategy whilst maintaining focus at all times on risk mitigation and governance. Above all, we remain committed to the nuclear industry and believe that the potential expansion of global nuclear capacity over the next two decades and beyond will provide a strong market for the SILEX technology.

In closing, I note that the end of the financial year ended 30 June 2017 marked my five-year anniversary as a Silex Board Member, and three-years as Chair of the Board. Whilst reflecting on my tenure, I note the dramatic changes within Silex primarily driven by the huge challenges in the nuclear industry. Whilst these challenges persist today, I do believe that we are witnessing the beginning of a recovery in the fortunes of nuclear, and that better times are on the horizon as the world strives to resolve global energy security and climate change issues.

Finally, I would like to thank my fellow Board members and the Silex team who continue to work tirelessly with the headwinds of challenging industry conditions. And, thank you to you - our shareholders - for your ongoing support as we work to achieve our goals. We appreciate your feedback on our activities and initiatives.

Dr Lisa McIntyre
10 November 2017

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

Forward Looking Statements and Business Risks:

Silex Systems 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, licensed exclusively to GE-Hitachi Global Laser Enrichment LLC (GLE) in the USA, is currently in the engineering development stage and plans for commercial deployment remain distant and high risk.

Silex also has an interest in a unique semiconductor technology known as 'cREO™' through its ownership of subsidiary Translucent Inc. The cREO™ technology is exclusively licensed to 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 remains high risk.

The commercial potential of these two technologies remains to be determined. Accordingly, the statements in this presentation 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, results from the SILEX uranium enrichment engineering development program being conducted jointly by the Company and GLE; the demand for natural uranium and enriched uranium; the time taken to develop the SILEX technology; results from IQE's commercialisation program and demand for cREO™ products, the potential development of competing technologies; the potential for third party claims against the Company's ownership of Intellectual Property; the potential impact of government regulations or policies in the USA, Australia or elsewhere; and the outcomes of various commercialisation strategies undertaken by the Company and/or its Licensees GLE and IQE.