









Silex Systems Ltd Uranium Enrichment Update Phillip Capital Uranium Conference 4th April 2013 Chris Wilks – Director

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Businesses



Silex Systems

Third generation laser uranium enrichment for nuclear power



Solar Systems

Utility Scale Concentrating PV power generation



Translucent

Game changing semiconductor and substrate materials



Chronologic

Precision instrumentation via distributed 'USB-in Sync™' platform

Technology Commercialisation





Section 2 SILEX Uranium Enrichment Technology

Uranium Enrichment

Uranium Enrichment

- Uranium must be enriched to work as fuel in a nuclear reactor
- Process to enrich U_{235} isotope from 0.7% to ~5%

Advantages of Laser Enrichment

- Breakthrough in efficiency uses less energy
- Smaller footprint than centrifuge and diffusion
- · Lowest capital costs of all enrichment technologies

Uranium Enrichment Processes

- · Gas Diffusion first generation, obsolete
- Centrifuge second generation, primary competition
- · Lasers third generation, SILEX unchallenged

SILEX Technology

- SILEX is the only third generation laser-based technology being commercialised in the world.
- Several other laser programs (eg 'AVLIS' & 'MLIS' involving \$ billions in R&D from 1970 to 2000) shut down.



Commercialisation and License Agreement

Exclusive Agreement

- Exclusive worldwide commercialisation and license agreement for SILEX Uranium Enrichment Technology
- Agreement with GE signed in 2006

Next Milestone Payments

- US\$15 million due upon successful completion of Test Loop program & NRC licensing of initial commercial plant
- US\$20 million due upon licensing / completion of the Lead Cascade (initial commercial module)

Perpetual Royalty

- · Perpetual royalty based on GLE revenues
- Royalty range of 7% to 12%
- Royalty range dependent on defined calculation for capital costs per unit of enrichment capacity deployed



P7

Approach to Commercialisation

GLE's phased approach to commercialisation

- Phase 1: Test Loop Program (well advanced) and NRC
 License (completed).
- Phase 2: Engineering Design of full-scale commercial plant (underway) and construction of an initial commercial production module.
- Phase 3: Construction of a full-scale commercial production plant.

GLE's commercial focus

- GLE targeting a production capacity of up to 6 million SWU (enrichment production units) for the first commercial plant
- Preliminary marketing of Laser Enrichment Services continuing
- Letters of Intent signed with US nuclear power utilities Exelon, Entergy and TVA



GLE Commercial Facility - NRC Licence

Commercial Facility Licence

- •US Nuclear Regulatory Commission (NRC) responsible for evaluating combined construction and operating license
- •Construction and operating license application submitted to NRC in July 2009 for the first proposed plant in Wilmington, North Carolina.

NRC Issued the Commercial Plant Licence on 25th September 2012

- •First ever license for a laser enrichment plant in the world
- •GLE can proceed to construct the first planned commercial plant a review of these plans is likely later in 2013.



P9

New Opportunity - Paducah Enrichment Plant

Expression of Interest submitted - opportunity for additional plant in Paducah, Kentucky USA

- GLE submitted an EOI to the US Department of Energy on 21st February proposing the construction of a SILEX laser enrichment plant in Paducah.
- Continued operation of existing gaseous diffusion plant after May 2013 unlikely – high costs.
- Potential to use SILEX Technology to enrich high assay tails stockpiles – potentially worth ~US\$3bn after enrichment (based on current price and process assumptions).
- DOE tails inventories akin to one of the largest uranium mines in the world.
- Access to existing infrastructure could realise significant cost savings and reduce time to market.
- Evaluation is at an early stage subject to further detailed discussions with relevant authorities.

DOE Depleted Uranium Inventory



Nuclear Energy in the United States

Current Reactors

- 104 nuclear reactors operating in 31 states
- ~27% of global nuclear energy capacity is in the US
- ~20% of electricity in the US is generated from nuclear energy

Future Developments

- NRC recently approved construction and operating licenses for 2 new nuclear plants in Georgia & 2 new plants in South Carolina.
- · Over 20 new plants under consideration or planning
- Electricity demand will increase 25% by 2030
- Up to 300 new power plants could be required by 2030 of which many could be nuclear

104 nuclear reactors in 31 states



Source: Nuclear Energy Institute

Electricity generation by fuel type



Coal Gas Nuclear Hydro Renewables Oil Source: Global Energy Decisions / Energy Information Administration

Nuclear Energy Worldwide

Global Issues

- Energy security and Climate Change are key concerns of Governments and Utilities around the world
- Nuclear 'renaissance' to continue despite short-term impact of the Fukushima event

Global Nuclear Capacity to Increase

- Potential increase in nuclear capacity from 434 plants today to ~1000 plants over next 2 decades
- 2012: 373 GWe
- 2030: 1,000 GWe (WNA estimates)

Uranium Enrichment Market Potential

- 2012: ~\$7 billion p.a.
- 2030: >\$17 billion p.a. (based on WNA capacity outlook)

Key Statistics

- ✓ 15 percent of global electricity
- ✓ 435 operating reactors
- ✓ 65 new plants under construction
- ✓ 167 plants planned
- ✓ 317 plants proposed

Key Market Drivers for Uranium Enrichment

Short Term Market Outlook - 'Negative'

- Short term market (next 2 to 3 years) likely to remain depressed due to impact of Fukushima event
- 50 operable Japanese reactors (>10% world total) likely to remain offline for another year or more
- Enrichment prices down ~25% since Fukushima

Medium Term Market Outlook – 'Positive'

- 12MSWU of enrichment capacity to shut down in 2013
- ~6MSWU from Paducah GDP production and ~6MSWU from US-Russian HEU agreement
- Only 7MSWU of new centrifuge capacity committed
- Potential supply issues in 5 to 10 year timeframe great opportunity for new SILEX plants

Long Term Market Outlook – 'Bullish'

- Potential for nuclear capacity growth of 2.5x by 2030
- Long term (10yr+) prospects are for significant increase in uranium enrichment demand

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Proposed nuclear reactors to 2030



Source: World Nuclear Association and Shaw

Silex Corporate Outlook

- Uranium Enrichment commercialisation project underpins the current value of Silex
- Commercialisation fully funded by GLE with focus now on design of commercial plant
- Medium and long term enrichment market attractive for entry of SILEX Technology
- Company sufficiently funded to execute other commercialisation strategies
- All four technologies moving into their commercialisation phases
- All four technologies have important value-adding milestones over the next year
- Company is steadily de-risking as it transitions towards commercial outcomes







Thank you

