

**NOTICE OF EXTRAORDINARY GENERAL MEETING
OF SILVER HERITAGE GROUP LIMITED
(ACN 604 188 445)**

NOTICE is given that the Extraordinary General Meeting of Shareholders of the Company will be held at the place, date and time specified below:

Place: Offices of Boardroom Pty Ltd, Level 12, 225 George St, Sydney NSW 2000

Date: 29 September 2017

Time: 11:00 am (AEST)

DATED this day of 28 August 2017

By order of the Board:



Kim Clark
Company Secretary

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AGENDA

A. Address by the Chairman

B. Business Update by the Chief Executive Officer

C. Resolutions:

1. Approval of grant of Performance Rights to Mike Bolsover

To consider, and if thought fit, pass as an ordinary resolution, with or without amendment, the following:

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Shareholders approve the grant of 9,333,000 Performance Rights to Mr Mike Bolsover, the Chief Executive Officer and Managing Director of the Company, in accordance with the Company's LTI Plan and on the basis set out in the Explanatory Memorandum accompanying this Notice."

The Directors (with Mr Mike Bolsover abstaining) unanimously recommend that you vote in favour of Resolution 1.

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 1 by:

- the Directors of the Company; and
- any associate of the Directors.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Ratification of prior issue of Options to OCP

To consider and, if thought fit, pass as an ordinary resolution, with or without amendment, the following:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of an aggregate of 29,904,306 Options with an exercise price of A\$0.11 and an expiry date of 26 August 2019 to OCP on 8 August 2017 on the terms and conditions set out in the Explanatory Memorandum is ratified and approved".

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 2 by:

- OCP; and
- any associate of OCP,

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Ratify prior issue of Shares to Sub-Underwriters

To consider and, if thought fit, pass as an ordinary resolution, with or without amendment, the following:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of 14,368,172 Shares in aggregate as fees to certain Sub-Underwriters the entitlement offer on 4 July 2017 and 3 August 2017 on the terms and conditions set out in the Explanatory Memorandum is ratified and approved".

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 3 by:

- any Sub-Underwriter which received fees in the form of Shares; and
- any associate of such Sub-Underwriters.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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NOTES

1. Explanatory Memorandum

The Explanatory Memorandum and the annexure accompanying this Notice of Extraordinary General Meeting are incorporated in and comprise part of this Notice of Extraordinary General Meeting and should be read in conjunction with this Notice of Extraordinary General Meeting.

2. Who may vote

In accordance with Regulation 7.11.37 of the Corporations Regulations, the Company (as convenor of the Meeting) has determined that a person's entitlement to attend and vote at the Meeting will be those persons set out in the register of Shareholders as at 7.00pm (AEST) on 27 September 2017. This means that any Shareholder registered at 7.00pm (AEST) on 27 September 2017 is entitled to attend and vote at the Meeting.

3. Proxies

A Shareholder entitled to attend this Meeting and vote, is entitled to appoint a proxy to attend and vote on behalf of that Shareholder at the Meeting.

- A proxy need not be a Shareholder.
- If the Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of the votes which each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes held by that Shareholder.
- If the Shareholder appoints only one proxy, that proxy is entitled to vote on a show of hands. If a Shareholder appoints two proxies, only one proxy is entitled to vote on a show of hands.
- Where two proxies are appointed, any fractions of votes resulting from the appointment of two proxies will be disregarded.
- A Proxy Form accompanies this Notice.
- Unless the Shareholder specifically directs the proxy how to vote, the proxy may vote as he or she thinks fit, or abstain from voting.
- If a Shareholder wishes to appoint a proxy, the Shareholder should complete the Proxy Form and comply with the instructions set out in that form relating to lodgement of the form with the Company.
- The Proxy Form must be signed by the Shareholder or his or her attorney duly authorised in writing or, if the Shareholder is a corporation, either signed by an authorised officer or attorney of the corporation or otherwise signed in accordance with the Corporations Act.
- If any attorney or authorised officer signs the Proxy Form on behalf of a Shareholder, the relevant power of attorney or other authority under which it is signed or a certified copy of that power or authority must be deposited with the Proxy Form.
- The Proxy Form (together with any relevant authority) must be received by no later than 11:00am (AEST) on 27 September 2017 before the time scheduled for the commencement of the meeting (or any adjournment of that meeting). The completed Proxy Form may be:
 - a) Mailed to the address on the Proxy Form;
 - b) Faxed to the Company, Attention Company Secretary, on facsimile number +61 2 9290 9655; or
 - c) Voted online via the Company's Share Registry at www.votingonline.com.au/svhegm2017

4. Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with section 250D of the Corporations Act authorising him or her to act as that company's representative. The authority must be sent to the Company and/or registry at least 24 hours in advance of the Meeting.

5. Voting Intentions

Subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of the Resolutions. In respect of undirected proxies, subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of the Resolutions.

**SILVER HERITAGE GROUP LIMITED
(ACN 604 188 445)**

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of the Notice convening the Extraordinary General Meeting of Shareholders of Silver Heritage Group Limited (**Company**) to be held at 11:00am (AEST) on 29 September 2017 at the Offices of Boardroom Pty Ltd, Level 12, 225 George St, Sydney NSW 2000.

This Explanatory Memorandum is to assist Shareholders in understanding the background to, and the legal and other implications of, the Notice and the reasons for the proposed Resolutions. Both documents should be read in their entirety and in conjunction with each other.

Explanatory Notes to the Resolutions

Resolution 1: Approval of grant of Performance Rights to Mr Mike Bolsover

1. General

The Company adopted the LTI Plan at the time of its listing on ASX to incentivise Directors, management and other employees of the Company. No grants have been made under the LTI Plan to date.

The Board has agreed, subject to obtaining Shareholder approval, to grant 9,333,000 Performance Rights to Mr Mike Bolsover, the Chief Executive Officer and Managing Director of the Company under the LTI Plan. Vesting of the Performance Rights is based on the achievement of performance hurdles relating to the Company's Tiger Palace project and the financial performance of the business as further detailed below.

2. Terms of Performance Rights

Each Performance Right represents a right to receive Shares in Company on vesting and exercise, which is subject to the achievement of performance hurdles and satisfaction of vesting conditions. The Performance Rights will be granted to Mr Mike Bolsover in three separate tranches as set out below:

- Tranche 1 - 3,733,000 Performance Rights. The vesting of those Performance Rights are subject to the satisfaction of the following performance hurdles:
 - a) 746,600 Performance Rights will vest if the Company opens its Tiger Palace hospitality facilities (excluding the casino) to commercial customers on or before 30 September 2017. If the opening occurs between 1 October 2017 and 14 October 2017, those Performance Rights will vest on a pro-rata basis. None of those 746,600 Performance Rights will vest if the opening occurs on or after 15 October 2017;
 - b) 746,600 Performance Rights will vest if the Company opens its Tiger Palace casino gaming operations to commercial players on or before 30 November 2017. If the opening occurs between 1 December 2017 and 14 December 2017, those Performance Rights will vest on a pro-rata basis. None of those 746,600 Performance Rights will vest if the opening occurs on or after 15 December 2017;
 - c) 746,600 Performance Rights will vest if the Company achieves the openings referred to in Tranches 1(a) and 1(b) within the final budget of US\$52 million or less as set out in the prospectus prepared in relation to the Company's recent entitlement offer. None of those 746,600 Performance Rights will vest if the final audited budget is more than US\$52 million; and
 - d) 1,493,200 Performance Rights subject to the Company achieving its forecast EBITDA for the financial year ending 31 December 2017. If the Company fails to achieve its forecast EBITDA by up to 10%, those Performance Rights will vest on a pro-rata basis. None of those 1,493,200 Performance Rights will vest if the Company fails to achieve its forecast EBITDA by 10% or more,

each of the tranches above are subject to Mr Mike Bolsover remaining employed by the Group until at least 31 December 2017. On exercise of each Performance Right, Mr Mike Bolsover will be entitled to receive one Share in the Company.

- Tranche 2 - 2,800,000 Performance Rights. The vesting of those Performance Rights are subject to the Company meeting its forecast EBITDA for the financial year ending 31 December 2018 and Mr Mike Bolsover remaining employed by the Group until at least 31 December 2018. Pro-rata vesting of those Performance Rights will occur where the Company fails to achieve its EBITDA forecast by up to 10%. None of those 2,800,000 Performance Rights will vest if the Company fails to achieve its forecast EBITDA by 10% or more.
- Tranche 3 - 2,800,000 Performance Rights. The vesting of those Performance Rights are subject to the following performance hurdles:

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- a) 1,400,000 Performance Rights will vest if the Company meets its forecast EBITDA for the financial year ending 31 December 2019. If the Company fails to achieve its forecast EBITDA by up to 10%, those 1,400,000 Performance Rights will vest on a pro-rata basis. None of those 1,400,000 Performance Rights will vest if the Company fails to achieve its forecast EBITDA by 10% or more; and
 - b) 1,400,000 Performance Rights will vest if the Company achieves a TSR at a 75th percentile or higher level as compared to a group of comparable ASX listed companies (**Peer Group**), Pro-rata vesting of those Performance Rights will occur where the Company achieves a TSR which is more than the 50th percentile but less than the 75th percentile as compared to the Peer Group. None of those 1,400,000 Performance Rights will vest where the TSR is equal to the 50th percentile or less as compared to the Peer Group,

each of the above will be subject to Mr Mike Bolsover remaining employed by the Group until at least 31 December 2019. In the event that Mr Mike Bolsover ceases to be an employee of the Group and/or Director of the Company, the treatment of those Performance Rights will be determined in accordance with the rules of the LTI Plan.

3. Chapter 2E of Corporations Act

The Board has considered the application of Chapter 2E of the Corporations Act to the grant of Performance Rights to Mr Mike Bolsover and considers that the financial benefit given in connection with the grant of Performance Rights constitutes reasonable remuneration to Mr Mike Bolsover for the purposes of section 211(1) of the Corporations Act considering the circumstances of the Company and Mr Mike Bolsover's roles and responsibilities at the Company.

Accordingly, the Company is not seeking Shareholder approval pursuant to section 208 of the Corporations Act in addition to the approval being sought under the ASX Listing Rules.

4. ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a company must not permit any directors to acquire securities under an employee incentive scheme without the approval of shareholders of the company.

Accordingly, the Company seeks the approval of Shareholders to grant 9,333,000 Performance Rights to Mr Mike Bolsover on the terms summarised in this Explanatory Memorandum.

5. Information required pursuant to ASX Listing Rule 10.15

- **Number of securities:** The maximum number of Performance Rights to be granted to Mr Mike Bolsover is 9,333,000 which will be granted in three tranches. Each Performance Right represents a right to receive Shares on satisfaction of the vesting conditions and performance hurdles outlined above. The total number of Performance Rights (if any) that vest will not be known until after the end of the performance period and will be subject to the satisfaction of vesting conditions and performance conditions.
- **Vesting conditions:** The vesting conditions and performance hurdles are detailed above.
- **Price of securities:** The Performance Rights will be granted to Mr Mike Bolsover for nil consideration and no consideration will be payable for the issue of Shares upon the vesting of the Performance Rights.
- **No loans given to acquire securities:** No loan will be provided by the Company in connection with the issue or vesting of the Performance Rights.
- **Securities granted under LTI Plan:** No awards have been issued under the LTI Plan as at the date of this Notice.
- **Eligible participants:** All of the Directors, being David Green, Mike Bolsover, Richard Barker, Matthew Hunter and Robert Benussi are entitled to participate in the LTI Plan.
- **Voting exclusion statement:** A voting exclusion statement in respect of the Resolution 1 is set out in the Notice of Meeting.
- **Grant date:** If Shareholder approval is obtained at the Meeting, the Company intends to grant the Performance Rights to Mr Mike Bolsover (or his nominee) on the date of the Meeting and in any event, the Performance Rights will be granted within 12 months of the date of the Meeting. If Shareholder approval is not obtained then the Performance Rights will not be granted.

Any additional person under Listing Rule 10.14, other than Mr Mike Bolsover, who becomes entitled to participate in the LTI Plan after Resolution 1 will not participate until approval is obtained under ASX Listing Rule 10.14.

6. Directors' Recommendation

The Directors (with Mr Mike Bolsover abstaining) recommend that Shareholders vote in favour of Resolution 1. The non-executive Directors of the Company are not receiving any awards under the LTI Plan at this time and accordingly do not have an interest in the outcome of Resolution 1. There is no current intention to issue incentives to the remaining Directors, being Mr David Green, Mr Matthew Hunter, Mr Richard Barker and Mr Robert Benussi.

Resolution 2 and 3: Ratification of Issue of Options to OCP and Shares to Sub-Underwriters

1. General

On 8 August 2017, as disclosed in the Company's prospectus dated 30 June 2017 relating to its entitlement offer, the Company issued an aggregate of 29,904,306 Options to OCP with an exercise price of A\$0.11 and an expiry date of 26 August 2019. The Options were issued to OCP in consideration for OCP agreeing to amend the terms of its senior secured bonds pursuant to an Amended Bond Instrument in conjunction with the completion of the Company's recent entitlement offer. Each Option entitles the holder of the Option to acquire one Share. Please refer to Annexure A for the complete terms of the Options.

The Company issued 14,368,172 Shares in aggregate to Sub-Underwriters as fees for their commitment to sub-underwrite the entitlement offer. Of the 14,368,172 Shares issued to Sub-Underwriters, 8,518,727 were issued to Sub-Underwriters on 4 July 2017 in relation to the institutional portion of the entitlement offer and a further 5,867,445 Shares were issued to Sub-Underwriters on 3 August 2017 in relation to the retail portion of the entitlement offer.

2. ASX Listing Rule 7.1

Listing Rule 7.1 provides that (subject to certain exceptions, none of which are applicable to the current circumstances) the prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period. This 15% limit is referred to as the Company's "15% placement capacity" in this Notice.

As set out in the prospectus dated 30 June 2017, ASX granted the Company a waiver from Listing Rule 7.1, to the extent necessary to allow the Company to calculate the Company's 15% placement capacity on a post-entitlement offer basis, thus allowing the Company to issue the 14,368,172 Shares to Sub-Underwriters and 29,904,306 Options to OCP without seeking Shareholder approval.

Listing Rule 7.4 essentially provides that where shareholders ratify a prior issue of securities, the issue will be treated as having been made with approval for the purposes of Listing Rule 7.1, thereby restoring the company's 15% placement capacity and enabling it to issue further securities up to that limit.

There is no current intention to issue any securities in the Company. Notwithstanding this, the Board believes that it is in the best interests of the Company to restore its 15% placement capacity ensure the Company is able to issue additional securities up to its full placement capacity and to enable the Company to retain financial flexibility and take advantage of commercial opportunities that may arise. Accordingly, in Resolution 2 and Resolution 3 Shareholder ratification for the issue of Options to OCP and the issue of Shares to Sub-Underwriters pursuant to Listing Rule 7.4 is sought.

3. Information required pursuant to ASX Listing Rule 7.5 in relation to Resolution 2

The following information is provided to Shareholders for the purposes of the requirements of ASX Listing Rule 7.5:

- **Number of Options issued:** 29,904,306 Options in aggregate were issued to OCP, of which 8,906,333 Options were issued to Orchard Landmark II (Singapore Fund I) Pte. Limited and 20,997,973 Options were issued to OL Master (Singapore Fund 1) Pte. Limited.
- **Price of Options:** The Options were issued for nil consideration.
- **Terms of the Options:** The terms of the Options are set out in Annexure A.
- **Holders of Options:** The Options were issued to OLII and OLMS on 8 August 2017 in consideration for the OLII and OLMS agreeing to amend the terms of its senior bond facility pursuant to an Amended Bond Instrument.
- **Use of funds:** No funds were raised in relation to the issue of Options as they were issued for nil consideration. Any funds raised from the exercise of the Options will be used for general working capital purposes.
- **Voting exclusion statement:** A voting exclusion statement in respect of Resolution 2 is set out in the Notice of Meeting.

4. Information required pursuant to ASX Listing Rule 7.5 in relation to Resolution 3

The following information is provided to Shareholders for the purposes of the requirements of ASX Listing Rule 7.5:

- Number of Shares issued: 14,368,172 Shares in aggregate were issued to Sub-Underwriters.
- Price of Shares: The Shares were issued at the equivalent entitlement offer price of A\$0.05 per Share.
- Terms of the Shares: The Shares issued to Sub-Underwriters under the entitlement offer rank equally with existing Shares in the Company.
- Holder of Shares: The Shares were issued to Sub-Underwriters, being Regal Funds Management Pty Ltd, Bellerive Capital (27) Ltd and Odey Asset Management LLP who agreed to receive their fees in consideration for sub-underwriting the Company's entitlement offer in the form of Shares.
- Use of funds: No funds were raised from the issue of Shares to the Sub-Underwriters as these were issued in lieu of cash sub-underwriting fees.
- Voting exclusion statement: A voting exclusion statement in respect of Resolution 3 is set out in the Notice of Meeting.

5. Directors' Recommendation:

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2 and Resolution 3.

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DEFINITIONS

Throughout this Explanatory Memorandum the following various words and phrases are capitalised and the definitions of these capitalised words and phrases are set out below:

"**Amended Bond Instrument**" means the bond instrument dated 26 August 2016, and amended on or about 29 June 2017 between the Company, to OLII and OLMS relating to the issue of US\$20,000,000 senior secured bonds by Company;

"**ASIC**" means the Australian Securities & Investments Commission;

"**ASX**" means ASX Limited (ACN 000 943 377) or the securities exchange it operates as the context requires;

"**ASX Listing Rules**" or "**Listing Rule**" means the Official Listing Rules of the ASX (as amended or waived from time to time);

"**Award**" means any performance rights granted under the LTI Plan.

"**Board**" means the board of Directors of the Company;

"**Business Day**" means a day on which trading takes place on the ASX;

"**Chairman**" means the chairman of the extraordinary general meeting;

"**Company**" means Silver Heritage Group Limited ACN 604 188 445;

"**Constitution**" means the Company's constitution;

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

"**Corporations Regulation**" means the *Corporations Regulation 2001* (Cth);

"**Directors**" mean the current Directors of the Company;

"**EBITDA**" means the Company's earnings before interest, tax, depreciation and amortization;

"**Extraordinary General Meeting**" means the meeting convened by the Notice of Meeting;

"**Explanatory Memorandum**" means this Explanatory Memorandum as modified or varied by any supplementary Memorandum issued by the Company from time to time;

"**Group**" means the Company, its subsidiaries and affiliates;

"**LTI Plan**" means the long term incentive plan adopted by the Company in connection with its admission to the official list of ASX to incentivise Directors, management and other employees of the Company;

"**Management**" means the management of the Company;

"**Meeting**" or "**Extraordinary General Meeting**" means the extraordinary general meeting convened by this Notice;

"**Notice**" or "**Notice of Meeting**" means the notice convening the extraordinary general meeting of the Company to be held on 29 September 2017 which accompanies this Explanatory Memorandum;

"**OCP**" means Orchard Landmark II (Singapore Fund I) Pte. Limited and OL Master (Singapore Fund 1) Pte. Limited;

"**Options**" means options with an exercise price of A\$0.11 and an expiry date of 26 August 2019 issued by the Company to OCP;

"**Peer Group**" means a group of comparable ASX listed companies determined by the Board;

"**Performance Rights**" means the grant of 9,333,000 performance rights to Mr Mike Bolsover subject to Shareholder approval;

"**Proxy Form**" means the proxy form that is enclosed with and forms part of this Notice;

"**Resolution**" means the resolutions in the form proposed in the Notice of Meeting;

"**Share**" means a fully paid ordinary share in the capital of the Company;

"**Shareholder**" means a registered holder of a Share in the Company;

"**Sub-Underwriters**" means certain Shareholders, being Regal Funds Management Pty Ltd, Bellerive Capital (27) Ltd and Odey Asset Management LLP who agreed to receive fees in consideration for sub-underwriting the Company's entitlement offer in the form of Shares;

"Tiger Palace" means Tiger Palace Resort Bhairahawa, the Company's first integrated resort development, located on the outskirts of Bhairahawa, Nepal, comprising a 100-room five-star integrated resort hotel with spa, gym, food and beverage facilities and function (wedding and conference) rooms, as well as a casino;

"TSR" means total return to Shareholders, comprising share price appreciation, dividends paid, plus bonus issues, and adjusted for rights issues or other reconstructions (if any);

"VWAP" means the volume weighted average price.

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ANNEXURE A - TERMS OF OPTIONS

1 EXERCISE

- 1.1 Each Option entitles the holder of the Option to acquire one Share.
- 1.2 Each Option is exercisable at any time in the period commencing on the date of grant until 26 August 2019 ("**Option Period**") and if an Option is not exercised on or prior to the expiry of the Option Period, the Option will automatically lapse.

2 EXERCISE PRICE

- 2.1 The exercise price for each Option is A\$0.11 (as adjusted in accordance with the terms of the Options) ("**Exercise Price**") and is payable immediately on exercise either (i) by bank cheque or wire transfer to an account of the Issuer; and/or (ii) by way of set-off against any Bonds held by that Option Holder in accordance with clause 16 of the Bond Instrument.

3 NOTICE OF EXERCISE

- 3.1 Subject to paragraph 4, the Options may be exercised wholly or in part by giving notice in writing to the Issuer at any time during the Option Period stating the number of Options being exercised. Options may only be exercised in multiples of 600,000 unless all of the then unexercised Options are being exercised under the relevant Notice of Exercise.

4 ALLOTMENT OF SHARES

- 4.1 On receipt by the Issuer of a valid Notice of Exercise in accordance with paragraph 3.1 and payment of the Exercise Price in accordance with paragraph 2.1, the Issuer must, within two Business Days, allot and issue to the Option Holder or its nominee the number of Shares set out in the Exercise Notice and enter the Option Holder into the Issuer's register of members as the holder of such number of Shares, in and despatch the relevant holding statement or other appropriate acknowledgment as soon as reasonably practicable thereafter.

5 QUOTATION OF OPTIONS AND SHARES

- 5.1 The Options will not be listed for quotation on ASX or any other exchange.
- 5.2 Within 3 Business Days following the exercise of an Option, the Issuer must apply for the Shares to be admitted for quotation on the official list of ASX by filing a compliant Appendix 3B (so long as the Shares are quoted on the official list of the ASX at that time) and use its best endeavours to obtain official quotation of the relevant number of Shares by ASX (without restriction) as soon as practicable on such terms and conditions as are usual for quotation of securities on ASX (including complying with any reasonable condition required by ASX as a condition of it granting quotation).

6 SHARES RANK EQUALLY, FREE OF SECURITY INTERESTS ETC

- 6.1 Shares issued on the exercise of Options will:
- 6.1.1 rank equally in all respects with the other Shares on issue at the date of issue;
- 6.1.2 be fully paid and free from all encumbrances, pre-emptive rights, taxes, liens and charges; and
- 6.1.3 be entitled to all of the rights and entitlements applicable to the Ordinary Shares already issued at the exercise date.

7 NO PARTICIPATION IN NEW ISSUES

- 7.1 An Option does not confer a right to participate in new issues of securities of the Issuer, unless the Option Holder has first exercised the Option and such exercise took place on or before the record date for determining entitlements to the issue.
- 7.2 Subject to Applicable Laws, the Issuer must give each Option Holder 10 Business Days' prior notice of the record date (as defined in the ASX Listing Rules) for a new issue of Shares or entitlements made available to the holders of Shares generally to enable the Option Holder to exercise its Options and participate in the new issue.

8 ADJUSTMENT TO EXERCISE PRICE

Pro Rata Issue

- 8.1 If the Issuer makes a Pro Rata Issue of Shares to existing Shareholders (except a Bonus Issue) and the subscription price of a Share under the Pro Rata Issue is less than 92.5% of the average of the daily Volume Weighted Average Price per Share for the 5 trading days ending on the day before the announcement of the Pro Rata Issue, the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S + D)]}{N + 1}$$

- O = the old Exercise Price of the Option.
- E = the number of underlying Shares into which one Option is exercisable.
- P = Volume Weighted Average Price per Share for the 5 trading days ending on the day before the ex rights date or the ex entitlements date.
- S = the subscription price of a Share under the Pro Rata Issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the Pro Rata Issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

Bonus Issues

- 8.2 If the Issuer makes a Bonus Issue of Shares or other Equity Securities to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):
- 8.2.1 the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Option before the record date for the Bonus Issue; and
- 8.2.2 no change will be made to the Exercise Price.

Reorganisation

- 8.3 If there is any reorganisation of the issued share capital of the Issuer, the rights of the Option Holders will be varied to the extent necessary to comply with the ASX Listing Rules which apply to the reorganisation at the time of the reorganisation.

9 ISSUER RESTRICTION

- 9.1 The Issuer shall not:
- 9.1.1 issue new Shares, other than under a Pro Rata Issue or a Bonus Issue in accordance with paragraph 8.2, at a price which is discounted by more than 10% of the average of the daily Volume Weighted Average Price per Share for the 5 trading days ending on the day before the announcement of the issuance; or
- 9.1.2 grant or issue any Rights convertible or exercisable into more than 10% of the Fully Diluted Capital of the Issuer in any twelve (12) month period,
- in each case without the consent of the Majority Option Holders.
- 9.2 If the Issuer wants to pay dividends or make any distributions, the Issuer must ensure that the record date to participate in any such dividend or distribution (as the case may be) is not a date earlier than 14 Business Days after the announcement by the Issuer of such dividend or distribution so as to give holders of Options sufficient time to ensure that they are able to exercise their Options and be issued with Shares to be eligible to receive the proposed dividend or distribution.

10 TRANSFER OF OPTIONS

- 10.1 Subject to paragraph 10.3, the Options may be transferred separately, in whole or in part (but if in part only in multiples of 600,000 or integral multiples thereof).
- 10.2 Options may only be transferred to a person who is a sophisticated or professional investor under section 708(8) or 708(11) of the Corporations Act.
- 10.3 An Option may not be transferred to a Competitor unless the Issuer has given its prior written consent. An Option Holder may transfer an Option to a Competitor if an Event of Default is continuing.
- 10.4 To effect a transfer of an Option, a Transfer Instrument must be delivered to the Issuer detailing:
- 10.4.1 the Issue Date of the Option the subject of the transfer;
 - 10.4.2 the name and address of the transferor and the transferee;
 - 10.4.3 the effective date of the transfer,
- along with the Certificate(s) in respect of the Option being transferred.
- 10.5 For the purposes of paragraph 10.4, a Transfer Instrument may be delivered to the Issuer in the form of an attached PDF to an email and such email will be deemed to have been duly delivered on return of a receipt produced by the system to which the email was sent or, where no receipt is produced or the sender has not otherwise received notification that the email was unable to be delivered, by the end of the day the email was sent if a Business Day and otherwise the next Business Day.
- 10.6 Transfers will be registered without charge to the transferor or transferee.
- 10.7 A person becoming entitled to an Option as a consequence of the death or bankruptcy of an Option Holder or of a vesting order or a person administering the estate of an Option Holder may, upon producing such evidence as to that entitlement or status as the Issuer considers sufficient, transfer the Option or, if so entitled, become registered as the holder of the Option.
- 10.8 The Issuer is not responsible for any stamp duty or other Taxes payable in any jurisdiction in connection with any transfer, assignment or any other dealing with the Options.
- 10.9 Subject to the provisions of paragraphs 10.1 to 10.8, the Issuer may not decline to recognise any Transfer Instrument and must register the transfer of the Option(s) in accordance with these terms of Options promptly following receipt by the Issuer of the relevant Transfer Instrument.

11 REGISTRATION OF TRANSFER

- 11.1 A transferor of an Option remains the owner of the Option transferred until the transfer is registered and the name of the transferee entered in the Option Register in respect of the Option transferred.

12 GENERAL MEETING

- 12.1 Option Holders may attend general meetings of the Issuer but the Options do not carry a right to vote at a general meeting of the Issuer, unless provided for by the Corporations Act.

13 OPTION REGISTER

- 13.1 The Issuer's share registry will maintain a register of the Options.

14 MISCELLANEOUS

Governing Law

- 14.1 The Options shall in all respects be governed by and construed in accordance with the laws of New South Wales, without regard to its conflict of laws principles.
- 14.2 Any suit with respect to an Option will be brought in the federal or state courts in New South Wales, and the Option holder, by accepting the Options, irrevocably and unconditionally agrees and submits to the personal jurisdiction and venue thereof.

Notices

- 14.3 Notices may be given by the Issuer to the Option Holder in writing and to the address set out in the Register or such new address as is notified from time to time by the Option Holder to the Issuer.

15 DEFINED TERMS

| Term | Meaning |
|------------------------------|--|
| Appendix 3B | means an appendix 3B in the form set out in the ASX Listing Rules. |
| Applicable Law | means any one or more or all, as the context requires, of: <ul style="list-style-type: none"> (a) the Corporations Act and any regulations to it; (b) the ASX Listing Rules; (c) any practice note, policy statement, class order, declaration, guideline, policy or procedure pursuant to the provisions of which any of ASIC or ASX is authorised or entitled to regulate, implement or enforce, either directly or indirectly, the provisions of any of the foregoing statutes, regulations or rules or any conduct of any duly authorised person, pursuant to any of the abovementioned statutes, regulations or rules. |
| ASIC | means the Australian Securities and Investments Commission. |
| ASX | means ASX Limited (ACN 008 624 691) and any successor body corporate or the securities market it operates (as the context requires). |
| ASX Listing Rules | means the Listing Rules published by ASX from time to time. |
| Board | means a bond issued pursuant to the Bond Instrument. |
| Bond Instrument | means the bond instrument dated 26 August 2016, and amended on or about 29 June 2017 between Silver Heritage Limited, the Initial Option Holders and Madison Pacific Trust Limited relating to the issue of US\$20,000,000 senior secured bonds by Silver Heritage Limited. |
| Bonus Issue | has the meaning given in the ASX Listing Rules. |
| Business Day | means any day, other than a Saturday, Sunday or public holiday in Sydney, Australia, Singapore or Hong Kong. |
| Certificate | means a certificate evidencing an Option in the form set out in the Option Deed. |
| Competitor | means any person whose principal business is the operation or management of casinos in Asia. |
| Corporations Act | means the Corporations Act 2001 (Cth).Q |
| Equity Securities | means any Shares or Rights or any other equity securities of the Issuer. |
| Event of Default | has the meaning given in the Bond Instrument. |
| Fully Diluted Capital | means the aggregate at the relevant time of: <ul style="list-style-type: none"> (a) the issued and outstanding Shares and any other issued and outstanding Equity Securities; |

| | |
|--|--|
| | (b) all Equity Securities which would be issued if all of the Options had been exercised to their maximum extent; and |
| | (c) all Equity Securities which, at the relevant time, the Issuer had agreed to create or issue (whether conditionally or otherwise). |
| Issue Date | means the date of issue of an Option. |
| Issuer | means Silver Heritage Group Limited ACN 604 188 445. |
| Majority Option Holders | means, at any time, a person or persons holding or representing seventy five per cent. (75%) or more of the aggregate number of Options for the time being outstanding. |
| Notice of Exercise | means the notice provided to the Issuer by an Option Holder in respect of the exercise of the Options. |
| Option Certificate | means a certificate for an Option. |
| Option Deed | means the option deed entered into between the Issuer and OL Master (Singapore Fund 1) Pte. Limited and Orchard Landmark II (Singapore Fund 1) Pter. Limited on 29 June 2017. |
| Option Holder | means a holder of an Option from time to time. |
| Option Period | means the date from which an Option becomes exercisable until the date on which the Option lapses. |
| Pro Rata Issue | has the meaning given in the ASX Listing Rules. |
| Register | means a register of the Options maintained by the Issuer in which is entered the particulars required by the Option Deed. |
| Rights | means any option, warrant, security, right or other instrument convertible into or exchangeable for, or otherwise giving the holder thereof the right to acquire, directly or indirectly, any Shares or any other such option, warrant, security, right or instrument, including without limitation, any instrument the value of which is measured by reference to the value of the Shares or is the equivalent of a Share or any agreement to issue any of the foregoing. |
| Share | means a fully paid ordinary share in the Issuer. |
| Taxes | means: <ul style="list-style-type: none"> (a) any tax including the goods and services tax levied under the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth), levy, charge, impost, duty, fee, deduction, compulsory loan or withholding; or (b) any income, tax or charge. |
| Transfer Instrument | means a transfer instrument in the form set out in the Option Deed. |
| VWAP or Volume Weighted Average Price | means in respect of a Share, the volume-weighted average price of such Share on the ASX market and the Chi-X market excluding block trades, large portfolio trades, permitted trades during the pre-trading hours period, permitted trades during the post-trading hours period, out of hours trades and exchange traded option exercises. |

All Correspondence to:

- ✉ **By Mail:** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am AEST on Wednesday 27 September 2017.**

TO VOTE ONLINE

- STEP 1: VISIT** www.votingonline.com.au/svhegm2017
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:00am AEST on Wednesday 27 September 2017.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 💻 **Online** www.votingonline.com.au/svhegm2017
- 📠 **By Fax** +61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Silver Heritage Group Limited

ACN 604 188 445

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Silver Heritage Group Limited** and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Extraordinary General Meeting of **Silver Heritage Group Limited** to be held at **Boardroom Pty Ltd, Level 12, 225 George St, Sydney NSW 2000 on Friday 29 September 2017 at 11:00am AEST** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

| | | For | Against | Abstain* |
|---------------------|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Approval of grant of Performance Rights to Mike Bolsover | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Ratification of prior issue of Options to OCP | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Ratify prior issue of Shares to Sub-Underwriters | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2017