SILVER HERITAGE GROUP

Equity Raising Presentation

6 September 2018

Disclaimer

This document dated 6 September 2018 has been prepared by Silver Heritage Group Limited ACN 604 188 445 (**Silver Heritage, SVH** or **Company**) in relation to its fully underwritten accelerated pro rata non-renounceable entitlement offer of new fully paid ordinary shares in the Company which will be made available to institutional and retail shareholders in Australia and New Zealand and certain other jurisdictions determined by the Board under section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**) as notionally modified by the Australian Securities and Investments Commission (**ASIC**) Legislative Instrument 2016/84 (**Entitlement Offer**) and the Company's private placement of shares to institutional investors (**Placement**). The Entitlement and the Placement are collectively "the Offer".

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Executive Summary

Renegotiation of OCP Bonds

- Silver Heritage has successfully renegotiated the terms of its outstanding Bonds (**Bonds**) with OCP (Asia)(1). The renegotiated terms:
  - Provide for an immediate reduction in Bonds outstanding from US$18.0m to $US11.2m(2);
  - Extends the maturity date by 19 months to 2 April 2021 from 26 August 2019;
  - Extends out the future scheduled repayments significantly. In this regard, all US$18.0m was previously scheduled for repayment in the next 12 months between December 2018 and August 2019; this has been renegotiated such that no fixed amortization repayments are now due until 31 March 2020 (US$2.0m); and
  - Provides for a significantly reduced suite of covenants.

Equity Raising

- The equity raising of up to approximately $13.1m (**Equity Raising**) comprises the following:
  - A non-underwritten institutional placement of up to approximately 68m shares under the Company's placement capacity (in accordance with ASX Listing Rule 7.1) to raise up to approximately A$1.4m (**Placement**)**;** and
  - A fully underwritten 1 for 1 accelerated non-renounceable entitlement offer to raise approximately A$11.7m (**Entitlement Offer**).
- Both the Placement and Entitlement Offer are priced at $0.02 cents per Share (**Offer Price**). The Offer Price represents a discount of:
  - 39.4% to $0.033, being the closing share price of Silver Heritage Shares on 31 August 2018; and
  - 24.5% to $0.027, being the theoretical ex-rights share price (**TERP**) (excluding the Placement).
- The proceeds from the Equity Raising will be used to make repayments on the Bonds as outlined above, pay Bond refinancing costs, Equity Raising costs and for general working capital purposes.

[1] OCP entities include OL Master (Singapore Fund I) Pte Limited and Orchard Landmark II Master (Singapore Fund I) Pte Limited

[2] This assumes that the Placement is fully subscribed to an amount of approximately A$1.36m. To the extent to which the Placement is not taken up at all, the outstanding balance of the Bonds will be US$12m.

Bond Refinancing - Significantly Improved Terms

- The Company has reached a binding agreement with Bondholder, OCP with respect to the renegotiation of several key terms relating to the $US18m of Bonds currently outstanding
- The Company's other debt arrangements remain unchanged

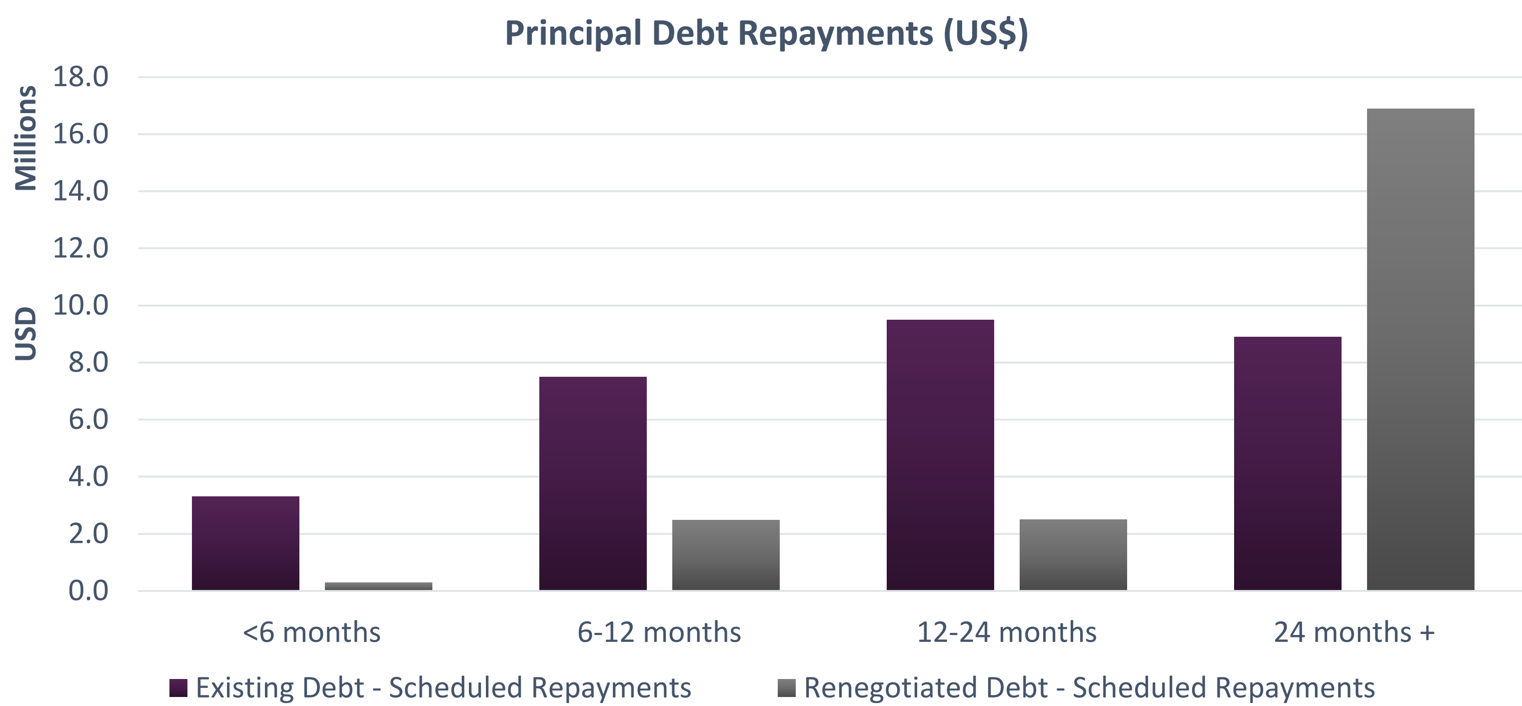
Term	Current OCP Bonds	Revised OCP Bonds
Tenor	➢ 24 August 2019	➢ Extended to 2 April 2021
Minimum Scheduled Repayments	➢ US$2.0m 31 December 2018 ➢ US$3.0m 31 March 2019 ➢ US$4.0m 30 June 2019 ➢ US$9.0m/the balance on or before 24 August 2019	➢ US$6.8m 29 September 2018 (to be repaid out of proceeds from Equity Raising) ➢ US$2.0m 31 March 2020 ➢ US$2.0m 30 September 2020 ➢ US$7.2m the balance on or before 2 April 2021
Security	➢ Over certain Group assets including real estate, shares, key contracts, IP, plant & machinery, bank accounts and contracts of insurance	➢ No change
Cash Sweep	➢ None	➢ Any Group cash balance over US$5m at quarter-end from 31 March 2019 to be applied to redeeming additional Bonds
Financial Covenants	➢ Net debt to tangible net worth ➢ Net debt to LTM EBITDA ➢ Interest coverage ratios ➢ Minimum cash balance	➢ All existing covenants removed and replaced with: ➢ New Group Adjusted EBITDA Testing commencing 2Q19[3] • 2Q19 - Annualised 6 month Group Adjusted EBITDA > US$1.5m • 3Q19 - Annualised 9 month Group Adjusted EBITDA > US$2.0m • 4Q19 - Last 12 Months (LTM) Group Adjusted EBITDA > US$2.5m • 1Q20 - LTM Group Adjusted EBITDA > US$3.0m • 2Q20 - LTM Group Adjusted EBITDA > US$4.0m • 3Q20 onwards -LTM Group Adjusted EBITDA > US$4.5m

Silver Heritage 3Q18 annualised EBITDA run-rate based on July/August of ~$US3.25m

[1] Revised OCP Bond terms assumes Placement is fully subscribed
[2] All other Bond terms remain unchanged.
[3] Please refer to Annexure A in the ASX Announcement dated 6 September for further information

Balance Sheet - Repayment Profile

- The revised Bond terms, in conjunction with the Equity Raising have significantly reduced the Company's gearing levels and improved the Company's financial position
- The extension of future scheduled repayments is of significant benefit to the Company as Tiger Palace Resort Bhairahawa continues its ramp-up following the transition to positive EBITDA generation in August 2018



Notes:
- Assumes renegotiated Bond redemption of US$6.8m is repaid to OCP on 29 September 2018 from Equity Raising proceeds
- Incorporates Bonds and a binding facility with a consortium of Nepalese Banks of NPR 1,104,450,000 (US$10,268,000)
- Does not incorporate a one-year demand loan facility with two Nepalese banks of up to NPR 280,000,000 (US$2,603,000), of which NOR 208,000,000 (US$1,193,400) was drawn at 30 June 2018
- Does not incorporate any redemption premiums associated with the Bonds

Capital Raising Overview

Placement	➢ A non-underwritten institutional placement of up to approximately 68 million shares will be undertaken within the Company's placement capacity (in accordance with ASX Listing Rule 7.1)
Entitlement Offer	➢ A fully underwritten 1 for 1 accelerated non-renounceable entitlement offer to raise approximately A$11.7m comprising an Institutional Entitlement Offer and a Retail Entitlement Offer ➢ Institutional Entitlement Offer will be conducted from Thursday 6 September 2018 (Offer Date) to Friday 7 September 2018. New Shares in relation to Entitlements not taken up under the Institutional Entitlement Offer, along with New Shares in respect of Entitlements of ineligible institutional shareholders, will be offered to certain institutional investors concurrently with the Institutional Entitlement Offer, through a bookbuild process ➢ Retail Entitlement Offer opens on Thursday 13 September 2018 and closes on Monday 24 September 2018
Offer Price	➢ The Entitlement Offer and Placement will be conducted at a fixed offer price of A$0.02 per New Share representing: • 39.4% discount to SVH's last closing price of A$0.033 on Friday 31 August 2018 • 52.3% discount to SVH's 15-day VWAP of A$0.042 as at Friday 31 August 2018 • 24.5% discount to the theoretical ex-rights price (**TERP**) of A$0.027 (excluding Placement shares)
Use of Funds	➢ Fund the repayment of a significant amount of (at least US6m) the Bonds with OCP (including interest and repayment premium) ➢ Remaining proceeds used for general working capital purposes and Bond refinancing/Equity Raising fees
Ranking	➢ New Shares issued will rank pari passu with existing shares
Underwriting	➢ The Entitlement Offer is underwritten by Canaccord Genuity (Australia) Limited

[1] Revised OCP Bond terms assumes placement fully subscribed

Use of Funds and Capital Structure - Entitlement Offer and Placement

The following table sets out the use of proceeds assuming that the Placement is fully subscribed:

Source & Uses	US$M	A$M
Sources		
Expected cash at Offer date	4.7	6.4
Proceeds of the Offer	9.6	13.1
Total	**14.3**	**19.5**
Uses		
Repayment of Bond (incl. repayment premium)	7.8	10.7
Offer costs	0.9	1.2
Working capital	5.5	7.6
Total	**14.3**	**19.5**

The following table shows the effect of the Placement and Entitlement Offer on the capital structure of the Company:

	As at the Record Date	New Shares	Post-Transaction
Fully paid ordinary shares	586,734,830	654,745,055	1,261,479,885(1)
Tranche A Share Options	11,961,722		11,961,722
Tranche C Share Options	17,942,584		17,942,584
2017 Issued Options (expiring 26 August 2019)	29,904,306		29,904,306
Performance Shares Rights	5,600,000		5,600,000

- Assumes AUD/USD exchange rate of 0.73
- Refinancing costs do not include the value of options to the Underwriter or grant of shares to OCP

[1] Includes the 20 million fully paid ordinary shares to be issued to OCP

Use of Funds and Capital Structure - Entitlement Offer only

The following table sets out the use of proceeds assuming that no shares are subscribed for under the Placement:

Source & Uses	US$M	A$M
Sources		
Expected cash at Offer date	4.7	6.4
Proceeds of the Offer	8.6	11.7
Total	**13.3**	**18.2**
Uses		
Repayment of OCP bond (incl. repayment premium)	6.9	9.5
Offer costs	0.8	1.2
Working capital	5.5	7.6
Total	**13.3**	**18.2**

The following table shows the effect of the Entitlement Offer (only) on the capital structure of the Company:

	As at the Record Date	New Shares	Post-Transaction
Fully paid ordinary shares	586,734,830	586,734,830	1,193,469,660(1)
Tranche A Share Options	11,961,722		11,961,722
Tranche C Share Options	17,942,584		17,942,584
2017 Issued Options (expiring 26 August 2019)	29,904,306		29,904,306
Performance Shares Rights	5,600,000		5,600,000

- Assumes AUD/USD exchange rate of 0.73
- Refinancing costs do not include the value of options to the Underwriter or grant of shares to OCP

[1] Includes the 20 million fully paid ordinary shares to be issued to OCP

Pro-Forma Balance Sheet

USD$'000	As at 30-Jun-18	Entitlement Offer Only 30/06/2018 (US$'000)	Entitlement Offer Only 30/6/2018 ($A'000)	Placement & Entitlement offer 30/06/2018 (US$'000)	Placement & Entitlement offer 30/6/2018 ($A'000)
Current assets					
Cash and cash equivalents	6,567	6,660	9,123	6,679	9,149
Trade and other receivables	4,375	4,375	5,993	4,375	5,993
Inventories	327	327	448	327	448
Other	512	622	851	622	851
Total current assets	**11,781**	**11,983**	**16,415**	**12,003**	**16,442**
Non current assets					
Receivables	38	38	52	38	52
Investments	128	128	175	128	175
PP&E	50,120	50,120	68,658	50,120	68,658
Intangibles	6,515	6,515	8,925	6,515	8,925
Other	272	455	623	455	623
Total non current assets	**57,073**	**57,256**	**78,432**	**57,256**	**78,432**
Total assets	**68,854**	**69,239**	**94,847**	**69,258**	**94,874**
Liabilities					
Current liabilities					
Trade and other payables	8,528	8,048	11,025	8,048	11,025
Borrowings	12,008	2,481	3,399	2,481	3,399
Employee Benefits	87	87	119	87	119
Total current liabilities	**20,623**	**10,616**	**14,542**	**10,616**	**14,542**
Non current liabilities					
Payables	1,452	1,452	1,989	1,452	1,989
Borrowings	17,136	19,752	27,058	18,831	25,795
Total non current liabilities	**18,588**	**21,204**	**29,047**	**20,283**	**27,784**
Total liabilities	**39,211**	**31,820**	**43,589**	**30,899**	**42,327**
Net Assets	**29,643**	**37,419**	**51,258**	**38,359**	**52,547**
Equity					
Contributed capital	70,098	78,468	107,491	79,407	108,777
Reserves	3,340	3,340	4,575	3,340	4,575
Accumulated losses	(43,995)	(44,590)	(61,082)	(44,588)	(61,079)
NCI	200	200	274	200	274
Total equity	**29,643**	**37,419**	**51,258**	**38,359**	**52,547**

- Assumes AUD/USD exchange rate of 0.73

Capital Raising Timetable

Event	Date
Announcement of the capital raising	Thursday 6 September 2018
Institutional Offer opens	Thursday 6 September 2018
Institutional Offer closes	Friday 7 September 2018
Trading Halt lifted – shares commence trading on ASX on an 'ex-entitlement' basis	Monday 10 September 2018
Record Date for determining entitlement to subscribe for New Shares	Monday 10 September 2018
Retail Entitlement Offer opens	Thursday 13 September 2018
Retail Offer Booklet Despatched	Thursday 13 September 2018
Settlement of New Shares under the Institutional Offer	Wednesday 19 September 2018
Allotment and normal trading of New Shares issued under the Institutional Offer	Thursday 20 September 2018
Retail Entitlement Offer closes	Monday 24 September 2018
Announcement results of Retail Offer	Thursday 27 September 2018
Settlement of Retail Offer	Monday 1 October 2018
Normal trading of New Shares issued under the Retail Entitlement Offer	Tuesday 2 October 2018
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Wednesday 3 October 2018

Dates and times set out above are indicative only and subject to change. All times and dates refer to Sydney time. The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer without prior notice, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

SILVER HERITAGE GROUP

Appendices

Risk Factors

Risks related to the business and current projects of the Company

Early Stage Development Risk

Tiger Palace Resort Bhairahawa is a relatively early stage project in its ramping up stage, and its ability to generate and sustain revenue is difficult to predict. As such, there is limited historical information available about Tiger Palace Resort's operations upon which investors can make an evaluation of its business and prospects.

In addition, the Group has incurred losses since its inception, as it has been investing in growing and developing its business and there is no guarantee that its business strategies will be successful.

Nepal Casino Licensing Risk

The Group is required to be separately licensed by the Nepal Ministry of Tourism to operate each casino in Nepal. To maintain a casino licence, the licence holder for each of Tiger Palace Resort Bhairahawa and The Millionaires Club and Casino Kathmandu (**TMCCK**) will need to satisfy certain requirements, including that the casino must be located within the premises of a five-star hotel or other deluxe resort of a comparable quality. As the Nepal Casino Rules 2070 (Nepal Casino Rules) have only been introduced relatively recently (July 2013), and a new proposed Casino Act has yet to be implemented, there is very little guidance as to their operation and they remain largely untested.

There is a risk that the Group may be unable to continue operate the casino at Tiger Palace Resort Bhairahawa if it fails to maintain appropriate standards within the premises to the satisfaction of the Nepal Ministry of Tourism. Further, there is a risk that the Group may be unable to operate TMCCK if the third party owner fails to maintain the standard of the hotel where the casino is situated.

Under the Nepal Casino Rules, a casino licence must be renewed annually and may be revoked in certain circumstances, including failure to comply with on-going licensing requirements such as the payment of annual royalties on each licence to the Nepal Ministry of Finance. The amount of the royalty that a licence holder is required to pay may be changed annually at the Nepal Ministry of Tourism's discretion. Any change in the annual royalties payable may adversely impact Silver Heritage's financial condition. If Silver Heritage is unable to retain a separate casino licence for the operation of each of its casinos in Nepal, or if an existing casino licence is revoked or not renewed, this may adversely impact Silver Heritage's ability to operate its business.

The Group must maintain a licence from Nepal Rastra Bank (**NRB**) to engage in foreign exchange transactions at Tiger Palace. If the Group is unable to maintain this licence, the Group will be unable to convert foreign currency, including Indian Rupees, to Nepali Rupees and this may have a material adverse impact on the Group's business operations and financial position.

Patronage Risk

As a condition of casino licences granted in Nepal, the operator must not permit a Nepali citizen to access its casino. As a result, the success of Tiger Palace Resort Bhairahawa will depend substantially on customers from India crossing the border to visit Tiger Palace Resort Bhairahawa. As the first casino resort on the border between India and Nepal, there is no certainty whether Tiger Palace Resort will appeal to Indian gaming customers or that they will generate gaming revenue in the manner or at the time that the Group expects.

As far as Silver Heritage is aware, there has never been a purpose-built Integrated Resort comparable to Tiger Palace Resort Bhairahawa in Nepal on or near to its borders or near the two Indian states in close proximity to its location, nor in fact in India. Therefore, the business model underlying this casino is untested.

Furthermore, the expectations and experiences of customers travelling to and from Tiger Palace Resort Bhairahawa are crucial to their willingness to travel (and to travel repeatedly). Ensuring customer safety and customer satisfaction along such travel routes is therefore important to the Group's objectives of bringing customers between the India and Nepal. Any incidents of theft or other circumstances affecting the safety of customers may have an adverse impact on the Group's ability to attract customers in the future.

Further, although Indian nationals are currently free to travel across the border without a passport or restriction, in the event that Indian customers are restricted from crossing the border to Nepal, or from visiting Nepali casinos, the financial performance and operation of Tiger Palace Resort Bhairahawa and future casinos developed to appeal to Indian gaming customers may be materially adversely affected.

Risk Factors

Management risk

The Group's ability to maintain its competitive position overall and in each market in which it operates assumes the continued service of certain of Silver Heritage's key management personnel. The Group does not maintain key man insurance. The Group does not have a Long Term Incentive (**LTI**) Plan yet in place for all of its key management.

Further, with a limited pool of experienced management personnel in many of the markets in which the Group operates, competition to hire skilled personnel is intense. The retirement or loss of service of any key management personnel or the Group's inability to attract and retain additional senior management personnel could hinder its ability to manage its business effectively, and to implement its growth and development strategies, which could have a material and adverse effect on the Group's business, cash flow, financial condition, results of operations and prospects.

Strategic Partner Risk

The Group relies on strategic partners in the markets in which it operates, in particular in Nepal and Vietnam. The Group's strategic partners provide expert advice on local matters to the Group, and also hold minority interests in certain of the Group's foreign subsidiaries. If the Group's relationship with a strategic partner were impaired or were to end, the Group's relationships with customers, suppliers and government authorities may be damaged which may have a material adverse effect on the Group's business. There is a risk that the Group may not be able to compel the disposal of the strategic partner's minority interest in the Group's foreign subsidiaries, enforce existing agreements with strategic partners, attract a new strategic partner, or a new strategic partner will not have the same level of expertise as the current strategic partner.

The Group's strategic partners influence the operations of some of the Group's subsidiaries and the businesses that the Group operates in certain markets. There is a risk that the interests of a strategic partner may not align with the Group's objectives over time, which may result in a Group subsidiary being operated in a manner that is less than optimal from the Group's perspective, and in turn may have a material adverse effect on the Group's business.

Strategic Partner Alignment Risk

The Group operates and provides management services under an Entertainment Services Agreement (**ESA**) to the Phoenix International Club, which is owned by Phoenix International Travel Development Co., Ltd (**Phoenix International Travel**), a company controlled by the Group's strategic partner in Vietnam, Mr Nguyen Van Hung. The Phoenix International Club is a leisure complex (with hotel suites, restaurants, a spa block and tennis court) that incorporates a gaming centre and casino. The Group's strategic partner has complete control and influence over the Phoenix International Club (including in determining its strategic direction) other than over the gaming centre and casino, which is managed by the Group. There is a risk that the interests of Phoenix International Travel and the Group may not align, and Phoenix International Travel may engage in conduct that is undesirable from the Group's perspective. For example, Phoenix International Travel may develop, or otherwise use, the areas of the Phoenix International Club not managed by the Group in such a way that results in the Group's on-going operation of the gaming centre and casino commercially unattractive. This may ultimately result in the Group's relationship with Phoenix International Travel ending, which may have a material adverse on the Group's business and financial condition.

The Group currently receives revenue from Phoenix International Travel which is not in connection with the ESA. Consequently, moving forward there is no guarantee that the Group will continue to receive such revenue from Phoenix International Travel.

Strategy Risk

A substantial portion of the Group's growth strategy is focused on the development of new casinos and casino resorts, primarily within Nepal. In accordance with its proposed strategy, the Group has incurred, and will continue to incur, significant capital expenditures and fixed costs associated with the development of new casinos and casino resorts.

However, the Group may not be able to successfully implement its current plans for the development of new casinos and casino resorts, and cannot provide any assurance that the introduction of new casinos and casino resorts will lead to a corresponding increase in the Group's revenue.

Risk Factors

Transfer of Funds Risk

In order to transfer funds into Silver Heritage Investment Private Limited (**SHIPL**), the Group's holdings subsidiary in Nepal, the Group must obtain two sets of approvals, one from Department of Industry (**DOI**) and one from NRB. The Group has experienced significant unanticipated delays in obtaining these requisite approvals in a timely manner. These difficulties and delays result from a combination of a lack of a clear regulatory framework, unreliable response times from the relevant authorities, bureaucratic hurdles, and the current lack of a centralised foreign-direct investment "one door system" facilitated by the Foreign Investment and Technology Transfer Act (**FITTA**). The charter documents for SHIPL must also be amended to reflect the increase of capital, and the amendment certified by the Office of the Company Registrar (**CRO**).

Remittance of Funds Risk

The prior approval of the DOI and the NRB is required for any foreign investment in Nepali entities. The NRB has approved SHL's investment in SHIPL. A condition of this approval is that any distribution of profit or dividends from SHIPL to SHL is subject to the prior approval of the NRB. There is a risk that such approval may not be forthcoming, which may materially adversely impact the Group's operations and financial condition, and may impact the Company's ability to service its debt obligations or pay dividends to shareholders.

Tiger Palace Resort Bhairahawa Risks

The operation of Tiger Palace Resort Bhiarhawa will be a key focus of the Group for the next several years, will require a significant amount of its available funds, and is important to the success of its current strategies. If the Group fails to operate Tiger Palace Resort Bhairahwa profitably, its future results would be adversely affected.

The Group's business and prospects should be considered in light of the risks, expenses and challenges generally associated with projects in the early stages of operations. Some of these risks relate to the Group's ability:

- to attract and retain customers and qualified employees; and
- to operate, support, expand and develop the Group's operations and facilities.

If the Group is unable to complete any of these tasks, in part or at all, it may be unable to operate Tiger Palace Resort Bhairahawa in the manner it contemplates, or to generate revenues in the amounts and the periods it anticipates. This may consequently cause the Group to default under one or more of its financing facilities or under the provisions of any licence granted to it.

Tiger Palace Resort Bhairahawa may not be a financially successful venture or generate the cash flows that the Group anticipates. If Tiger Palace Resort Bhairahawa does not attract sufficient business, this will limit the Group's revenues and cash flow, and could adversely affect its operations and future plans. Accordingly, the inability to complete any other future Integrated Resorts, or to operate these resorts profitably, may materially adversely affect the Group's business and prospects, financial condition, results of operation and cash flows.

Risk Factors

Internal Control Risk

The Group expects that it will need to continue to dedicate a significant amount of management, operational and financial resources to enhance and maintain its internal controls in the future in relation to fraud detection, particularly in relation to TMCCK and new casinos and gaming facilities, such as Tiger Palace Resort Bhiarahawa, which will increase administrative and other operating expenses.

While the Group continues to review its internal control policies and procedures on an ongoing basis, given the constantly changing gaming industry environment and very stringent regulations in Nepal, which have been only recently introduced and not yet tested in the market, there may be deficiencies and there is no guarantee there will not be deficiencies in the future.

Any such deficiency, if material or significant, could adversely affect the Group's ability to monitor, evaluate and manage its business and operations, or may constitute a substantial business or operational risk or lead to inaccurate financial reporting. Any of these issues could have a material adverse effect on the Group's business, cash flow, financial condition, results of operations and prospects.

Land Acquisition Jhapa Risk

The Group, through its wholly owned Nepal subsidiary, Tiger Two Private Limited has in August 2018 acquired land of 11 Bigha in Jhapa, Eastern Nepal. There is a risk that the Group may not be able to secure adequate funding to fully develop or construct on the land, or to secure a buyer for the land as the case may be.

Third Party Payment Risk

As part of its gaming operations, Silver Heritage supplies EGMs to third party casino operators under fixed leasing arrangement and a revenue sharing arrangement with Phoenix International Club. If for any reason third parties fail to pay to the Group the amounts owed to it under any applicable agreement, it could materially adversely affect the Group's financial position.

Third Party Licensing Risks

The Group operates TMCCK in Nepal under contractual arrangements for the use of premises in the Shangri-La Hotel in Kathmandu. If the Shangri-La Hotel loses its five-star resort rating, or if the contractual arrangements are terminated, the Group will not be able to operate TMCCK on the premises or any other premises unless a licence is procured in respect of those premises. Further, in the event that the contractual arrangements are terminated, there can be no guarantee that the Group will be able to relocate its casino to a comparable location or lease another property on commercially reasonable terms. If the Group is unable to renew or replace its existing lease or enter a comparable contractual arrangement, its operations will be disrupted and it will need to procure a new casino licence to operate at the new premises. Further, future rental rates could increase to rates that are significantly higher than the current rates. Any of these events could adversely affect the Group's business, cash flow, results of operations, financial condition and prospects.

Insurance Risk

The Group maintains insurance coverage across a number of risks. Silver Heritage maintains insurance cover. However, no assurance can be given that such insurance maintained by the Group, or its third party contractors, will be available in the future on commercially reasonable terms or that any cover provided will be adequate and available to cover any or all claims. If the Group incurs uninsured losses or liabilities (including damage to the buildings at Tiger Palace), its assets, profits and future prospects may be adversely affected.

Reputational Risk

Incidents, regulatory investigations, media or other third party reports, including research reports issued by industry analysts, involving the Group, or in relation to gaming activities or the Group's casinos, employees, patrons, or shareholders, could harm the Group's reputation and its corporate image, or otherwise affect its ability to conduct or expand its business, both in the markets in which it operates and abroad. This may consequently have a material and adverse effect on its business, cash flow, financial condition, results of operations and prospects.

Risk Factors

Earthquake Risk

While the sites of both Tiger Palace Resort Bhairahawa and TMCCK, and also the land at Jhapa are not located near the fault line running across Nepal, there is a risk that an earthquake will occur that may damage or destroy Silver Heritage's Nepal casinos, Tiger Palace Resort Bhairahawa, TMCCK or any of the Group's future projects or deter tourists from visiting Nepal. An earthquake, damage, or any material disruption to operations of the Nepal casinos or a decrease in tourism may have a material adverse effect on Silver Heritage's Nepal operations and revenue which may, in turn, have a material adverse effect on the Group's business. An earthquake may also cause injury or death to the employees and customers of the Nepal casinos and, there is a risk that persons may pursue the Group for compensation for injury or death.

Labour Shortage Risk

The leisure and tourism industry is typically labour intensive. There is no assurance that the Group will be able to source suitably skilled or qualified labour to operate its gaming and gaming-related operations, and to construct the Group's future projects. Further, there is no assurance that labour costs will not increase. Given the limited pool of workers available and the growing number of gaming and gaming-related operations being developed in Nepal, Vietnam, Laos and Cambodia, the Group faces and may continue to face significant competition for the services of these workers, which may require that it increase wages to attract workers in the future.

Future Growth Risks

Many of the risks set out in this Section will also be applicable to the development of the Group's future projects. In addition, a number of other risks may impact on the Group's growth strategy, including the following.

Future Developments Risk

A substantial portion of the Group's growth strategy is focused on the development of new casinos and integrated resorts, primarily within Nepal. In accordance with its proposed strategy, the Group has incurred, and will continue to incur, significant capital expenditures and fixed costs associated with the development of new casinos and Integrated Resorts. There is no guarantee that the Group will be able to successfully implement its current plans for the development of new casinos and Integrated Resorts, or that it will be able to maintain or improve on its current operating margins.

There is also no guarantee that the introduction of new casinos and Integrated Resorts will lead to a corresponding increase in the Group's revenue or that the Group will be able to maintain or grow its market share in the future or otherwise compete effectively. Any failure on the Group's part to successfully implement its current plans for the development of these casinos and Integrated Resorts would adversely affect its business, financial condition and results of operations.

Limited Operating History Risk

The Group only has a limited history in operating casinos. In addition, the Group has complemented its newly developed casino at Tiger Palace Resort Bhairhawa with other entertainment and hospitality businesses, such as hotels, spa facilities, retail facilities, convention rooms and food and beverage outlets to support it overall gaming operations. As the Group has limited experience in operating businesses ancillary to gaming combined with the unpredictability of operating in an emerging market, there is no guarantee that the casinos or proposed non-gaming businesses and facilities will be successful.

The Group plans to complement its newly developed casinos with other entertainment and hospitality businesses, such as hotels, spa facilities, retail facilities, convention rooms and food and beverage outlets to support its overall gaming operations. Due to the Group's limited experience in operating Integrated Resorts and businesses ancillary to gaming, and the unpredictability of operating in an emerging market, there can be no guarantee that the proposed non-gaming businesses and facilities will be successful or that Silver Heritage's investments in these businesses will have the desired effect on its overall revenues. Moreover, there is no guarantee that the additional expenses incurred in, and management resources dedicated to, these businesses will not adversely affect the Group's existing operations.

Risk Factors

Debt or Equity Financing Risk

The Group's ability to obtain debt and/or equity financing on acceptable terms depends on a variety of factors that are beyond its control, including market conditions, investors' and lenders' perceptions of, and demand for, debt and equity securities of gaming companies, credit availability and interest rates. As a result, there can be no guarantee that the Group will be able to obtain sufficient funding from external sources as required on terms satisfactory to it, or at all, to finance future capital investment projects. If the Group is unable to obtain such funding, it may not be able to pursue its planned future projects and its business, cash flow, financial condition, results of operations and prospects could be materially and adversely affected.

Competitive Environment Risk

Across Asia, casino gaming has either been prohibited outright, or prohibited unless licensed. Macau's expansion to three concessionaires in 2002 and Singapore's licensing of casinos in 2010 have led to increased liberalization in the Asian region. While Nepal (1960s), Cambodia (1990s) and Vietnam (1990s) (on a limited basis) have had casino gaming for a longer period, it has been on a significantly smaller scale than is now evident in Macau and Singapore. This liberalization has resulted in new entrants into the gaming industry in the region, which may have attracted gaming customers from the Group's target markets. This has also led to increased competition for gaming customers across Asia, some of which are the Group's target customers, who may choose to visit other casinos instead of, or in addition to, those owned or operated by the Group. If the number of visitors to the Group's casinos decreases, this may adversely impact the profitability of its operations, which may be compounded if the Group decides to offer more attractive incentives to its visitors.

In Nepal, the Group competes with other licensed casinos in Kathmandu, with more expected to open in the future. On the India-Nepal border, where it has an early mover advantage, competition will take time to eventuate to create a competitive market for Indian consumers living adjacent to Nepal. However, there is no limit in the Nepal Casino Rules on the number of licences that may be granted and accordingly, other Integrated Resorts may be developed by third parties in Kathmandu or on the India-Nepal border that may compete directly with the Group's own Integrated Resorts. Any competing Integrated Resort that is successful in attracting similar gaming customers to the Group may adversely affect the Group's operations, financial performance and prospects.

Regulatory Risk

The Group operates in a regulated industry. In particular, the Group is generally required to obtain a licence, or enter into permitted contractual arrangements with existing licence holders, in each jurisdiction in which it conducts its gaming operations. There is an on-going risk in relation to markets where the Group operates or intends to operate under its own licence that the Group may be unable to secure a licence, may lose or have its existing licences varied or have an existing licence not renewed when it expires. Further, where the Group operates through contractual arrangements with third party licence holders, there is the risk that such third party will be unable to secure its own licence or that it may not be permitted or may choose not to continue its contractual relationship with the Group.

Additionally, there is a risk that the Group may not obtain licences in relation to casinos contemplated as part of its growth strategies in new or existing markets, or that there may be significant delays and costs in obtaining additional licences. Also, a number of the markets in which the Group operates have rapidly developing regulatory landscapes, and as such, the ability to obtain or renew a licence or the conditions under which such licences are issued or renewed may be subject to rapid and material changes. These may include additional conditions which could have an impact on the Group's operating environment(s), such as the introduction of partial or total smoking bans. The inability to secure a licence, as well as the loss, variation, refusal or revocation of a licence in one jurisdiction may impact on the ability of Silver Heritage to obtain or maintain licences in other jurisdictions. The loss, variation, refusal or revocation of an existing licence or any delays in obtaining additional licences or the breach of any applicable laws or regulations may have a material adverse effect on Silver Heritage's business and operating results.

Management Fee Risk

The maximum management fee payable under a management services agreement under Vietnamese law is 4% of the "turnover" of the gaming enterprise. The term "turnover" is open to interpretation and there is currently no guidance of any nature as to how it is to be interpreted. A management fee is currently payable under the ESA. There is a risk that the management fee may be deemed to exceed the threshold, which may result in the ESA being held unenforceable (among other things). This may result in an inability to remit fees derived under the ESA offshore, or otherwise end the Group's management of the casino, which would adversely affect Silver Heritage's business and financial condition.

Risk Factors

Anti-money Laundering Risk

The casino gaming industry is prone to money laundering and other illegal activities, including the use of laundered proceeds for terrorist financing, and Silver Heritage may not be able completely to prevent money laundering and other illegal activities from occurring within its casino premises.

The Group's casinos or gaming operations have incorporated, inter alia, anti-money laundering procedures, which though in line with the standards set by the Financial Action Task Force with a view to preventing terrorist financing, as well as other illegal or anti-social acts, may fail to detect money laundering transactions. In the event that any of the Group's operations become a target for money laundering, the activities offered by the Group's casinos and gaming outlets may be exploited. Certain staff and operations may be investigated by regulators, as a result of which the business operations may be interrupted and certain rights currently enjoyed by the Group may be withdrawn or revoked, any of which may have a material adverse impact on the Group's operations, financial performance and operating results.

Taxation Risk

If the government of Nepal or Vietnam decides to increase the effective rate of gaming tax or royalties, amend existing laws and regulations applicable to the Group's business, or raise the amount of the gaming premium, Silver Heritage may incur substantial further costs and expenses or lead to the closure of the affected operations. This could adversely affect its financial condition, results of operations and cash flow.

Payout of Winnings Risk

The gross profitability of the Group's gaming operations is primarily determined by the difference between the amount of money bet by players at its casinos and gaming outlets and the amount paid-out as winnings to players. Gaming, by its nature, involves an element of chance that cannot be controlled. The higher the amount paid out as winnings, the lower the profitability may be. In the event that the amount paid out as winnings actually exceeds the amount bet by players, the Group may record a loss from its gaming operations, which could materially and adversely affect the business, cash flow, financial condition, results of operations and prospects.

Fraud or Cheating Risk

Gaming is principally a cash business and there is a possibility that players may seek to cheat the Group's casinos and gaming operations, particularly if players collude with the employees. In the event that the Group is not able to detect such cheating in time or at all, it may suffer losses and the results of operations may be adversely affected. Any negative publicity arising from such incidents may also tarnish the Group's reputation and may result in a decline in business, and as such the operating results and profits may be adversely affected.

Illegal Casino Risk

It is illegal to operate a casino in each jurisdiction in which the Group has gaming operations without a licence or other consent of the relevant regulator or government authority. Silver Heritage only operates where it or its partner has a licence (or equivalent). However, there may be unlicensed casinos operating in Vietnam and Nepal illegally. In India, one target market for the Group's operations in Nepal, illegal casinos do operate from time to time before being closed down by the Indian authorities. The presence of illegal casinos may attract target gaming customers of the Group, which may affect the Group's operations and adversely impact its revenue and profitability.

Online Gaming Competition Risk

A significant development presently taking place within the gaming industry is the evolution of online gaming, which effectively allows persons to gamble on the internet. Players may prefer gambling online instead of visiting a casino, which may particularly be the case for those who must travel long distances to visit a casino. If this occurs, it may adversely impact the profitability of the Group's operations.

Risk Factors

Risks Relating to Countries in which the Group Operates

Terrorist or Criminal Activities Risk

The markets in which the Group operates have experienced a number of major natural catastrophes over the years, including typhoons, droughts, floods, volcanic eruptions, earthquakes and acts of violence. Government authorities and agencies in many emerging markets, including the markets in which the Group operate, may not be prepared or equipped to respond to these types of events in the future, which may increase or prolong the impact they have on the affected areas. Further, the countries in which the Group operates may also be subject to outbreaks of contagious diseases. If major natural catastrophes occur in the future, there is a risk that they may materially disrupt and adversely affect the Group's business operations.

The Group cannot predict the extent to which its business will be affected by any of the above occurrences or fears that such occurrences will take place, and cannot guarantee that any disruption to its business will not be protracted, that its property will not be damaged or that any such damage will be covered by insurance completely or at all, that it will respond adequately, or that it will be able to rebuild or restore operations in a timely fashion. Any of these occurrences may disrupt the Group's operations and therefore the Company's financial condition and results of operations. Further, any of the above occurrences may also destabilize the economy and business environment, which could also materially and adversely affect the Group's business and financial condition.

Developing Country Risk

Many of the legal, financial and political systems of the countries in which the Group operates are not as developed as systems in Australia or other Western jurisdictions. As a result, protections that the Group or its stakeholders may have in Australia or such other jurisdictions may not be available in the markets in which it operates. Further, the systems in these markets have been subject to various reforms over a number of years. As such, the applicable laws may be uncertain and the legal interpretation of which may still be evolving, and political, social and economic factors may lead to further reforms. There is no guarantee that any change will have a positive effect on the economic development of a market in which the Group operates or that the Group will be able to benefit or capitalise on these changes.

Regulatory Framework Risk

The legal systems and regulatory framework in the markets in which the Group operates are subject to continuing development and government intervention including in relation to gaming, foreign investment, tax and foreign exchange. These developments may impact, inter alia, the Group's ability successfully to enforce its legal rights in such jurisdictions and consequently could have a material adverse effect on the Group's business.

Public Acceptance Risk

Public acceptance of gaming changes periodically in various gaming locations in the world and represents an inherent risk to the gaming industry. There is a risk that communities in a market in which the Group operates may oppose, or come to oppose, gaming. Silver Heritage cannot guarantee that negative sentiments will not be expressed in the future against the gaming industry generally and its operations in particular, and that such sentiments will not reduce the number of visitors to its facilities and materially and adversely affect the Group's financial condition and results of operations.

Transfer Pricing Risk

The Group undertakes a number of related-party transactions in the various tax jurisdictions in which it operates. These are generally required to be on arm's length terms for transfer pricing purposes. The position and pricing applied in respect of these related party transactions by the Group may be subject to challenge by the local revenue authorities giving rise to additional taxation in those jurisdictions.

Permanent Establishment Risk

The manner in which the Group operates in Vietnam may cause the activities of the local Group entity to constitute a permanent establishment of the relevant non-resident Group entity. Where the local revenue authorities assert that a permanent establishment exists in their jurisdiction they may seek to assess the non-resident Group entity on income attributable to the permanent establishment giving rise to additional taxation in those jurisdictions.

Risks related to Nepal

Prohibited Trading Risk

The unlicensed trading of foreign currency in Nepal is prohibited. The Group has a licence from the NRB to engage in foreign exchange transactions at TMCCK and Tiger Palace Resort Bhairahawa. The casino licence holder and its officers and employees responsible for TMCCK's or Tiger Palace Resort Bhairahawa's operations may be penalised if the Nepali authorities were to find previous instances of trading of foreign currency at TMCCK or Tiger Palace Resort Bhairahawa. If this were to eventuate, this may have a material adverse impact on the Group's business operations and financial position.

Withholding Requirements Risk

Windfall tax is currently levied at 25% on a person's winnings within a casino and the Group is required to withhold the tax from the customer's winnings and pay such windfall tax to the Nepali Inland Revenue on behalf of that customer. Currently the Group has agreed with the relevant authorities withholds windfall tax in relation to jackpot and prize draw winnings. There can be no assurance that the Group's interpretation of what is required to be withheld is correct, and if such interpretation is deemed incorrect, the Group may be subject to penalties and potential liabilities. Further, any increase in windfall tax may diminish the attractiveness to gaming customers, which may materially adversely impact the Group, its financial position and operations.

Risks related to Vietnam

Licensing Risk

There is currently no clear regulatory framework for the licensing of live gaming tables in Vietnam. In practice, some gaming centres are permitted by the provincial People's Committee, via ad hoc authorisations, to operate live gaming tables. Phoenix International Club currently operates live gaming tables, in relation to which Silver Heritage provides management services. In the event that Phoenix International Club is no longer able to operate live tables or the Group is unable to provide its services to Phoenix International Club, the financial condition, operations and prospects of the Group may be adversely affected.

Prohibited Trading Risk

The unlicensed trading of foreign currency in Vietnam is prohibited. Phoenix International Club does not have a licence from the Vietnamese Central Bank to engage in foreign exchange transactions. The Group, in accordance with its role pursuant to the ESA, has adopted stringent compliance procedures and protocols to ensure that such activities are not permitted. However, as a casino whose customers include nationals from many different countries, there nevertheless remains a risk that foreign currency will be traded on the premises. Although Phoenix International Travel bears primary responsibility for all activities conducted on the premises as the owner and casino licence holder, there is a risk that the Group will also be penalised and/or have the ESA terminated, if it is found to have participated in, or permitted the trading of, foreign currency, including through a fine or suspension of the casino. These circumstances would have a materially adverse impact on the Group's business operations and financial position.

Risk Factors

Risks related to Shares and Investment in the Shares

Fluctuating Price of Shares Risk

The Company is a publicly-listed company on ASX and is subject to the general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in its Share price that are not explained by the fundamental operations and activities of the Group.

The price at which Shares are quoted on ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the Offer Price. There is no assurance that the price for the Shares will increase following their quotation on ASX, even if the Group's earnings increase.

Factors which may affect the price of the Shares include fluctuations in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, inclusion in or removal from market indices, the nature of the markets in which the Group operates and general operational and business risks.

Active Market Risk

There can be no guarantee that an active market will develop or the price of the Shares will increase. There may be relatively few potential buyers or sellers of Shares on ASX at any given time. This may increase the volatility of the market price of the Shares and may prevent Shareholders from acquiring more Shares or disposing of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Applicants receiving a market price for their Options that is less or more than the Offer Price.

Currency Movement Risk

The Group currently conducts business in Hong Kong, Nepal and Vietnam, and reports its financial statements in United States dollars. Adverse movements in the exchange rate between the US dollar and those respective foreign currencies, which may or may not be freely convertible, and any other foreign currencies as a result of future international expansion, may cause the Group to incur foreign currency losses. Such losses may impact and reduce Silver Heritage's profitability, ability to pay dividends and ability to service debt obligations it may take on in the future.

Further, while the Company is listed on ASX, its financial statements are presented in US dollars and not Australian dollars. Fluctuations between the two currencies may adversely affect the Company's financial performance in Australian dollars.

Risk Factors

Dividend Risk

Franking credits are generated on the payment of tax by the Company on taxable income taxed in Australia, and the availability of franking credits will therefore depend on the nature of income derived by the Company. Generally speaking, dividend income derived by the Company from its underlying subsidiaries will not be taxable in Australia and will therefore not give rise to franking credits and as a result, dividends are unlikely to be fully franked. Such income may however constitute conduit foreign income which can be paid as dividends to non-Australian tax resident Shareholders free of dividend withholding tax. Normally it would be necessary to fully frank a dividend paid to non-Australian tax resident Shareholders in order that dividend withholding tax not be incurred.

For Australian tax resident Shareholders, the value and availability of franking credits to a Shareholder will differ depending on the Shareholder's particular tax circumstances. Shareholders should also be aware that the ability to use franking credits, either as a tax offset or to claim a refund after the end of the income year, will depend on the individual tax position of each Shareholder.

Taxation Reform Risk

Any changes to the current rate of company income tax in the markets in which the Group operates may impact Shareholder returns. Any changes to tax laws applicable to the Group, the way they are interpreted and applied, or the current rate of taxes may have an adverse effect on the Group's financial performance or results. In addition, any change in tax rules and tax arrangements could have an adverse effect on the level of dividend imputation or franking and Shareholder returns.

Shareholder Dilution Risk

If Eligible Shareholders elect not to take up their Entitlement or only take up part of their Entitlement, they will be subject to substantial dilution as a result of the issue of Shares under the Entitlement Offer. In addition, Ineligible Retail Shareholders will be subject to substantial dilution under the Entitlement Offer.

Further, in the future, the Company may elect to issue Shares to engage in fundraisings including to fund acquisitions that the Group may decide to make or to fund its future strategies in general. While the Company will be subject to the constraints of ASX Listing Rules regarding the percentage of capital it is able to issue within a 12 month period (other than where exceptions apply), Shareholders may be diluted as a result of such issues of Shares and fundraisings.

Economic Risk

The operating and financial performance of the Company is influenced by a variety of general domestic and global economic and business conditions that are outside its control, including long-term inflation rates, exchange rate movements, interest rate movements and movements in the general market for ASX and internationally listed securities. A prolonged deterioration in general economic conditions, for example a decrease in consumer and business demand which may impact the demand for the Group's gaming facilities, may have a material adverse impact on the financial performance, financial position, cash flows, dividends, growth prospects and share price of the Company.

Enforcement Risk

The Group's assets are and will continue to be located outside Australia. As a result, it may be difficult to enforce judgments obtained in Australian courts against any of them. In addition, there is uncertainty as to whether the courts of the jurisdictions in which the Group operates would recognize or enforce judgments of Australian courts obtained against the Company or its subsidiaries based on provisions of the laws of Australia. Furthermore, because the majority of the Group's assets are located outside Australia, it may also be difficult to access those assets to satisfy an award entered against the Group in Australia. As a result of all of the above, Shareholders may have more difficulty in protecting their interests in the face of actions taken by Management, the Board or controlling Shareholders than they would as shareholders of a company with assets in Australia.

Summary of Underwriting and Offer Management Agreement

The Entitlement Offer is full underwritten by the Lead Manager, and the Placement is managed by the Lead Manager pursuant to an underwriting and offer management agreement (**UOMA**) dated as at the date of this announcement. Under the UOMA between the Lead Manager and the Company, the Lead Manager has agreed to act as lead manager, bookrunner and underwriter to the Entitlement Offer and lead manager and bookrunner to the Placement.

For the purposes of this section, Offer Documents means the following documents issued or published by, or on behalf of, the Company with their prior approval, in respect of the offer and in a form approved by the Lead Manager:

- the initial release to ASX containing details of the Offer;
- the Entitlement Offer Cleansing Notice;
- the Placement Cleansing Notice;
- the Retail Offer Booklet and accompanying materials relating to the Retail Entitlement Offer;
- any other ASX filings or press releases (including Appendix 3B), presentation materials or public or media statements made on or after the date of this agreement and up to and including completion of the offer.

Fees and expenses

Subject to the Lead Manager satisfying its obligations under the UOMA, the Company has agreed to pay the Lead Manager:

- a management fee equal to 1.0% of the Entitlement Offer proceeds;
- an underwriting fee equal to 4.25% of the Entitlement Offer proceeds;
- a management fee equal to 1.0% of the Placement proceeds; and
- a selling fee of equal to 4.25% of the Placement proceeds.

Subject to the Lead Manager satisfying its obligations under the UOMA, and the Company obtaining shareholder consent under Listing Rule 7.1 no later than 120 days following the retail settlement date, the Company must issue to the Lead Manager (or at its direction):

- 12,089,740 unlisted options exercisable into Shares on a 1:1 basis, with an exercise price of $0.0345 and an expiry date of 31 December 2021; and
- 12,089,740 unlisted options exercisable into Shares on a 1:1 basis, with an exercise price of $0.0398 and an expiry date of 31 December 2021.

The Lead Manager may, in its absolute discretion and on whatever terms it thinks fit, appoint sub-underwriters to the Entitlement Offer provided that:
any fees payable to sub-underwriters are payable by the Lead Manager on behalf of the Company out of the fees paid to the Lead Manager under this agreement; and
any such sub-underwriter is an iinstitutional iinvestor.

The appointment of a sub-underwriter does not reduce the Lead Manager's obligation to apply for any Institutional Shortfall Shares or Retail Shortfall Shares in accordance with the terms and conditions of the UOMA.
In the event that the Company does not obtain shareholder consent for the issue of Options under Listing Rule 7.1 within 120 days following the retail settlement date (Approval Date), the Company must seek shareholder consent under Listing Rule 7.1 within 90 days after the Approval Date (Second Approval Date). In the event that the issue of Options is not approved for the purposes of Listing Rule 7.1 by the Second Approval Date, the Lead Manager and the Company must act reasonably and discuss in good faith a mutually acceptable and commercially equivalent outcome, which may include continuing to seek shareholder approval at 90 day intervals until the issue of Options is approved or payment of an amount to the Lead Manager in lieu.

Finally, the Company has agreed to reimburse all reasonable expenses of the Lead Manager that are connected with the Offer including marketing and legal expenses. Sub underwriting fees are included in the fees payable by the Company to the Underwriter.

Events of Termination

If any of the following events occur, the Lead Manager may, at any time prior to the Retail Settlement Date (**Completion**), terminate the UOMA, without cost or liability, by notice to the Company:

- the Company ceases to be listed on the ASX or its shares suspend trading (other than voluntary suspension in connection with the Offer or otherwise implemented with the consent of the Lead Manager);
- the Company becomes insolvent or is likely to become insolvent;
- the Company indicates that it does not intend to proceed with the Offer;
- regulatory action is taken against an officer of the Company;
- there is a change in key management personnel of the Company;
- the Company is unable to issue Shares in accordance with Listing Rules, laws, a government agency or a Court order;

Summary of Underwriting and Offer Management Agreement

- the S&P/ASX Small Ordinaries Index closes for two consecutive business days during the Offer or closes on the Business Day prior to a the institutional settlement date or the retail settlement date at a level 10% or more below its level on the Business Day prior to that date;
- ASIC takes regulatory action against the Company such as holding an inquiry or investigation, applying for an order under the Corporations Act or prosecuting the Company or its officers;
- a certificate required to be furnished under the UOMA is not furnished when required;
- unconditional approval (or conditional approval, provided such condition would not have a material adverse effect on the success or settlement of the Offer) by ASX for official quotation of the shares is refused or is not granted by the time required to conduct the Offer in accordance with the Timetable or, if granted, is modified (in a manner which would have a material adverse effect on the success or settlement of the Offer) or withdrawn;
- the Company does not issue the ASX Release by 9:30am on the announcement date;
- any event specified in the Timetable is delayed by 1-2 business days;
- a Cleansing Notice becomes defective or requires amendment; and
- a statement in an Offer Document becomes false, misleading or deceptive or does not comply with applicable laws.

If any of the following events occur, and the Lead Manager reasonably believes the event:

- has or is likely to have a material adverse effect on the success of the Offer;
- has or is likely to have the ability of the Lead Manager to market or effect settlement of the Offer;
- has or is likely to have the market price of the Company's shares on ASX; or
- the event has given or could reasonably be expected to give rise to a contravention by or liability of the Lead Manager under any law or regulation,

the Lead Manager may, at any time prior to the Retail Settlement Date, terminate the UOMA, without cost or liability, by notice to the Company:

- the Company fails to perform its obligations under the UOMA.
- any of the documents required to be provided under the due diligence process having been withdrawn or varied without the prior written consent of the Lead Manager;
- the due diligence report or the information provided by or on behalf of the Company to the Lead Manager is false, misleading or deceptive or likely to mislead or deceive;
- a representation or warranty made or given by the Company under this agreement is breached;
- a new circumstance adverse to investors arises which would have been required to be disclosed by the Corporations Act;
- there is an adverse change in the business, assets, liabilities, financial position or performance, operations, management, outlook or prospects of the Company;
- a future matter in an Offer Document becomes incapable of being met in the projected timeframe;
- a statement in a certificate is untrue, incorrect or misleading or deceptive in a material respect;
- the Company issues or varies an Offer Document without prior approval of the Lead Manager;
- there is a change in the law or policy of Australia, Nepal or Vietnam (or announcement of such);
- there is a disruption in financial markets such as a general moratorium on commercial banking activities, suspension or limitation of trading in all securities quoted on certain stock exchanges, or the occurrence of other political, financial or economic markets in Australia, the United States, the United Kingdom, Hong Kong, Germany, China, Nepal or Vietnam;
- major hostilities arise or a national emergency arises involving any one or more of Australia, the United States, the United Kingdom, Hong Kong, Germany, China, Nepal or Vietnam.

Conditions, warranties, undertakings and other terms

The UOMA contains certain standard representations, warranties and undertakings by the Company to the Lead Manager as well as common conditions precedent, including the receipt by the Lead Manager of each of the documents contained in the Due Diligence Planning Memorandum (**DDPM**) and grant of the trading halt by ASX.

The representations and warranties given by the Company relate to matters such as conduct of the Company, power and authorisations, information provided by the Company, information in the Offer Documents and compliance with laws and the ASX Listing Rules. The Company also provides additional representations and warranties in connection with the business and affairs of the Company including in relation to licences and approvals.

The Company's undertakings include that it will ensure the Offer Documents comply with all applicable laws, that it will notify the Lead Manager of any breach, that it will not amend the Offer Documents without authorisation and will not until 90 days after completion of the Offer, issue (or agree to issue) or indicate in any way that it may or will issue or agree to issue any securities in the Company without the prior written consent of the Lead Manager. This undertaking is subject to certain exceptions, including any issue made pursuant to an employee share plan and distribution reinvestment plan.

Indemnity

Subject to certain exclusions relating to a judicial determination of, among other things, fraud, wilful misconduct or gross negligence of an indemnified party, the Company agrees to keep the Lead Manager and its representatives indemnified from losses suffered by them in connection with the offer or the appointment and role of the Lead Manager pursuant to the UOMA.

Selling Restrictions

New Zealand	

New Zealand

The offer made in this investor presentation is available only to persons receiving this investor presentation in New Zealand (electronically or otherwise) who are Wholesale Investors. This investor presentation does not constitute and should not be construed as an offer, invitation, proposal or recommendation to apply for Shares by investors in New Zealand who are not Wholesale Investors. Applications or any requests for information from investors in New Zealand who are not Wholesale Investors will not be accepted. This investor presentation has not been, and will not be, lodged with the Registrar of Financial Service Providers in New Zealand and is not a product disclosure statement under the Financial Markets Conduct Act 2013. New Zealand Wholesale Investors wishing to invest in the Company should be aware that there may be different tax implications of investing in the Company and should seek their own tax advice as necessary.

NEW ZEALAND INVESTORS: SELLING RESTRICTION

The offer made to New Zealand investors is available only to, and may only be accepted by, a Wholesale Investor (in terms of clause 3(2) and 3(3) of Schedule 1 of the Financial Markets Conduct Act 2013) who has completed a Wholesale Investor Certification or an Eligible Investor Certification or who invests a minimum amount of NZ$750,000 in Shares. Each New Zealand investor acknowledges and agrees that:

a) he, she or it has not offered or sold, and will not offer or sell, directly or indirectly, any Shares in the Company; and
b) he, she or it has not distributed and will not distribute, directly or indirectly, the investor presentation or any other offering materials or advertisement in relation to any offer of any Shares in the Company,

in each case in New Zealand other than to a person who is a Wholesale Investor (in terms of clause 3 of Schedule 1 of the Financial Markets Conduct Act 2013); and

a) he, she or it will notify the Company if they cease to be a Wholesale Investor (in terms of clause 3(2) and 3(3) of Schedule 1 of the Financial Markets Conduct Act 2013).

The following warning statement applies in relation to those New Zealand investors who are Wholesale Investors solely by reason of the minimum amount payable by them on acceptance of the offer being at least NZ$750,000.

Warning

The law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an informed decision.

The usual rules do not apply to this offer because there is an exclusion for offers where the amount invested upfront by the investor (plus any other investments the investor has already made in the financial products) is NZ$750,000 or more. As a result of this exclusion, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for this investment.
Investments of this kind are not suitable for retail investors.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

Selling Restrictions

Singapore	The Rights and the Shares are offered by the Issuer pursuant to exemptions invoked under Sections 274 and 275 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA). Accordingly, documents or material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights and the Shares may not be circulated or distributed, nor may the Rights and the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA; (ii) to a relevant person pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA. Any offer is not made to you with a view to the Rights and the Shares being subsequently offered for sale to any other party. Investors should note there are certain on-sale restrictions (set out in, among others, Section 257 and Section 276 of the SFA) applicable to all investors who acquire the Rights and the Shares pursuant to the exemptions in Section 274 or 275 of the SFA. As such, investors are advised to acquaint themselves with the SFA provisions relating to on-sale restrictions in Singapore or to consult their own professional advisers as to such on-sale restrictions, and to comply accordingly. The contents of this presentation have not been reviewed by any regulatory authority in Singapore. In the event of any doubt about any of the contents of this presentation or as to your legal rights and obligations in connection with the offer, please obtain appropriate professional advice.
British Virgin Islands	This offer shall not constitute an offer to a member of the public as defined under the Securities and Investment Business Act, 2010 of the British Virgin Islands (SIBA), however, the Shares may be offered to a person who is not a member of the public in the British Virgin Islands, including British Virgin Islands business companies in certain circumstances described in SIBA.
United Kingdom	This presentation does not constitute a prospectus for the purpose of the prospectus rules issued by the Financial Conduct Authority of the United Kingdom (FCA) pursuant to section 84 of the Financial Services and Markets Act 2000 (as amended) (FSMA) and has not been approved by or filed with the FCA. The information contained in this presentation is only being made, supplied or directed at persons in the United Kingdom who are qualified investors within the meaning of section 86(7) of FSMA, and the securities are not being offered or sold and will not be offered or sold to the public in the United Kingdom (within the meaning of section 102B of the FSMA), save in circumstances where it is lawful to do so without an approved prospectus (within the meaning of section 85 of FSMA) being made available to the public before the offer is made. In addition, in the United Kingdom no person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received by it in connection with the issue or sale of any Shares except in circumstances in which section 21(1) of FSMA does not apply to the Company and this document is made, supplied or directed at qualified investors in the United Kingdom who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (as amended) (the FPO); or (ii) fall within article 49(2)(a) to (d) of the FPO (high net worth companies, unincorporated associations etc); or (iii) members or creditors of the Group as described in article 43 of the FPO; or (iv) persons who fall within another exemption to the FPO (all such persons being Relevant Persons). Any investment or investment activity to which this document relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. By completing, signing and returning a confirmation letter in relation to your allocation of securities, you make the following confirmations, agreements, acknowledgments, representations, warranties and undertakings and irrevocably represent and warrant that: 1. You are a Relevant Person (as defined above); 2. You have not offered or sold and will not offer or sell any Silver Heritage securities to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of FSMA; 3. You have only communicated or caused to be communicated and will only communicated or cause to be communicated any invitation or inducement to engaged in investment activity (within the meaning of section 21 of FSMA) relating to the securities in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person; and 4. You have complied and will comply with all applicable provisions of FSMA with respect to anything done by or in relation to the Silver Heritage securities in, from or otherwise involving, the United Kingdom.

Selling Restrictions

Hong Kong	This presentation has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the SFO). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. The Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under the SFO) or in other circumstances which do not result in this document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) or the Companies Ordinance (Cap. 622) of Hong Kong. No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" (as defined in the SFO and any rules made under the SFO). No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to eth public in Hong Kong within six months following the date of issue of such securities. The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.
Jersey	This presentation relates to a private placement and does not constitute an offer to the public in Jersey to subscribe for the Shares offered hereby. No regulatory approval has been sought to the offer in Jersey and it must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Company. The offer of Shares is personal to the person to whom this [Prospectus] is being delivered by or on behalf of the Company, and a subscription for the Shares will only be accepted from such person. The presentation may not be reproduced or used for any other purpose.
Guernsey	This document is only being, and may only be, made available in or from within the Bailiwick of Guernsey and the offer that is referred to in this presentation is only being, and may only be, made in or from within the Bailiwick of Guernsey: (i) by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) (the POI Law); or (ii) to persons licensed under the POI Law, the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended), the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended), the Insurance Business (Bailiwick of Guernsey) Law, 2002, or the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 (as amended), pursuant to section 29(1)(cc) of the POI Law. The offer referred to in this presentation, and this presentation, are not available in or from within the Bailiwick of Guernsey other than in accordance with the above paragraphs (i) and (ii) and must not be relied upon by any person unless made or received in accordance with such paragraphs.
Switzerland	The shares may not be publicly offered, distributed or redistributed in or from Switzerland, and neither this prospectus nor any other solicitation for investments in the shares may be communicated or distributed in Switzerland in any way that could constitute a public offering within the meaning of Articles 652a or 1156 of the Swiss Code of Obligations (CO). This prospectus may not be copied, reproduced, distributed or passed on to others without the Company's prior written consent. This prospectus is not a prospectus within the meaning of Articles 652a and 1156 CO or a listing prospectus according to Article 27 et seq. of the Listing Rules of the SIX Swiss Exchange and may not comply with the information standards required thereunder. The Company will not apply for a listing of the shares on any Swiss stock exchange.

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GROUP

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