

28 June 2019

SILVER HERITAGE GROUP LIMITED

**ASX ANNOUNCEMENT – ANNUAL GENERAL MEETING PRESENTATIONS -
CORRECTION**

In accordance with the ASX Listing Rules, the Chairman's and Chief Executive Officer's addresses to the Annual General Meeting are appended.

The appended includes a corrected Chief Executive Officer's address with the corrections being as follows:

“Total Nepal revenue to 31 May 2019 was US\$6.0m (**corrected from US\$6.5m**), an increase of US\$1.9m (**corrected from US\$2.5m**) (46%) over the previous corresponding period. At the same time costs in Nepal have reduced by 16% over the previous corresponding period, as the Company improves operational efficiencies and drives greater performance from its assets.

Both of the Company's properties, The Millionaire's Club and Casino, Kathmandu and Tiger Palace Resort, Bhairahawa have seen improved performances, with Gross Gaming Revenue at Tiger Palace up 52% to US\$2.6m (**corrected from US\$2.7m**) and Gross Gaming Revenue at The Millionaire's Club and Casino, Kathmandu up 37% to US\$2.7m (**corrected from US\$2.6m**).”

Kim Clark
Company Secretary

About Silver Heritage

Silver Heritage is an experienced regional gaming operator that operates and manages casinos in Nepal and Vietnam. Operating across Asia for more than 13 years, Silver Heritage brings best-in-class gaming operations to emerging gaming markets that are witnessing significant growth in gaming due to rising income levels and liberalisation of gaming regulations and rapid growth of outbound Chinese and Indian tourism.

Forward Looking Statements

This announcement contains forward-looking statements. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. These forward-looking statements are based on management's beliefs and assumptions and on information currently available to our management. The Company's management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law or the ASX Listing Rules. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results, events and developments to differ materially from our historical experience and our present expectations or projections.

Chairman's Address

This last year has once again been a period of great challenge and change for Silver Heritage.

During the year, we appointed two new directors to the Board and in the third quarter of 2018 completed an equity raise in order to pay down a portion of the company's debt with OCP and provide it with the necessary capital to continue the ramp up of its operations in Nepal, and I would like to thank the investors who supported the company in that endeavour.

However, in February this year, we were advised by our partner in Vietnam that the Phoenix site was no longer licenced for table operations, which forced us to immediately cease operations on the site. We subsequently reached a settlement agreement with our partner in respect of the termination of our management agreement totalling US\$5.25 million. The second of these instalments, was due to be paid in April, of which only US\$0.5 million has been received to date. We remain actively engaged with our former partner in respect of the payment of the outstanding balance and will pursue legal remedies under the termination agreement if necessary.

Largely as a result of the cessation of our activities in Vietnam the company is faced with a need to release capital from its asset base or raise new capital. The company relied on the earnings and cash flow of its activities in Vietnam to service its operating and funding costs outside of Nepal and without that we must find a solution. The Board and senior management have been working hard with the assistance of its advisors to identify and progress discussions with third parties in respect of such solutions. I am pleased to say that we have made progress on this and we are in advanced discussions in respect of several options in this regard. Please be assured that we are working towards finalising this as quickly as possible and will advise the market as soon as we have reached a conclusion to this process.

We appointed a new CFO, Ben Watiwat, whose efforts since joining the group I would like to acknowledge have been excellent and tireless.

As noted in a prior announcement, our new CFO uncovered accounting irregularities that were immediately reported to the Board and our auditor. It is important to note that these irregularities related to the accounting and tax treatment of certain payments that were made in Nepal, not the Group's

casino operations. The impact of the irregularities on the financial statements of the year ending 31 December 2018 was an additional expense of US\$54,000.

Notwithstanding the small size of the amounts in the context of the broader group, this has been a serious matter with serious consequences. The Board instituted an internal review and believes this was an isolated case. The staff member involved has been dismissed and we have changed our local accounting firm in Nepal. However, as a result of this, our auditor reached the conclusion that they cannot provide an opinion on our accounts for the year ended 31 December 2018 and have indicated that upon the appointment of a new auditor they intend to resign as auditors of Silver Heritage. The company conducted an audit tender process in the latter part of 2018, the finalisation of which was put on hold following the discovery of the accounting irregularities and will recommence discussions with participating firms in due course. Whilst trading in the shares remains suspended, management continues to liaise closely with the ASX with a view to recommence trading in the shares of Silver Heritage.

Notwithstanding the difficult circumstances that we have encountered, there are also some positives to note. The Board and senior management have worked closely together to implement management team and operational improvements in Nepal. As our CEO will outline, momentum in Tiger Palace and our Nepalese operations more broadly has been strong. The Board remains convinced of the long-term thesis of the Tiger Palace investment and believes that the ongoing investment in infrastructure in and around the site will continue to support meaningful growth in Tiger Palace's performance over time.

The Board acknowledges that it has already taken some time to bring to a conclusion the matters outlined above. I want shareholders to be assured that the Board and management team are working very hard to finalise matters with the ASX and bring the process of releasing or raising capital for the company to a conclusion as soon as possible.

I would finally like to acknowledge thank the efforts my fellow Directors, our CEO Mike Bolsover and CFO Ben Watiwat, and our entire staff more broadly for their tireless efforts in attending to the needs of the company in this past year.

Chief Executive Officer's Address

Fellow shareholders and directors, ladies and gentlemen, good morning and welcome to the 2019 Silver Heritage AGM.

As Matthew mentioned, momentum at Tiger Palace and our Nepalese operations more broadly has been improving strongly. We remain convinced of the long-term thesis of our Tiger Palace investment.

We have a truly world class asset in a region and location with strong fundamentals, including being situated just 15 minutes' drive from an airport which is set to become Nepal's second international airport in 2020.

Our Operations

Trading in Nepal to the end of May 2019 has significantly improved over the same period in 2018, particularly at Tiger Palace Resort, Bhairahawa.

Total Nepal revenue to 31 May 2019 was US\$6.0m, an increase of US\$1.9m (46%) over the previous corresponding period. At the same time costs in Nepal have reduced by 16% over the previous corresponding period, as the Company improves operational efficiencies and drives greater performance from its assets.

Both of the Company's properties, The Millionaire's Club and Casino, Kathmandu and Tiger Palace Resort, Bhairahawa have seen improved performances, with Gross Gaming Revenue at Tiger Palace up 52% to US\$2.6m and Gross Gaming Revenue at The Millionaire's Club and Casino, Kathmandu up 37% to US\$2.7m.

From an infrastructure perspective, there has been significant progress on the new 6-lane highway connecting the Indian border to the provincial capital of Butwal. There is now an uninterrupted highway connecting the Indian border with Tiger Palace, providing improved access to the property.

Construction of the new international airport (Gautam Buddha International Airport) continues, with the new 3,200 metre runway complete and construction of the taxiways, aprons and other facilities are now 75% complete. The Nepal Government's revised opening target for full operations is March 2020 and we expect direct international flights to provide significant upside to the property. We remain cautiously optimistic of this timetable, and in any event our efforts in improving marketing and player development mean that we are confident in the property's prospects on a standalone basis before including the significant benefits that an international airport only 15 minutes from the resort would bring.

Together with my fellow directors Matthew and Mike, and our Chairman James, I thank you all for your time today and for your continued support.

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