

ASX ANNOUNCEMENT**SILVER HERITAGE GROUP LIMITED****23 DECEMBER 2019****EXECUTION OF BINDING TERM SHEET**

Silver Heritage Group Limited (ASX: SVH) ("**Company**") is pleased to announce that it has executed a binding Term Sheet with OL Master (Singapore Fund 1) Pte Limited, Orchard Landmark II (Singapore Fund 1) Pte Limited and OL Master Limited (together "**Lenders**" or "**OCP**") in relation to the provision to the Company of a secured loan of US\$1,000,000 Dollars ("**Loan**"), subject to the execution of binding documentation.

The Lenders are the majority bondholders of the Company under the bond instrument dated 26 August 2016 (as amended and/or amended and restated from time to time) (the "**Existing Bonds**") and also hold 9.46% of the Company's issued share capital.

The Loan shall be utilised for working capital purposes of the Company, in accordance with the budget agreed between the Company and the Lenders for all costs and expenses of the Group outside Nepal over the next 6 months.

The key provisions of the Term Sheet are as follows:

- Loan amount: US\$1,000,000.
- Interest Rate: 15% per annum payable upon maturity.
- Options granted to Lenders pursuant to rule 7.1 of the ASX Listing Rules: 189,182,964 at a strike price of AU\$0.0078 (0.78 cents) per ordinary share, for which shareholder approval is not required.
- Maturity Date: 31 December 2021.
- Extension of the maturity of the Existing Bonds from 2 April 2021 to 31 December 2021.
- Interest due under the Existing Bonds on the next two Interest Payment Dates of 26 February 2020 and 26 August 2020 shall be capitalised.
- Suspension of the financial covenant testing under the Existing Bonds until 30 September 2020 and replacement of the existing financial covenants with the following only:

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| (i) | September 2020 | Last 9 Months Group Adjusted EBITDA of at least US\$500,000; |
| (ii) | December 2020 | Last Twelve Months (" LTM ") Group Adjusted EBITDA of at least US\$1,200,000; |
| (iii) | March 2021 | LTM Group Adjusted EBITDA of at least US\$2,000,000; |
| (iv) | June 2021 | LTM Group Adjusted EBITDA of at least US\$2,500,000; and |
| (v) | September 2021 | LTM Group Adjusted EBITDA of at least US\$3,000,000. |

About Silver Heritage

Silver Heritage is an experienced regional gaming operator that operates and manages casinos in Nepal (under its own licence). Operating across Asia for more than a decade, 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. Silver Heritage has built and opened South Asia's first Integrated Resort, Tiger Palace Resort Bhairahawa, in Nepal close to the border with India's most populous state, Uttar Pradesh. www.silverheritage.com.au

Further information:

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This announcement has been authorised for release by the Board of Directors