

Hamilton Securities Limited
ACN 138 270 201

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22 May 2017

Dear Optionholder

As you are aware, the company presently has on issue 1,619,377 B-class options. A B-class option entitles the holder to the issue of one ordinary share in the company upon payment of \$1.00 at any time up to 30 November 2019.

Following the sale of the company's shareholding in Asset Resolution Limited on 21 February 2017, which was reported in the company's half yearly report for the period ended 31 December 2016, the company assets consisted almost entirely of cash. As at 30 April 2017 the company held cash and cash equivalents of \$2,385,510, and had unaudited total shareholders' equity of \$2,389,095. The undiluted nett asset backing of the shares was \$1.12.

The exercise of B-class options at \$1.00 is likely to have the effect of reducing the asset backing of the shares below \$1.12. For example, if all of the 1,619,377 B-class options had been exercised on 30 April 2017, the company would have had held cash and cash equivalents of \$4,004,887, and unaudited total shareholders' equity of \$4,008,472. The total number of shares on issue would have been 3,758,208, and the net asset backing per share would have been reduced to \$1.07. Whilst very few options have been exercised up till now, there is no way of determining how many options will be exercised in the future, or when they might be exercised.

The company has considered the position of the option holders, and has decided to offer all option holders the opportunity to redeem their options at 8 cents per option now. This will give option holders a guaranteed return of 8 cents on their options, and will help to simplify the company's capital structure. There will also be some cost savings for the company. If you would like to accept the company's offer of 8 cents for your options, you should complete the attached form of acceptance and return it to the company by 23 June 2017. A reply paid envelope is enclosed.

A cheque will be sent to you within 14 days of receipt of your acceptance.

Yours sincerely



Steven Pritchard
Director

**AUSTRALIAN STANDARD
TRANSFER FORM**

AFFIX OR IMPRESS STAMP DUTY HERE

IMPRESS MARKING/CERTIFICATION STAMP HERE

COMPANY	HAMILTON SECURITIES LIMITED		
SECURITIES	B CLASS OPTIONS		
QUANTITY			
SELLER(S)			
CONSIDERATION		DATE	
SECURITY REFERENCE NUMBER			
BUYER	HAMILTON SECURITIES LIMITED		FOR COMPANY USE
POSTAL ADDRESS OF BUYER(S)	PO BOX 413 HAMILTON NEW SOUTH WALES 2303		
SECURITY REFERENCE NUMBER			
<p>I/We the registered holder(s) and undersigned seller(s) for the above consideration hereby transfer to the above named buyer(s) the securities specified above standing in my/our name(s) in the books of the abovenamed company subject to the several conditions on which I/we held the same at the time of signing of this transfer and I/we the buyer(s) hereby agree to accept the securities subject to the same conditions.</p>			
SELLER(S)			
SIGN HERE →			
DATE			
BUYER(S)			
SIGN HERE →			
DATE			