

11 January 2018

Dear Shareholder

**TikForce Limited - Pro-rata Non-Renounceable Entitlement Offer**

Further to the Company's announcements of 27 October 2017 and 17 November 2017 regarding the capital raising mandate (**Mandate**) with Alignment Capital Pty Ltd (ACN 167 124 754) (**Alignment Capital**), TikForce Limited (ACN 106 240 475) (**Company**) is pleased to advise:

- (a) it has received firm commitments for a proposed placement of 10,000,000 Shares at an issue price of \$0.015 per Share to raise \$150,000 from sophisticated and professional investors (**Placement**), together with one free attaching option for each placement share, exercisable at \$0.03 on or before 31 October 2020 (Shares and Options are anticipated to be issued on 18 January 2018); and
- (b) pursuant to the Mandate (as varied), it will undertake an **Entitlement Offer** of approximately 56,736,485 New Shares on the basis of one (1) New Share for every three (3) Shares held at an issue price of \$0.015 to raise approximately \$851,047 (before expenses) with a Record Date of 17 January 2018, together with 28,368,242 free attaching Options exercisable at \$0.03 on or before 31 October 2020 on the basis of one (1) Option for every two (2) New Shares issued. The Company lodged a prospectus for the Entitlement Offer (**Prospectus**) with ASIC on 11 January 2018.

Pursuant to the Mandate, Alignment Capital will act as Lead Manager to the Entitlement Offer and will be paid fees in relation to the Entitlement Offer, Placement and Convertible Note raising as set out in the Prospectus and the Company's announcements of 27 October 2017, 17 November 2017 and 11 January 2018, being:

- (a) a management fee of 1% (excluding GST) on all funds raised under the Offer, any Shortfall and Placement;
- (b) a selling fee of 5% (excluding GST) on all funds raised under the Offer, any Shortfall and Placement; and
- (c) up to 32,510,472 options, on the same terms and conditions as the New Options (**Fee Options**) (the issue of the Fee Options is subject to all necessary shareholder and regulatory approvals) comprised as follows:
  - (i) 15,000,000 Fee Options on the advance of the Convertible Note funds;
  - (ii) 7,500,000 Fee Options on completion of the Convertible Note issue;
  - (iii) 1,500,000 Fee Options on completion of the Placement; and
  - (iv) 8,510,472 Fee Options on completion of the Offer and any Shortfall placement (such figure based on full subscription of the Offer, and to be scaled back on a pro-rata basis if the Offer is only partially subscribed).

Funds raised from Entitlement Offer and Placement will be used for purposes including:

- (a) sales and marketing;
- (b) customer implementation;
- (c) support and enhancement of the TikForce Platform;

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- (d) expenses of the Offer;
- (e) general management and administration; and
- (f) working capital.

Refer to the Prospectus for further details.

The Entitlement Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at **5.00pm WST on 17 January 2018 (Record Date)**, whose registered address is in Australia or New Zealand.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue. The details of the free attaching Options are set out in the Prospectus.

Following completion of the Offer, the Company will have issued approximately 56,736,485 New Shares and 28,368,242 free attaching Options.

A copy of the Prospectus is available on ASX's and the Company's website at [www.tikforce.com](http://www.tikforce.com).

Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 5.00pm WST 18 January 2018. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded down to the nearest whole number of New Shares.

#### **Actions required of Eligible Shareholders**

There are a number of actions Eligible Shareholders may take:

You may wish to accept all or part of your rights to subscribe for New Shares pursuant to the Prospectus (**Entitlement**). To take up all or part of your Entitlement you will need to ensure your application money for the Entitlement you wish to take up is received by Advanced Share Registry (**Share Registry**) by no later than **5.00pm WST 6 February 2018**, by completing your Entitlement and Acceptance Form by filling in the number of New Shares you wish to accept and returning it to the Share Registry together with:

- (a) a cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
- (b) by making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.

You may choose to do nothing. If you choose to do nothing with your Entitlement, while you will continue to hold the same number of Shares as you currently hold, your interest in the Company will be diluted and you will receive no value for your Entitlement.

## Key dates for the Offer

Event	Date
<b>Announcement of Entitlement Issue, Appendix 3B and Prospectus</b> (lodgement of Prospectus with ASIC)	Thursday 11 January 2018
<b>Notice Sent to Security Holders</b>	Friday 12 January 2018
<b>Ex Date</b> (date from which securities commence trading without the entitlement to participate in the Offer)	Tuesday 16 January 2018
<b>Record Date</b> (date for determining Entitlements of eligible shareholders to participate in the Offer as at 5:00pm (WST))	Wednesday 17 January 2018 5.00 PM (WST)
<b>Prospectus Dispatched to Shareholders</b> (expected date of dispatch of Prospectus, entitlement and acceptance forms)	Thursday 18 January 2018
<b>Issue of Placement Shares and Options</b>	Thursday 18 January 2018
<b>Entitlement Issue Opens</b>	Thursday 18 January 2018
<b>Closing Date* 5.00pm (WST)</b>	Tuesday 6 February 2018
<b>New Shares quoted on a deferred settlement basis</b>	Wednesday 7 February 2018
<b>ASX notified of undersubscriptions</b>	Friday 9 February 2018
<b>Issue Date**</b> Deferred settlement trading ends	Friday 9 February 2018
<b>Dispatch Holding Statements**</b>	Friday 9 February 2018

*\*Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the Securities.*

*\*\* Dates are indicative only*

Securityholders with queries concerning the Entitlement Offer, should contact their financial adviser. For general information concerning the Entitlement Offer, Securityholders can contact the Company on 1800 732 543 from 8.30am to 5.00pm WST, Monday to Friday.

Yours sincerely

**Madhukar Bhalla**  
 Company Secretary

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