

11 January 2018

Dear Optionholder

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 the Placement and the Entitlement Offer will be used for purposes including:

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

TikForce Limited

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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.

Optionholders

The terms and conditions of the options you currently hold do not entitle you to participate in the Entitlement Issue unless you exercise your options in time for new shares to be allotted to you and entered on the Company's register of members on or before the Record Date.

To exercise your options and thereby participate in the Entitlement Issue, you will need to deliver the following to the Company at Suite A7, 435 Roberts Road, Subiaco WA 6008:

- (a) a notice of exercise of options (attached to this letter);
- (b) an option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised; and
- (c) Payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to "TikForce Limited – Share Application Account".

To ensure that your new shares are allotted prior to the Record Date, the above must be received by the Company no later than 5.00pm WST on 16 January 2018. If received after this date, allotment of new shares prior to the Record Date cannot be assured.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

This notice is important and requires immediate attention. If you have any queries concerning the Entitlement Offer, please contact your financial adviser. For general information concerning the Entitlement Offer, please contact the Company on 1800 732 543 from 8.30am to 5.00pm WST, Monday to Friday.

Yours sincerely

Madhukar Bhalla
Company Secretary