

ASX ANNOUNCEMENT

20 August 2018

Further update on Software Licence Agreement

Tikforce Limited ((ASX: TKF), “TikForce” or “the Company”) advises that ASX has requested that prior to the shareholder meeting on Monday 20 August 2018, TKF release an announcement further updating the market on the Licence Agreement (announcement of 16 August 2018), that will include additional disclosure of:

- TKF’s knowledge of and due diligence into Gambier Holdings Ltd; and
- Implications of the Licence agreement in view of the ASX letter to the company received on 17 August and released today.

The company is aware of the group involved with Gambier Holdings Ltd and is satisfied that adequate due diligence has been completed to grant Gambier Holdings Ltd (Gambier) with a Licence agreement.

Gambier includes an experienced management team with industry knowledge and experience to develop the licence. Tikforce is satisfied that this team have a committed plan to develop the business internationally in order to exploit the opportunities that are available.

Mr. Terry Richards is the sole Director of Gambier who has extensive management experience, which extends to growing companies through his networks and partnerships. Mr. Richards experience includes the following; .

- National Commercial Planning Manager for Shell Australia
- State Manager for State of Victoria for Shell Australia
- Northern Region Manager for Shell UK Ltd (part of the UK national retail management team)
- National Planning and Development Manager for Shell UK Ltd
- Director & General Manager of Boral Subsidiary, Boral Tyres

- Director of InnovaDerma UK Ltd as part of the group roll up into listing on the Euronext
- Director of Jenepe Limited

The company has been fully briefed on the operational strategies of Gambier and comfortable with their ability to execute,

Tickforce will continue to grow its current business operations which are located at its offices in Subiaco, Western Australia, consisting of a team of software developers and administrators that support its existing base of international and Australian customers, including key customers that include but not limited to Anglogold Ashanti and Iluka Resources that contribute to monthly revenues.

The ASX considers the Licence Agreement is in effect a disposal of the company's main undertaking.

Accordingly, prior shareholder approval under Listing Rule 11. Will be required before the licence being granted to Gambier. Further, the ASX consider the Licence Agreement also constitutes a change in the nature and scale of TKF's business operations in respect of which ASX intends to exercise its discretion under Listing Rules 11.1.2 and 11.1.3 and require TKF to re comply with the admission and quotation requirements in Chapters 1 and 2 of the Listing Rules and TKF's securities will remain suspended until it does so under Listing Rule 11.3.

The Company has and continues to engage with ASX to discuss its concerns.

In response to the Panel's query regarding how TKF intends to respond to ASX's letter of 17 August 2018, I confirm that, following consultation with ASX, TKF intends to proceed on the following basis:

Prior to the shareholder meeting on Monday 20 August 2018, TKF will release an announcement regarding the Licence Agreement enclosed herewith, (referred to in TKF's announcement of 16 August 2018). Additional disclosure of:

- TKF's knowledge of and due diligence into Gambier Holdings Ltd; and
- the implications of the Licence Agreement in light of ASX's position regarding Chapter 11 of the Listing Rules (as set out in ASX's letter).

TKF undertakes to:

- hold the shareholder meeting on Monday 20 August 2018 in respect of resolutions 1-7; and
- on the day of the meeting, withdraw resolutions 8-11.

Following the meeting, in consultation with the ASX, TKF intends to issue a new notice of meeting which will include the additional disclosure on resolution 8 as requested by ASX in their letter. Please note the date on which TKF will issue this new notice of meeting will be subject to ASX's review of the draft new notice of meeting.

In light of the above intentions, TKF is of the view that this should resolve all matters regarding the Takeover Panel Application.

For and on behalf of Tikforce Limited

Stuart Usher

Company Secretary