
TIKFORCE LIMITED

ACN 106 240 475

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00am (WST)

DATE: Friday, 2 November 2018

PLACE: Suite A7, 435 Roberts Road, Subiaco, WA 6008

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am (WST) on 31 October 2018.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL FOR DISPOSAL OF MAIN UNDERTAKING

To consider and, if thought fit, to pass, with or without amendment, the following a resolution as an **ordinary resolution**:

"That for, the purposes of ASX Listing Rule 11.2, clause 5.3 of the Constitution and for all other purposes, approval is given for the Company to:

- (a) grant to Gambier Holdings Limited (a company incorporated in the United Kingdom) (**Gambier**) a licence over the Company's intellectual property; and*
- (b) subject to entry into a business sale agreement with Gambier on terms consistent with the terms set out in the Explanatory Statement, dispose of the Company's business operating as "Tikforce" to Gambier, being the Company's main undertaking in consideration for a cash payment of \$350,000 (less any amounts paid by Gambier by way of extension of the licence referred to in paragraph (a) above),*

on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who might obtain a benefit (except a benefit solely by reason of being a holder of ordinary securities in the Company) if the Resolution is passed or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – ISSUE OF SECURITIES UPON CONVERSION OF CONVERTIBLE NOTES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 706,335,386 Shares and 706,335,386 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (being the persons set out in Schedule 2), except a benefit solely by reason of being a holder of ordinary securities in the Company, or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – PLACEMENT – OPTIONS TO ALIGNMENT CAPITAL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 26,048,508 Options to Alignment Capital on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – RATIFICATION OF SECURITIES ISSUED PURSUANT TO PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10,000,000 Shares and 10,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – SHARES UNDER ASX LISTING RULE 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 7,579,927 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – SHARES UNDER ASX LISTING RULE 7.1A

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 18,386,618 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 28 September 2018

By order of the Board



**Kevin Baum
Managing Director
TIKFORCE LIMITED**

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6380 2555.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – DISPOSAL OF MAIN UNDERTAKING

1.1 Background

On or about 16 August 2018, the Company's wholly owned subsidiary, Tikforce Operations Pty Ltd (ACN 168 318 616) (**TOPL**), entered into a binding Global Software Licence Agreement with Gambier (**Licence Agreement**), under which TOPL will grant to Gambier an exclusive, non-revocable, royalty free, world-wide licence to use the "TikForce" cloud-based workforce compliance platform (**Licence**).

The initial consideration payable to TOPL for the grant of the Licence will be \$10 for the period following commencement of the Licence until 30 September 2018 (**Term**). Should TOPL elect to terminate the Licence at the end of the Term, Gambier has the right to elect to extend the Licence in perpetuity by paying to TOPL:

- (a) a sum of \$100,000 within 14 days following TOPL giving notice of its intention to terminate to Gambier; and
- (b) a sum of \$250,000 within 3 months following TOPL giving notice of its intention to terminate to Gambier,

(together, the **Extension Fee**).

The Licence Agreement does not in any way restrict TOPL from using the intellectual property the subject of the Licence.

The Licence Agreement can be terminated by TOPL if an insolvency event occurs in respect of Gambier and can otherwise be terminated by either party if default is made by the other party in performance or observance of any provision of the Licence Agreement, and such default is not remedied within 30 days after notice specifying such default is given to the party.

As set out in the Company's announcement of 16 August 2018, Gambier has the exclusive right to negotiate a sale of TOPL's business and thereafter will have a first right of refusal with respect to a sale of TOPL's business. Gambier has exercised its right to negotiate an acquisition of the business operating as "Tikforce" (**Tikforce Business**).

Gambier's current offer is to pay a cash consideration of \$350,000, less any amounts paid by Gambier as an Extension Fee (**Proposed Sale**). The Board has determined that it will not proceed with further discussions in relation to the Proposed Sale on the above terms until such time as Resolution 1 has been considered by Shareholders. If Shareholders approve the Proposed Sale, the Company will engage in negotiations with Gambier with respect to the Proposed Sale, provided that the total consideration payable by Gambier shall not be less than \$350,000 inclusive of any Extension Fee.

ASX has indicated to the Company that it considers the grant of the Licence to be a disposal of the Company's main undertaking, which requires Shareholder approval under ASX Listing Rule 11.2. Further, ASX has indicated that the Company will be required to acquire new assets and comply with ASX Listing Rules 11.1.2 and 11.1.3 prior to its securities being reinstated to trading on the ASX.

As such, the purpose of Resolution 1 is to seek Shareholder approval under ASX Listing Rule 11.2 for:

- (a) the grant of the Licence to Gambier; and
- (b) the Proposed Sale of the Tikforce Business to Gambier, subject to Shareholders approving the terms of the Proposed Sale and the Company or TOPL entering into a business sale agreement with Gambier.

In addition, pursuant to clause 5.3 of the Constitution, the Company must not sell or dispose of the main undertaking of the Company unless the decision is ratified by the Company in a general meeting. Accordingly, the Company also seeks Shareholder approval for the Proposed Sale of the Tikforce Business to Gambier under clause 5.3 of the Constitution.

1.2 Expected use of consideration

The Company proposes to use the funds obtained from the grant of the Licence or Proposed Sale (as applicable) to meet the Company's working capital requirements, to search for and acquire a new business undertaking and subsequently re-comply with the ASX Listing Rules.

1.3 Financial Effect of Proposed Transaction and Pro Forma Balance Sheet

As at the date of this Notice of Meeting, the Company's sole asset comprises the Tikforce Business.

The impact of:

- (a) the grant of the Licence on the Company's balance sheet will be to increase the Company's cash reserves by \$350,010;
- (b) the Proposed Sale of the Tikforce Business on the Company's balance sheet is reflected in the pro-forma statement of financial position of the Company set out in Schedule 4.

Following completion of the Proposed Sale (if it eventuates), the Company will cease to have any right, title or interest in the Tikforce Business, and will cease to hold any material asset or undertake any material operations, until such time as the Company is able to acquire a replacement asset.

The grant of the Licence and Proposed Sale of the Tikforce Business will not impact on the Company's capital structure or result in any changes to the Board or senior management of the Company (though the Directors reserve the right to retire and, in accordance with the Constitution and Corporations Act, appoint additional directors in the ordinary course of business going forward).

1.4 Intentions following completion of Proposed Transaction

ASX Listing Rules 12.1 and 12.2 provide, as an on-going requirement, that the Company must maintain sufficient levels of operation and adequate financial condition to warrant continued quotation of its securities, in ASX's option. Further, under Listing Rule 12.3, quotation of the Company's securities may be suspended where half or more of the Company's assets are made up of cash or other assets readily convertible into cash.

ASX has indicated to the Company that it considers the grant of the Licence to be a disposal of its main undertaking for the purposes of Chapter 11 of the ASX Listing Rules. As a result, the Company has been suspended from quotation under ASX Listing Rule 12.3 pending the Company complying with ASX Listing Rules 11.1.2 and 11.1.3. This will require that the Company acquires a new business and re-complies with Chapters 1 and 2 of the ASX Listing Rules.

In the event the Proposed Sale is completed, it will result in the Company ceasing to carry on any the Tikforce Business. In these circumstances, ASX has indicated that the Company will remain suspended from quotation until it complies with ASX Listing Rules 11.1.2 and 11.1.3 in the manner set out above.

The Company intends to actively consider new acquisition, merger, and investment opportunities, both in Australia and overseas, which the Board believes could have potential to add value for the benefit of Shareholders.

1.5 Advantages of the Licence and Proposed Sale

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on Resolution 1:

- (a) the Licence and Proposed Sale provide an opportunity for the Company to monetise its main undertaking with a view to seeking new business opportunities for the Company;
- (b) the grant of the Licence and Proposed Sale provides value certainty for Shareholders;
- (c) the grant of the Licence and Proposed Sale will enable the Company to consider alternative asset acquisitions that the Directors believe will add value to Shareholders; and
- (d) the grant of the Licence and Proposed Sale will result in a reduction of operating expenditure and overhead costs for the Company while it considers new opportunities.

1.6 Disadvantages to the Proposed Transaction

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on Resolution 1:

- (a) the grant of the Licence creates a well-funded competitor to the Company's current business activities;
- (b) the Proposed Sale involves the sale of the Company's sole asset, which may not be consistent with the investment objectives of all Shareholders;
- (c) there are additional risk factors involved in the change in nature and scale of the Company's activities, including those specified below;
- (d) there is no guarantee that the Directors will be able to source a new asset or project for the Company; and
- (e) if the Licence and Proposed Sale do not complete, the Company will be required to raise additional capital in order to continue to finance the Tikforce Business. Any equity financing is likely to dilute Shareholders' interests in the Company. Further, there is no guarantee the Company would be successful in securing additional debt finance on favourable terms or at all.

1.7 Risk factors

Shareholders should be aware that if Resolution 1 is approved, the Company will grant the Licence and, subject to entry into a business sale agreement, proceed with the Proposed Sale and dispose of 100% of its interests in the Tikforce Business.

If the Company proceeds with the Proposed Sale, the Company will cease to have any material operations or assets and the Company may be unable to source or otherwise acquire a suitable replacement asset within a reasonable time. The Company is currently in suspension pending compliance with ASX Listing Rules 11.1.2 and 11.1.3.

Any continued lack of operation or material assets for any extended period is likely to reduce the Company's access to further capital, whether by debt or equity, and as such there is a risk that the Proposed Sale may result in the Company ceasing to be a going concern.

Further, for so long as the Company remains in suspension, there is no formal market on which Shareholders can sell Shares, effectively resulting in the Company's securities being illiquid.

1.8 Intention if Proposed Transaction is not approved

The Directors of the Company believe, given the reduction in the Company's revenues and outlook, the Proposed Sale is the only realistic transaction currently available to the Company which will result in reasonable value being realised for its assets.

If Resolution 1 is not passed and grant of the Licence and/or the Proposed Sale is not completed, the Company will continue to maintain its interests in the Tikforce Business.

1.9 Director Interests and Recommendation

The Directors do not have a material interest in grant of the Licence or the Proposed Sale. The Directors intend to vote their Shares in favour of the Resolution 1.

Based on the information available, and after considering the advantages and disadvantages of granting the Licence and completing the Proposed Sale, each of the Directors considers that Resolution 1 is in the best interests of the Company.

The Directors therefore unanimously recommend Shareholders vote in favour of Resolution 1.

2. RESOLUTION 2 – ISSUE OF SECURITIES UPON CONVERSION OF CONVERTIBLE NOTES

2.1 General

Resolution 2 seeks Shareholder approval for the issue of up to 706,335,386 Shares and 706,335,386 Options upon conversion of convertible notes, the terms of which are set out in the Company's announcement dated 16 March 2018. (**Convertible Notes**)

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 2 will be to allow the Company to issue the Shares and Options on conversion of the Convertible Notes during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

A copy of the Company's capital structure incorporating all securities proposed to be issued following the Meeting is set out in Schedule 1.

A table of the holders of the Convertible Notes and their entitlements to Shares and Options is provided at Schedule 2. Of note is that Groupnote Holdings Ltd holds Convertible Notes for the benefit of those parties listed in the second table of Schedule 2 and when conversion occurs the securities will be issued to these parties and not to Groupnote Holdings Ltd.

2.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of:
 - (i) Shares to be issued is 706,335,386; and
 - (ii) Options to be issued is 706,335,386;
- (b) the Shares and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares and Options will occur on the same date;
- (c) the deemed issue price will be \$0.00283 per Share (being the volume weighted average price for the 5 trading days prior to the date of issue of a conversion notice by the holders of the Convertible Notes) with each Option being issued free attaching to the Shares issued;
- (d) the Shares and Options will be issued to the holders of the Convertible Notes. None of these subscribers are related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Options will be issued on the terms and conditions set out in Schedule 3; and

- (g) no funds will be raised through the issue of Shares, as they are being issued upon conversion of the Convertible Notes. The Company used the funds raised through the issue of the Convertible Notes for working capital.

3. RESOLUTION 3 – PLACEMENT – OPTIONS TO ALIGNMENT CAPITAL

3.1 General

Resolution 3 seeks Shareholder approval for the issue of 26,048,508 Options (exercisable at \$0.03 on or before 31 October 2020) (**Alignment Options**) as part consideration for capital raising services provided by Alignment Capital Pty Ltd (**Alignment Capital**), details of which are set out in the Company's announcement dated 11 January 2018. The Company notes that the total amount raised under the entitlement offer referred to in that announcement was \$204,850.83 out of a maximum subscription of \$851,407, resulting in Alignment Capital being entitled to 2,048,508 Alignment Options for capital raising services in connection with the entitlement issue.

A summary of ASX Listing Rule 7.1 is set out in section 2.1 above.

The effect of Resolution 3 will be to allow the Company to issue the Alignment Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

A copy of the Company's capital structure incorporating all securities proposed to be issued following the Meeting is set out in Schedule 1.

3.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Alignment Options to be issued is 26,048,508;
- (b) the Alignment Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Alignment Options will occur on the same date;
- (c) the issue price will be \$0.00001 per Alignment Option;
- (d) the Alignment Options will be issued to Alignment Capital, who is not a related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 3; and
- (f) no material funds will be raised from the issue of the Alignment Options as they are being issued at an issue price of \$0.00001 per Alignment Option, raising a total of approximately \$260.

4. RESOLUTION 4 – RATIFICATION OF SHARE ISSUE PURSUANT TO PLACEMENT

4.1 General

On 19 January 2018, the Company issued 10,000,000 Shares at an issue price of \$0.015 per Share to raise \$150,000, together with one Option (exercisable at \$0.03 on or before 31 October 2020).

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares and Options (**Ratification**).

A summary of ASX Listing Rule 7.1 is set out in section 2.1 above.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

4.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 10,000,000 Shares and 10,000,000 Options were issued;
- (b) the issue price was \$0.015 per Share and the Options were issued free attaching to the Shares on a one for one basis;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Options were issued on the terms and conditions set out in Schedule 3;
- (e) the Shares were issued to clients of Alignment Capital. None of these subscribers are related parties of the Company; and
- (f) the funds raised from this issue were used for working capital.

5. RESOLUTIONS 5 AND 6 – RATIFICATION OF SHARE ISSUE

5.1 General

Shortly following dispatch of this Notice, but prior to the date of the Meeting, the Company will issue 25,966,545 Shares at an issue price of \$0.0034 per Share to raise \$88,286.25 (**Placement**). The Placement was undertaken using the Company's placement capacity under:

- (a) ASX Listing Rule 7.1 – for the issue of 7,579,927 Shares; and
- (b) ASX Listing Rule 7.1A – for the issue of 18,386,618 Shares.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares issued under Resolution 5 and Resolution 6 seeks Shareholder ratification for the issue of the Shares issued under Resolution 6 (**Ratification**).

A summary of ASX Listing Rule 7.1 is set out in section 2.1 above and a summary of ASX Listing Rule 7.4 is set out in Section 4.1 above.

By ratifying this issue under Resolution 5, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (i) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (ii) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

By ratifying the issue the subject of Resolution 6, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval. Although, it is noted that the Company's use of the 10% annual placement capacity following this Meeting remains conditional on Resolution 6 being passed by the requisite majority.

However, should Shareholder approval be obtained under Resolution 1, the Company will no longer have the benefit of ASX Listing Rule 7.1A.

5.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) the Company issued:
 - (i) 7,579,927 Shares that are being ratified under Resolution 5; and
 - (ii) 18,386,618 Shares that are being ratified under Resolution 6;
- (b) the issue price was \$0.0034 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) none of the subscribers will be related parties of the Company; and
- (e) the funds raised from this issue will be used for working capital.

GLOSSARY

\$ means Australian dollars.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Tikforce Limited (ACN 106 240 475).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

End Date means in relation to the Agreement, 30 September 2018.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share with the terms and conditions set out in Schedule 3.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – CAPITAL STRUCTURE

	Shares	Options
Current	193,866,177	63,670,960
Conversion of Convertible Notes (Resolution 2)	706,335,386	706,335,386
Issue to Alignment Capital (Resolution 3)	-	26,048,508
Placement ¹	25,966,545	-
TOTAL	926,168,108	796,054,854

Note:

1. Placement Shares to be issued under the Placement shortly after dispatch of this Notice at an issue price of \$0.0034.

SCHEDULE 2 – CONVERTIBLE NOTE HOLDERS

Name	Shares	Options	Relevant Interest in Shares ¹	Voting Power ^{1,2}
Asymmetric Credit Partners Pty Ltd	105,950,308	105,950,308	105,950,308	11.44%
Mrs Abbie Stuart Durtanovich	7,063,354	7,063,354	7,063,354	0.76%
Scintilla Strategic Investments Ltd	17,658,385	17,658,385	22,658,385	2.45%
Merrill Lynch Australia Nominees Pty Ltd ACF Regal Emerging Companies Fund	158,925,462	158,925,462	165,175,462	17.83%
Dan Mailing	35,316,769	35,316,769	35,316,769	3.81%
Altor Capital Management Pty Ltd	5,297,515	5,297,515	5,297,515	0.57%
Marnus Bothma	63,570,184	63,570,184	63,570,184	6.86%
Groupnote Holding Pty Ltd*	312,553,409	312,553,409	N/A	N/A
	706,335,386	706,335,386		

*Groupnote Holding Pty Ltd holds its securities beneficially for the following parties and has directed that Tikforce issue securities on conversion to the following parties.

Name	Shares	Options	Relevant Interest in Shares	Voting Power
Koto Buki Holdings Pty Ltd	3,531,677	3,531,677	3,531,677	0.38%
Sacco Developments Australia Pty Limited	35,316,769	35,316,769	35,416,769	3.82%
Big Leap Super Pty Ltd	3,531,677	3,531,677	3,531,677	0.38%
Giuseppe Mondello Super Fund Pty Ltd	5,297,515	5,297,515	5,297,515	0.57%

Jomanian Limited	8,829,192	8,829,192	8,829,192	0.95%
Risbec Corporation Pty Ltd	3,531,677	3,531,677	3,531,677	0.38%
Shelf Pty Ltd	7,063,354	7,063,354	7,063,354	0.76%
Fede Corporation Pty Ltd	10,595,031	10,595,031	10,595,031	1.14%
Surf Coast Capital Pty Ltd	35,316,769	35,316,769	35,316,769	3.81%
Rivergrade Pty Ltd	1,765,838	1,765,838	1,765,838	0.19%
Muscara Superannuation Fund Pty Ltd	3,531,677	3,531,677	3,531,677	0.38%
Mr John Ceccon & Mrs Maria Lynn Mclean	3,531,677.	3,531,677	3,531,677	0.38%
Springbok Capital Pty Ltd	7,063,354	7,063,354	7,063,354	0.76%
Jimmy Fausto Caffieri & Lucia Caffieri	17,658,385	17,658,385	18,408,385	1.99%
Gavin Koktis	706,335	706,335	706,335	0.08%
Bryan and Sharon Carr	17,658,385	17,658,385	17,658,385	1.91%
Crossbay Pty Ltd	17,658,385	17,658,385	17,658,385	1.91%
Celtic Capital Pty Ltd	70,633,539	70,633,539	70,740,299	7.64%
Crownway Pty Ltd	3,531,677	3,531,677	3,531,677	0.38%
Lucas (AUST) Pty Ltd	7,063,354	7,063,354	7,063,354	0.76%
Jomanian Limited	7,063,354	7,063,354	7,063,354	0.76%
Prosciutto Super Pty Ltd	8,829,192	8,829,192	8,829,192	0.95%
Torg Advisors Pty	1,765,838	1,765,838	1,765,838	0.19%

Ltd				
Rockefella Pty Ltd	3,708,261	3,708,261	3,708,261	0.40%
Tyrrhenian Holdings Pty Ltd	19,953,975	19,953,975	19,953,975	2.15%
	312,553,409	312,553,409		

Notes:

1. The information set out above with respect to the relevant interests and voting powers of the various parties assumes conversion of the Convertible Notes and is based on substantial shareholder notices provided to the Company together with a review of the Company's share register to ascertain existing holdings of the holders of Convertible Notes.
2. Assumes that all Shares set out in Schedule 1 are issued at the time the Convertible Notes are converted.

SCHEDULE 3 – OPTION TERMS AND CONDITIONS

- (a) The exercise price of each Option is \$0.03 (**Exercise Price**).
- (b) The expiry date of each Option is 31 October 2020 (**Expiry Date**).
- (c) Each Option gives the Option holder the right to subscribe for one Share.
- (d) Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (e) The amount payable upon exercise of each Option is the Exercise Price.
- (f) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 10,000 must be exercised on each occasion.
- (g) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number and class of options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

(Exercise Notice).

- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (i) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price (and subject to the Company obtaining any necessary prior approvals from Shareholders or regulatory bodies for the issue of the Shares), the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (j) Within 15 Business Days after the Exercise Date, the Company will, if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (k) All Shares issued upon the exercise of Options will upon issue rank pari passu in all respects with other Shares.
- (l) The Company will apply for Quotation of all Shares issued pursuant to the exercise of Options on ASX within 10 Business Days after the date of issue of those Shares.
- (m) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

- (n) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 4 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (o) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

SCHEDULE 4 – PRO FORMA BALANCE SHEET

	June 2018 \$	Proforma June 2018 \$
Current Assets		
Cash and cash equivalents	212,894	643,907
Trade and other receivables	525,821	525,821
Current tax asset	121,636	121,636
Total Current Assets	860,351	1,291,364
Non Current Assets		
Intangible Assets	65,849	65,849
Total Non Current Assets	65,849	65,849
Total Assets	926,200	1,357,213
Current Liabilities		
Trade and Other Payables	772,350	772,350
Borrowings	1,663,605	1,663,605
Provisions	35,729	35,729
Total Current Liabilities	2,471,684	2,471,684
Total Liabilities	2,471,684	2,471,684
Net Assets/(Liabilities)	(1,545,484)	(1,114,471)
Equity		
Contributed Equity	8,359,218	8,440,221
Reserves	1,450,445	1,450,445
Accumulated Losses	(11,355,147)	(11,005,137)
Total Equity/(Net Deficiency)	(1,545,484)	(1,114,471)

The balance sheet as at 30 June 2018 and the unaudited pro-forma balance sheet as at 30 June 2018 shown above have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. The 30 June 2018 Balance Sheet is in accordance with the recently announced Appendix 4E Preliminary Final Financial Report for the year ended 30 June 2018, by which the accounts were in the process of being audited.

The pro-forma balance sheet has been prepared assuming no Options or Performance Shares are exercised prior to the Closing Date and including expenses of the Offers.

LODGE YOUR VOTE ONLINE

ONLINE VOTE
www.advancedshare.com.au/investor-login

MOBILE DEVICE VOTE

Lodge your proxy by scanning the QR code below, and enter your registered postcode.
It is a fast, convenient and a secure way to lodge your vote.

2018 GENERAL MEETING - VOTING/PROXY FORM

I/We being shareholder(s) of Tikforce Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chair of the meeting

OR


PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) are named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the General Meeting of the Company to be held at Suite A7, 435 Roberts Rd, Subiaco WA 6008 on 2 November 2018 at 10.00am (WST) and at any adjournment or postponement of that Meeting.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES:

The Chair intends to vote undirected proxies in favour of all resolutions. In exceptional circumstances the Chair may change his/her voting intention on any resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

VOTING DIRECTIONS
Agenda Items

- | | For | Against | Abstain* |
|---|--------------------------|--------------------------|--------------------------|
| 1 Disposal of main undertaking | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Issue of Shares Upon Conversion of Convertible Notes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Placement – Options to Alignment Capital | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Ratification of Securities Issued Pursuant to Placement | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 Ratification of Shares Issued under ASX Listing Rule 7.1 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 Ratification of Shares Issued under ASX Listing Rule 7.1A | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholder should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

☐

Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE Chair OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on an item, your vote on that item will be invalid.

PLEASE NOTE: If you appoint the Chair as your proxy (or if he is appointed by default) but do not direct him how to vote on an item (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that item), the Chair may vote as he sees fit on that item.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR VOTE

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 10.00 am (WST) on 31 October 2018, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



ONLINE VOTE

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 9262 3723



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033