

ASX ANNOUNCEMENT 15 January 2015

Palace completes Share Sale Agreement with SiliciumRok re acquisition of TikForce Pty Ltd

On 18 September 2014, Palace Resources Limited (ASX: PXR) (**Palace or the Company**) informed the market that it had completed its Due Diligence with respect to the acquisition of TikForce Pty Ltd.

The Company is now pleased to announce that it has completed the Security Sale Agreement with SiliciumRok Pty Ltd, the ultimate holder of TikForce Pty Ltd's entire share capital.

Under the terms of the Security Sale agreement:

Palace will acquire 100% of the shares in Tikforce Pty Ltd and;

The consideration for the acquisition of the Shares shall be:

- (a) **the issue of 30,000,000 Palace Resources Post Consolidation Shares to be distributed amongst the Vendors and**
- (b) **the issue of the following Post Consolidation convertible performance shares, on a pro rata basis amongst the Vendors:**
 - (i) ***8,000,000 class A Post Consolidation convertible performance shares which will convert to 8 million fully paid ordinary shares on achieving 10,000 paid users***
 - (ii) ***12,000,000 class B Post Consolidation convertible performance shares which will convert to 12 million fully paid ordinary shares on achieving 20,000 paid users***
 - (iii) ***16,000,000 class C Post Consolidation convertible performance shares which will convert to 16 million shares ordinary shares on achieving 30,000 paid users***
 - (iv) ***20,000,000 28th February 2016 Post Consolidation options exercisable at 11 cents with a subscription price of 0.0001 cents***

At the meeting of shareholders, currently being prepared to approve this transaction, it is the intention of the Directors to seek the following approval from Shareholders:

- That for the purpose of ASX Listing rules 11.1.2 and for all other purposes, approval is given for the Company to make significant changes in the nature and scale of its business activities;

- That in accordance with Section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated with immediate effect on the basis that:
 - Every fifty (50) shares be consolidated into one (1) shares; and
 - All options on issue be adjusted in accordance with the ASX Listing rule 7.22;
- That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 50,000,000 Post Consolidation Shares at a price of \$0.10 per share, together with up to 50,000,000 Post Consolidation Options (“Prospectus”) have an exercise price of \$0.11 and an expiry date of 28 February 2016;
- That for the Purposes of Section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,000,000 Post Consolidation Shares and 1,000,000 Post Consolidation Options under the Capital raising to the Directors (or their nominees) ;
- That subject to the completion of the Acquisition, in accordance with ASX Listing Rule 10.11 , section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue 36,000,00 convertible performance shares , conditional upon the receipt of in principle approval from ASX concerning the terms and conditions of the convertible performance shares;
- For the purposes of ASX Listing rule 7.1 and for all other purposes, approval is given for the Company to issue 30,000,000 post Consolidation shares to the vendor of SiliciumRok Pty Ltd, for the acquisition of TikForce Pty Ltd;
- For the purposes of ASX Listing rule 7.1 and for all other purposes, approval is given for the Company to issue
 - (i) *8,000,000 class A Post Consolidation convertible performance shares which will convert to 8 million fully paid ordinary shares on achieving 10,000 paid users*
 - (ii) *12,000,000 class B Post Consolidation convertible performance shares which will convert to 12 million fully paid ordinary shares on achieving 20,000 paid users*
 - (iii) *16,000,000 class C Post Consolidation convertible performance shares which will convert to 16 million shares ordinary shares on achieving 30,000 paid users,*
 to the vendors of Silicium Rok Pty Ltd, for the completion of the acquisition of TikForce Pty Ltd;
- For the purposes of ASX Listing rule 7.1 and for all other purposes, approval is given for the Company to issue
 - (i) 20,000,000 28th February 2016 Post Consolidation options exercisable at 11 cents with a subscription price of 0.0001 cents to Advisors to the issue
- That subject to the completion of the Acquisition, and in accordance with Listing rule 10.11, Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue 10,500,000 post consolidation shares and 12,600,000 Post Consolidation convertible performance shares to Mr Kevin Baum (or his nominee - Kilo Delta as trustee for the Baumstein Trust of which Mr Baum is a beneficiary.) a proposed director of the Company. and

- That, subject to completion of the Acquisition, pursuant to Section 157(1) of the Corporations Act 2001 and for all other purposes, approval is given for the Company to change its name from “Palace Resources Ltd” to “Tikforce Limited”.

The Notice of Meeting allowing shareholders to vote on the proposal will be submitted shortly to the ASX and will be subsequently delivered to shareholders.

As mentioned in previous communications, veteran technology executive, Mr Kevin Baum will serve as inaugural CEO of TPL.

About TPL

Businesses and the global workforce are rapidly becoming more mobile, fluid and flexible. People want to take control of when, where and how they work, whilst organisations need to be as flexible, nimble and productive as ever to stay competitive.

TikForce has developed a suite of cutting edge solutions for organisations and work seekers that support this changing business environment and labour market.

The suite currently consists of 4 solutions that are multi-platform, cloud based, cost effective and completely customisable to client requirements.

When paired, the solutions can provide a complete business management solution.

For further information, please contact:

Roland Berzins
Company Secretary