

TikForce Limited

ACN 106 240 475

Prospectus

For a non-renounceable pro-rata entitlement offer of one (1) New Share for every three (3) existing Shares held by Eligible Shareholders registered at 5.00pm (WST) on Wednesday 17 January 2018 at an issue price of \$0.015 per New Share and one (1) free attaching New Option for every two (2) New Shares.

The Offer will raise up to approximately \$851,047 (before expenses).

The Lead Manager to the Offer is Alignment Capital Pty Ltd (ACN 167 724 754).

The Offer is not underwritten.

The Offer closes at 5.00pm WST on 6 February 2018.

Important Notice

This is an important document and should be read in its entirety. This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act 2001. If you have any queries about any part of the Prospectus, please contact your professional adviser without delay.

The Securities offered by this Prospectus should be considered speculative.

TABLE OF CONTENTS

IMPORTANT INFORMATION	2
CORPORATE DIRECTORY	5
TIMETABLE AND IMPORTANT DATES	6
SECTION 1 DETAILS OF THE OFFER	9
SECTION 2 RISK FACTORS	15
SECTION 3 PURPOSE AND EFFECT OF THE OFFER	21
SECTION 4 RIGHTS ATTACHING TO SECURITIES	25
SECTION 5 ADDITIONAL INFORMATION	27
SECTION 6 INFORMATION AVAILABLE TO SHAREHOLDERS	31
SECTION 7 DIRECTORS' CONSENT	32
SECTION 8 DEFINITIONS	33

Tikforce Limited

IMPORTANT INFORMATION

This Prospectus is dated 11 January 2018 and was lodged with ASIC on that date. Neither ASIC nor ASX, nor any of their officers, take any responsibility for the contents of this Prospectus.

No Securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. An application will be made to ASX within 7 days after the date of this Prospectus for the Quotation of the New Shares the subject of this Prospectus.

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

This document is important and it should be read in its entirety. The New Shares and Options to be issued pursuant to this Prospectus should be viewed as a speculative investment and Eligible Shareholders and investors should refer to the Risk Factors affecting the Company set out in Section 2. Eligible Shareholders and investors should consult their stockbroker, solicitor, accountant or other professional adviser if necessary.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus and any such information may not be relied upon as having been authorised by the Directors.

A copy of this Prospectus can be downloaded from the Company's website at www.tikforce.com. The offer constituted by an electronic version of this Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. Any Shareholder or Optionholder may obtain a hard copy of this Prospectus by contacting the Company.

A number of terms and abbreviations used in this Prospectus have defined meanings set out in Section 8.

OVERSEAS SHAREHOLDERS

Securities will not be issued pursuant to this Prospectus to Shareholders with a registered address outside of Australia or New Zealand. This is because the Company has determined that it would be unreasonable to make the Offer under this Prospectus to such Shareholders having regard to the number of Shareholders in the places where the Offer would be made, the number and value of the New Shares and Options that would be offered and the costs of complying with the legal requirements of those places. The distribution of this Prospectus in jurisdictions outside of Australia and New Zealand may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the applicable securities law.

This Prospectus is not intended to, and does not, constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer or issue. This Prospectus has not been, nor will it be, lodged, filed or registered with any regulatory authority under the securities laws of any other country.

LEAD MANAGER ARRANGEMENTS (Refer to Section 5.4)

The Company has appointed Alignment Capital Pty Ltd (ACN 167 724 754) (**Alignment Capital**) as Lead Manager to the Offer pursuant to the terms of a mandate (**Lead Manager Mandate**) under which the Lead Manager will provide corporate and capital raising services in relation to the Offer and the Company's convertible note agreements (**Convertible Notes**) (as announced on 27 October 2017 and 17 November 2017) and the Company's proposed placement of 10,000,000 Shares to sophisticated and professional investors as announced to ASX on 11 January 2018 (**Placement**).

Tikforce Limited

The Lead Manager (or its nominees) will receive fees for its services in relation to the Convertible Notes, Placement and Offer. A summary of these fees, and the material terms and conditions of the Lead Manager Mandate are set out in Section 5.4 of this Prospectus.

RISK FACTORS (Refer to Sections 1.12 and 2)

Refer to Sections 1.12 and 2 for details of the risks associated with an investment in the Company. As with any securities investment, there are risks associated with investing in the Company. Investors should be aware that an investment in the Company involves risks that may be greater than risks associated with an investment in some other companies. The principal risks that could affect the financial and market performance of the Company are detailed in Section 2 of this Prospectus. The Securities on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can be effectively managed is limited.

The following table sets out a summary of transaction specific risks that the Company is exposed to. This list of risks is not exhaustive. Risks of investing in the Company's existing assets and general risks are set out in Section 2 of this Prospectus.

Risk	Description
Competition and new technologies	<p>The industries in which TikForce is involved are subject to increasing domestic and global competition which is fast-paced and fast-changing.</p> <p>Whilst the Company intends to undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company.</p> <p>There is a risk that the Company will not be able to compete in the competitive industries in which it operates. TikForce will be competing against a number of significant global IT companies and other entities for users, user growth, user engagement, advertisements, commercial content and revenue.</p>
Development and marketing risks	<p>By its nature, there is no guarantee that the Company's marketing campaign will be successful and there is no guarantee of whether the Company will generate any revenue or profits.</p> <p>The Company may encounter difficulty in bringing the TikForce Platform to the market and creating market awareness of the brand.</p> <p>Any failure to expand the usage of TikForce's Platform would have an adverse impact on the Company's financial position and financial performance.</p>
Operational and commercialisation risks	<p>There can be no assurance that the Company's businesses will be profitable and/or commercially viable. The Company may not achieve either short or long-term profitability and may suffer losses.</p> <p>This may lead to the Company's financial position and financial performance being adversely affected and the Company's reputation suffering amongst users and customers as well as potential claims for redress.</p>
Intellectual property rights	<p>The Company has not sought protection of its intellectual property by applying for patents or trademarks due to the legal standards relating to the validity, enforceability and scope of protection of intellectual property rights being uncertain. In particular, when the Company seeks to expand its product range in international</p>

Tikforce Limited

Risk	Description
	markets, protection may not be available in any or every country in which the Company may operate.
Reliance on key personnel	The responsibility of overseeing the day to day operations and the strategic management of the Company depends substantially on its key personnel (being Mr Kevin Baum and the Directors at the date of this Prospectus). Loss of key personnel could adversely affect the Company's performance and its financial position.
Contractual risks	The Company is reliant on various contractual arrangements and relationships with third parties. In the event that this contract or other key contracts are breached, terminated, or are not renewed, the business' financial position and the performance of the Company may be detrimentally affected.
Security Breaches	A malicious attack on the Company from external or internal sources could put the integrity and privacy of customers' data and business systems used to run the TikForce Platform at risk.
Reliance on External Technology	<p>The Company does rely on the capacity of external technology utilized by the TikForce products under licence to provide ongoing support for the delivery of their software solutions.</p> <p>The Company recognizes the risk in these areas and will undertake all necessary controls and monitoring of these facilities to ensure that any variation or cancellation of these technologies can be replaced in due course.</p>
Fraud or misleading information from workers	<p>The TikForce Platform and the business of TikForce relies on proof of identity checks being undertaken by Tikforce Operations Pty Ltd personnel. It also relies on prospective employees or workers swearing a statutory declaration that documentation uploaded onto the TikForce Platform is genuine.</p> <p>There is a risk therefore that prospective employees or prospective workers using the TikForce Platform falsely swear the statutory declaration in relation to the truth or accuracy of the information they upload into the TikForce Platform.</p> <p>The Company has insurance in place to mitigate this risk, however if this occurs then the Company may be exposed to claims or may incur financial loss or reputational damage which may adversely affect future revenues or the growth prospects of the Company.</p>

Careful consideration should be given to all matters raised in this Prospectus and the relative risk factors prior to applying for Securities offered for subscription under this Prospectus. Investors should consider the risk factors described above and outlined in more detail in Section 2, together with the information contained elsewhere in this Prospectus, before deciding whether to apply for Securities.

Tikforce Limited

DIRECTORS' INTERESTS (Refer to Section 5.6)

The direct and indirect interests of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlements under the Offer are set out below.

Director	Shares (Direct & Indirect)	Options (Direct & Indirect)	Voting Power (%)	Entitlement Shares	Entitlement Options	Value of Entitlement Shares (\$)
Duncan Anderson*	NIL	NIL	NIL	NIL	NIL	NIL
Kevin Baum**	11,628,168	NIL	6.832%	3,876,056	1,938,028	58,140.84
Andrew Houtas***	NIL	NIL	NIL	NIL	NIL	NIL

Notes:

- * As at the date of this Prospectus, Mr Duncan Anderson does not have any Entitlement to participate in the Offer.
 - ** As at the date of this Prospectus, Mr Kevin Baum does not intend to participate in the Offer.
 - *** As at the date of this Prospectus, Mr Andrew Houtas does not have any Entitlement to participate in the Offer.
1. The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting to be divided between the Directors as agreed, currently set at \$300,000.
 2. The Company incurred remuneration costs relating to its current and previous Directors of \$185,950 for the year ended 30 June 2016 and \$514,687 for the year ended 30 June 2017. In addition to the above, the Directors' remuneration costs from 1 July 2017 to the date of this Prospectus total approximately \$207,250.
 3. If a Director, at the request of the Board of Directors, performs extra services, the Company may pay that Director a fixed sum set by the Board of Directors for doing so. Directors are also reimbursed for out of pocket expenses incurred as a result of the directorship or any special duties.
 4. For the purpose of calculating each Director's Entitlement, it is assumed that no Options have been exercised.

SUBSTANTIAL HOLDERS

Based on public information as at the date of this Prospectus, the persons who (together with their associates) have a relevant interest in 5% or more of the Company's securities are set out below:

Shareholder	No. of Shares	%
SilikonRok Pty Ltd	14,178,750	8.33
Kilo Delta Pty Ltd <Baumstein Family A/C>	11,628,168	6.832

In the event all Entitlements are accepted, there will be no change to the substantial holders on completion of the Offer.

Tikforce Limited

CORPORATE DIRECTORY

Directors

Duncan Anderson
(Non-Executive Chairman)

Kevin Baum
(Managing Director)

Andrew Houtas
(Non-Executive Director)

Company Secretary

Madhukar Bhalla

Registered Office

Suite A7, 435 Roberts Road

SUBIACO WA 6008

Telephone: 1300 732 543

ASX Code

TKF

Share Registry*

Advanced Share Registry Services

110 Stirling Hwy

NEDLANDS WA 6009

Telephone: +61 8 9389 8033

Facsimile: +61 8 9389 7871

Solicitors

Nova Legal

Level 2,

50 Kings Park Rd

West Perth WA 6005

Auditor*

Greenwich and Co Audit Pty Ltd

Level 2, 35 Outram Street

West Perth WA 6005

* These parties are included for information purposes only.
They have not been involved in the preparation of this Prospectus.

Tikforce Limited

TIMETABLE AND IMPORTANT DATES

Event	Date
Announcement of Entitlement Issue, Appendix 3B and Prospectus (lodgement of Prospectus with ASIC)	Thursday 11 January 2018
Notice Sent to Security Holders	Friday 12 January 2018
Ex Date (date from which securities commence trading without the entitlement to participate in the Offer)	Tuesday 16 January 2018
Record Date (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)
Prospectus Dispatched to Shareholders (expected date of dispatch of Prospectus, entitlement and acceptance forms)	Thursday 18 January 2018
Issue of Placement Shares and Options	Thursday 18 January 2018
Entitlement Issue Opens	Thursday 18 January 2018
Closing Date* 5.00pm (WST)	Tuesday 6 February 2018
New Shares quoted on a deferred settlement basis	Wednesday 7 February 2018
ASX notified of undersubscriptions	Friday 9 February 2018
Issue Date** Deferred settlement trading ends	Friday 9 February 2018
Dispatch Holding Statements**	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 in conjunction with the Lead Manager. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the Securities.*

*** Dates are indicative only*

BRIEF INSTRUCTIONS

THE ENTITLEMENT ISSUE

For Eligible Shareholders

What You May Do

The number of New Shares and New Options to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. You may:

- Accept your Entitlement in full or part; or
- accept your Entitlement in full and apply for additional Securities pursuant to the Shortfall Offer; or
- Allow the whole or part of your Entitlement to lapse.

If You Wish To Take Up All or Part Of Your Entitlement

Complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out in the form.

Forward your completed Entitlement and Acceptance Form, together with the amount shown on the form or for such lesser amount as you wish to apply for, so as to reach the Company's Share Registry no later than **5:00pm WST on 6 February 2018**. Application Monies can be paid by way of either:

- (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.

Shareholders should be aware that their own financial institution may have an earlier cut off time for BPAY payments. By paying by BPAY you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.

Applying for Shortfall Shares

Subject to any restrictions imposed by law, Eligible Shareholders who have subscribed for their Entitlements in full may apply for additional Securities under the Shortfall Offer by completing the section of the Entitlement and Acceptance Form entitled "Shortfall Shares" in accordance with its instructions.

Entitlements Not Taken Up

If you decide not to accept any of your Entitlement pursuant to the Entitlement Issue, you are not required to take any action. The New Shares and New Options not accepted will form part of the Shortfall.

Tikforce Limited

CHAIRMAN'S LETTER

Dear Investor

On behalf of the board of Directors of Tikforce Limited (**Company**), I am pleased to present you with this opportunity to participate in the Offer.

The Company has continued to develop the TikForce Platform, which is a suite of software applications and IT systems to support the changing labour market and productivity motivated business environment. The TikForce Platform enables potential workers to create a profile with validated credentials that they can share with or link to prospective employers. It also provides employers or organisations seeking to engage workers the ability to digitally review proof of identity, and confirm the qualifications, skills and employment documents of workers, thereby ensuring a review of relevant credentials and compliance for both employees and employers. The TikForce Platform also enables communication between employees and employers, as well as job and task tracking to further provide facts on work productivity and worker suitability.

The Company is seeking to raise approximately \$851,047 before costs under the Offer, through the offer of one (1) New Share for every three (3) existing Shares held by Eligible Shareholders registered at 5.00pm (WST) on 17 January 2018 at an issue price of \$0.015 per New Share and one (1) free attaching New Option for every two (2) New Shares issued. The free attaching New Options will be unlisted Options, exercisable at \$0.03 on or before 31 October 2020.

Any shortfall in the subscription under the Entitlement Issue will be placed at the Directors discretion (in conjunction with the Lead Manager) on the same terms and conditions as the Offer.

Funds raised from this Entitlement Issue will be applied towards executing the TikForce business plan. Funds will be applied to marketing, implementation, support and enhancement of the TikForce Platform, along with general management, governance and compliance. Subject to successful execution of the current plan, the funds raised via this prospectus are designed to cover costs of growing the business until it is self-sustaining. The Company is currently focused on sales in the Australian market. However, we note that existing customer contracts allow for international deployment. In addition to growing its business organically, the Company will consider opportunities for growth through acquisitions of competitors and complementary businesses both domestically and internationally. An investment in the Company is highly speculative and subject to certain risks, including, but not limited to, those key risks listed above and in Section 2 of this Prospectus.

I encourage you to read this Prospectus carefully and in its entirety. If you are in any doubt as to the contents of this Prospectus or the Offer, you should consult your stockbroker, lawyer, accountant or other professional adviser without delay.

On behalf of the Board, I am pleased to present this Prospectus to you and invite you to take part in this investment opportunity.

Yours faithfully

Duncan Anderson
Non-Executive Chairman

SECTION 1 DETAILS OF THE OFFER

1.1 Details of the Entitlement Issue Offer

The Company is making a pro rata non-renounceable entitlement issue on the basis of one (1) New Share for every three (3) existing Shares held by Eligible Shareholders registered at 5.00pm (WST) on 17 January 2018 at an issue price of \$0.015 per New Share and one (1) free attaching option for every two (2) New Shares (**New Options**). The New Options will be unlisted options, exercisable at \$0.03 on or before 31 October 2020. The Offer will raise approximately \$851,047 (before expenses) such that if fully subscribed, a maximum of 56,736,485 New Shares may be issued, together with 28,368,242 free attaching New Options.

The New Shares and New Options are being offered to Eligible Shareholders on the basis of Shares held on the Record Date of 5.00pm (WST) on Wednesday 17 January 2018. In the calculation of any entitlement, fractions will be rounded down to the nearest whole number.

The New Shares offered pursuant to this Prospectus will rank equally with the Company's existing Shares on issue. The full terms and conditions of the New Shares are set out in Section 4.1. The terms and conditions of the free attaching New Options are set out in Section 4.3.

Option holders who exercise their existing Options after the date of this Prospectus but prior to the Record Date will be entitled to participate in the Entitlement Issue.

The number of New Shares and free attaching New Options to which you are entitled as an Eligible Shareholder is shown on the accompanying personalised Entitlement and Acceptance Form.

1.2 No Underwriting

The Offer is not underwritten.

1.3 Lead Manager

The Company has appointed Alignment Capital Pty Ltd (ACN 167 724 754) as lead manager to the Offer (**Lead Manager**). The Lead Manager will receive fees as set out in Section 5.4. The Lead Manager also assisted with the Company's proposed Placement as announced on 11 January 2018 of 10,000,000 Shares at an issue price of \$0.015 per Placement Share (plus free attaching Options on the basis of one (1) free attaching Option for every one (1) Placement Shares to raise \$150,000 (before expenses).

1.4 No Rights Trading

The rights to New Shares and New Options under the Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your Entitlement to subscribe for New Shares or New Options to another party. If you do not take up your Entitlement under the Offer by the Closing Date, the Offer to you will lapse.

1.5 Minimum Subscription and withdrawal of Entitlement Issue

There is no minimum subscription under the Entitlement Issue, however the Directors reserve the right to withdraw the Entitlement Issue, in its entirety, at any time.

1.6 Opening and Closing Dates

The Entitlement Issue will open for receipt of acceptances on 18 January 2018.

Tikforce Limited

The Entitlement Issue will close at **5.00 pm WST on 6 February 2018** unless withdrawn earlier, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change at least 3 Business Days prior to the Closing Date.

1.7 How to Accept the Entitlement Issue

The number of New Shares and attaching New Options to which you are entitled is shown in the accompanying Entitlement and Acceptance Form.

In determining Entitlements, any fractional Entitlement will be rounded down to the nearest whole number.

Acceptance of Entitlement in Full

If you are an Eligible Shareholder and wish to take up **all** of your Entitlement under the Entitlement Issue, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form.

Application for Shortfall Shares

Eligible Shareholders who take up their Entitlement in full, and who hold a marketable parcel (as that term is defined in the ASX Listing Rules), may, in addition to their Entitlement, apply for Shortfall Shares, by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form.

Partial Acceptance of Entitlement

If you are an Eligible Shareholder and wish to take up **part** of your Entitlement pursuant to the Entitlement Issue, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form and insert the number of New Shares and New Options for which you wish to accept (being less than your Entitlement as specified on the Entitlement and Acceptance Form).

Acceptance of Terms

All applications for New Shares and Options must be made on the Entitlement and Acceptance Form. Any application will be treated as an offer from the applicant to acquire New Shares and free attaching New Options on the terms and conditions set out in this Prospectus. The Directors reserve the right to reject any applications for New Shares and New Options. Please ensure the completed Entitlement and Acceptance Form and your cheque is received by the Company's Share Registry at:

By delivery	By Post
Tikforce Limited C/- Advanced Share Registry Services 110 Stirling Hwy NEDLANDS WA 6009 Australia	Tikforce Limited C/- Advanced Share Registry Services PO Box 1156 NEDLANDS WA 6909 Australia

Tikforce Limited

Those who elect to pay via cheque, please make the cheque payable to **Tikforce Limited - Share Application Account** and cross it 'Not Negotiable'.

Those who elect to pay via BPAY must follow the instructions for BPAY set out in the Entitlement and Acceptance Form. Investors who elect to pay via BPAY will not need to return their completed Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be received not later than 5.00pm WST on the Closing Date. Please note that payment via BPAY must be made by no later than 3.00pm WST on 6 February 2018. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the date and time mentioned above. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form. If you have multiple holdings you will have multiple BPAY customer reference numbers. To ensure you receive your Entitlement in respect of that holding, you must use the customer reference number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

Non-Acceptance of Entitlement

If you do not wish to take up any of your Entitlement under the Entitlement Issue, you are not required to take any action. If you decide not to accept any of your Entitlement, the New Shares and New Options not accepted will be dealt with in accordance with Section 1.8.

Enquiries

If you have any queries regarding your Entitlement or the Offer, please contact the Company on 1800 732 543 from 8.30am to 5.00pm WST, Monday to Friday.

1.8 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. Eligible Shareholders who take up their Entitlement in full may, in addition to their Entitlement, apply for Shortfall Shares and Options regardless of the size of their present holding by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form.

It is possible that there may be few or no Shortfall Shares available for issue, depending on the level of take up of the Entitlement Issue by Shareholders. There is also no guarantee that in the event Shortfall Securities are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open following the Closing Date for a period set by the Directors (in conjunction with the Lead Manager).

The Shortfall Offer is on the same terms as the Entitlement Offer, accordingly, the issue price for each New Share to be issued under the Shortfall Offer shall be \$0.015 (being the price at which New Shares have been offered under the Offer), and there will be free attaching unlisted Options under the Shortfall Offer on the same basis as the Offer (being one (1) free attaching option for every two (2) New Shares).

A cheque, bank draft or money order made payable to "Tikforce Limited - Share Application Account" and crossed Not Negotiable should be used for the application money for your Entitlement and the number of Shortfall Shares you wish to apply for as stated on the Entitlement and Acceptance Form.

Tikforce Limited

Alternatively, if you are paying by BPAY®, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY® must ensure that payment is received by no later than 3.00pm WST on the Closing Date.

The Directors (in conjunction with the Lead Manager) reserve the right to allocate and issue Shortfall Securities at their absolute discretion within 3 months of the Closing Date, including issuing to an Applicant a lesser number of Shortfall Securities than the number for which the Applicant applies for on their Entitlement and Acceptance Form, or to reject an application, or to not proceed with placing the Shortfall.

Surplus application moneys will be returned to Applicants as soon as practicable following the allotment and issue of all Shortfall Securities. The Directors reserve the right to close the Shortfall Offer early.

In respect of the Shortfall Offer, it is the responsibility of any Applicant outside Australia to ensure compliance with all laws of any country relevant to their applications, and any such applicant should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed to enable them to apply for and be issued any securities.

No action has been taken to register or qualify the Shortfall Securities or the Shortfall Offer or otherwise to permit a public offering of the Shortfall Shares in any jurisdiction outside Australia.

Following which any remaining Shortfall Shares will be allocated at the Directors' discretion, in conjunction with the Lead Manager.

An Applicant will not be allocated any Shortfall Shares if they are a related party of the Company (as that term is defined in the Corporations Act) or if issue of those Shortfall Shares will result in their voting power in the Company exceeding 20%.

1.9 Australian Securities Exchange Listing

The Company will apply to ASX for Quotation of the New Shares offered pursuant to this Prospectus within seven days after the date of this Prospectus. If an application for Quotation of the New Shares is not made within seven days after the date of this Prospectus, or ASX does not grant permission for Quotation of the New Shares within three months after the date of this Prospectus, the Company will not issue any New Shares and will repay all Application Monies for the New Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered under this Prospectus.

1.10 Issue of Securities

The Securities to be issued pursuant to the Offer will be issued in accordance with the Timetable and Important Dates set out in this Prospectus and otherwise in accordance with the Listing Rules.

Where the number of Securities issued is less than the number applied for, surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Tikforce Limited

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed in accordance with the Timetable and Important Dates set out in this Prospectus and otherwise in accordance with the Listing Rules and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

1.11 CHESS and Issuer Sponsorship

The Company operates an electronic CHESS sub-register and an electronic issuer sponsored sub-register. These two sub-registers make up the Company's register of securities. The Company will not issue certificates to investors. Rather, holding statements (similar to bank statements) will be dispatched to investors as soon as practicable after issue.

Holding statements will be sent either by CHESS (for new investors who elect to hold their securities on the CHESS sub-register) or by the Company's Share Registry (for new investors who elect to hold their securities on the Issuer sponsored sub-register). The statements will set out the number of Securities issued under the Prospectus and provide details of a Holder Identification Number (for new investors who elect to hold their securities on the Chess sub-register) or Security holder Reference Number (for new investors who elect to hold their securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each new investor following the month in which the balance of their holding of Securities changes, and also as required by the Listing Rules or the Corporations Act.

1.12 Risks

As with any securities investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 2 of this Prospectus. The Securities on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

1.13 Overseas Shareholders

The Company is of the view that it is unreasonable to make an offer under the Entitlement Issue under this Prospectus to Shareholders outside of Australia and New Zealand having regard to:

- the number of Shareholders registered outside of Australia and New Zealand;
- the number and value of the New Shares and Options that would be offered to Shareholders registered outside of Australia and New Zealand; and
- the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Company is not required to offer the New Shares and Options under the Prospectus to Shareholders registered outside of Australia and New Zealand.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Securities the subject of this Prospectus or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia.

1.14 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers. Taxation consequences will depend on particular circumstances. Neither the Company nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the Securities of the Company.

1.15 Privacy Disclosure

Persons who apply for Securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for securities to provide facilities and services to Shareholders and Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Securities will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders and Shareholders can be obtained by that Shareholder or Shareholder through contacting the Company or the Share Registry.

1.16 Enquiries

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

If you have any questions regarding your Entitlement or the Offer, please contact the Company on 1800 732 543 from 8.30am to 5.00pm WST, Monday to Friday.

Tikforce Limited

SECTION 2 RISK FACTORS

2.1 Introduction

An investment in the Company is not risk free and prospective investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares.

Whilst the Directors recommend that Shareholders take up their Entitlement, there are however numerous risk factors involved. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which Securities will trade.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

2.2 Company Specific

Risk	Description
Competition and new technologies	<p>The industries in which TikForce is involved are subject to increasing domestic and global competition which is fast-paced and fast-changing.</p> <p>While the Company intends to undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company.</p> <p>There is a risk that the Company will not be able to compete in the competitive industries in which it operates.</p> <p>TikForce will be competing against a number of significant global IT companies and other entities for users, user growth, user engagement, advertisements, commercial content and revenue.</p> <p>In addition, the emergence of new competitors in the market, or technological developments providing an alternative to TikForce products and services, could adversely impact TikForce market share and the Company's financial position and financial performance. Existing and new providers of services platforms may expand their market share and revenue, which could also impact adversely on the Company's financial position and financial performance.</p>
Development and marketing risks	<p>By its nature, there is no guarantee that the Company's marketing campaign will be successful and there is no guarantee of whether the Company will generate any revenue or profits.</p> <p>The Company may encounter difficulty in bringing the TikForce Platform to the market and creating market awareness of the brand.</p> <p>Any failure to expand the usage of TikForce's Platform would have an adverse impact on the Company's financial position and financial performance.</p>
Operational and	<p>There can be no assurance that the Company's businesses will be</p>

Tikforce Limited

Risk	Description
commercialisation risks	<p>profitable and/or commercially viable. The Company may not achieve either short or long term profitability and may suffer losses.</p> <p>There is the risk that the TikForce Platform may not be commercially successful and may not function, operate or integrate as intended, including with respect to its capacity to service customers. TikForce's technologies are complex; they may have errors or defects that users identify after they begin using them.</p> <p>There is a risk that the TikForce Platform may not be scalable in that the software or hardware may not support large numbers of users as the Company's businesses grow and the number of users of the TikForce Platform increases.</p> <p>This may lead to the Company's financial position and financial performance being adversely affected and the Company's reputation suffering amongst users and customers as well as potential claims for redress.</p>
Intellectual property rights	<p>The Company has not sought protection of its intellectual property by applying for patents or trademarks due to the legal standards relating to the validity, enforceability and scope of protection of intellectual property rights being uncertain. In particular, when the Company seeks to expand its product range in international markets, protection may not be available in any or every country in which the Company may operate.</p> <p>The Company may not be able to prevent third parties from infringing upon or misappropriating its intellectual property or copying its methodologies which underpin the businesses of TikForce.</p> <p>Further, there is a risk that the Company's business may be alleged to have infringed intellectual property rights of third parties. The Company is not aware of any such allegations at the date of this Prospectus.</p>
Reliance on key personnel	<p>The responsibility of overseeing the day to day operations and the strategic management of the Company depends substantially on its key personnel (being Mr Kevin Baum and the remaining Directors at the date of this Offer). Loss of key personnel could adversely affect the Company's performance and its financial position.</p> <p>The Company's ability to effectively execute its growth strategies therefore depends significantly upon the ability to recruit key personnel and the performance and expertise of such personnel, including those with valuable technological skills, marketing experience and specialist knowledge of the Company's business model and markets, respectively.</p> <p>The inability to recruit key personnel or the departure of certain key employees, including Mr Kevin Baum and any delay in his replacement or indeed any failure to adequately replace him, is likely to hinder the Company's ability to achieve its strategic growth objectives and financial performance goals. In addition, in order for the Company to achieve its growth objectives it will likely be required to engage the services of other key management personnel with appropriate experience.</p>

Tikforce Limited

Risk	Description
	<p>There is no guarantee that the Company will be able to attract and retain appropriately qualified personnel in these areas. Any failure to do so is likely to also hinder the Company's ability to achieve its strategic growth objectives.</p>
Contractual risks	<p>The Company is reliant on various contractual arrangements and relationships with third parties. There can be no guarantee that those contracts will be performed in accordance with their terms, that they are enforceable or that their terms will produce beneficial outcomes for the Company.</p> <p>In the event that key contracts are breached, terminated, or are not renewed, the business' financial position and the performance of the Company may be detrimentally affected.</p>
Security Breaches	<p>A malicious attack on the Company from external or internal sources could put the integrity and privacy of customers' data and business systems used to run the TikForce Platform at risk.</p> <p>The impact of loss or leakage of customer or business data could include costs for rebates, potential service disruption, litigation and brand damage resulting in adverse effects to the Company which may affect the Company's financial position and performance.</p> <p>The Company proposes to follow best practice in relation to security policies, procedures, automated and manual protections, encryption systems and staff screening to minimise this risk.</p>
Reliance on External Technology	<p>The Company does rely on the capacity of external technology utilized by the TikForce products under license to provide ongoing support for the delivery of their software solutions.</p> <p>TikForce has developed or acquired their own software which is used in conjunction with off the shelf software under license from third parties to enable the functionality of its product offerings. Such third-party software may be subject to external factors such as depreciation of operating systems, libraries, components, third party interfaces, drivers, patches, compatibility, version conflict, obsolescence or other related issues. In addition, the third-party software may require updating and maintenance.</p> <p>These external factors may also affect the ability of TikForce to effectively upgrade and maintain its software. Furthermore, licensing and commercial conditions imposed by third party software companies may be unsustainable or impracticable for TikForce causing a need to rely on other solutions or develop these in house. Should TikForce have such issues, these may affect their ability to successfully provide their products.</p> <p>The Company recognizes the risk in these areas and will undertake all necessary controls and monitoring of these facilities to ensure that any variation or cancellation of these technologies can be replaced in due course.</p>
Fraud or misleading information from workers	<p>The TikForce Platform and the business of TikForce relies on proof of identity checks being undertaken by the Company's and its subsidiaries' personnel. It also relies on prospective employees or workers swearing a statutory declaration that documentation</p>

Tikforce Limited

Risk	Description
	<p>uploaded onto the TikForce Platform is genuine.</p> <p>There is a risk therefore that prospective employees or prospective workers using the TikForce Platform falsely swear the statutory declaration in relation to the truth or accuracy of the information they upload into the TikForce Platform.</p> <p>The Company has insurance in place to mitigate this risk, however if this occurs then the Company may be exposed to claims or may incur financial loss or reputational damage which may adversely affect future revenues or the growth prospects of the Company.</p>
Insurance Risk	<p>The Company will maintain insurance for certain activities within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.</p>
Privacy	<p>The environment in which the Company operates is subject to complex and evolving Australian and foreign policies, laws and regulations regarding privacy, data protection, content regulation, intellectual property, competition, distribution of electronic contracts and other communications, consumer protection, taxation, online payment services and advertising and marketing standards.</p> <p>The Company collects, stores and processes highly sensitive, highly regulated and confidential information. The provision of secure and reliable information storage and processing services is integral to the businesses and operations of the Company.</p> <p>Whilst the Company follows best practice in relation to security policies, procedures, automated and manual protections, encryption systems and staff screening to minimise risks, there is no guarantee that the implementation of such precautions will be sufficient to prevent data security breaches and information being compromised or misused.</p> <p>A malicious attack on the Company's systems, processes or people from external or internal sources could put the integrity and privacy of client data and business systems used to run the Company at risk. The impact of loss or leakage of client or business data could include potential service disruption, litigation, liability to third parties, penalties imposed by government agencies under applicable laws and brand damage resulting in reduced or falling revenues. These potential losses or liabilities will be different for each jurisdiction in which the Company operates.</p> <p>There is also currently an increased exposure to organisations that process personal information in the course of their commercial activities, in particular relating to liability arising from security incidents. Although the Company is relatively small, vulnerabilities in the information security governance will require remediation in the near future.</p>

Tikforce Limited

2.3 Operational Risks

If the Company fails to retain existing clients and users of the TikForce Platform or fails to add new users or clients, or if users and clients decrease their level of engagement with the technology, the Company's revenue, financial results and business may be significantly harmed.

The size of TikForce's client and user base, and their level of engagement, are critical to the success (or otherwise) of the Company. TikForce's financial performance will be significantly determined by whether they can add, retain and engage clients and users.

The Company may not be able to add, retain or engage clients and users of the TikForce Platform and the Company's financial position and financial performance may suffer from a failure to do so.

If clients and users and potential clients and users do not perceive TikForce's products to be useful, reliable and trustworthy, the Company may not be able to attract or retain clients and users or otherwise maintain or increase the frequency and duration of their engagement.

There is no guarantee that TikForce will not experience an erosion of their active client and user base and/or their client and user engagement levels or fail to increase those factors which remain negligible at the date of this Prospectus. A decrease in client and user retention, growth and/or engagement or failure to increase those factors could render the Company unattractive to employers and employees, which may have a material and adverse impact on the Company's financial performance and financial position.

Any number of factors could potentially negatively affect client and user retention, growth and engagement, including, without limitation:

- clients and users engaging with competing products;
- failure to introduce new and/or improved products and services, or if new and/or improved products and services are not favourably received;
- failure to continue to develop the TikForce Platform for mobile devices that clients and users find engaging, that work with a variety of mobile operating systems and networks and that achieve a high level of market acceptance;
- changes in clients' and users' sentiment about the quality or usefulness of TikForce's products and/or concerns related to privacy and data sharing, safety, security or other factors;
- failure to manage and prioritise information to ensure users are presented with content that is interesting, useful and relevant to them;
- adverse changes in TikForce's products that are mandated by legislation, regulatory authorities, or litigation, including settlements or consent decrees;
- technical or other problems which prevent TikForce from delivering their products in a rapid and reliable manner, which adversely affect the user experience;
- the adoption of policies or procedures by TikForce, related to areas such as data sharing and/or user data that are perceived negatively by clients, users and the general public; and

Tikforce Limited

- failure to provide adequate customer service to clients and users.

2.4 General Economic Climate

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on opening costs, commodity prices and stock market prices. The Company's future revenues and Security price may be affected by these factors, which are beyond the Company's control.

2.5 Sharemarket Conditions

The market price of the Company's Securities may be subject to varied and unpredictable influences on the market for equities in general and resources stocks in particular.

2.6 Future capital needs and additional funding

The funding of any further ongoing capital requirements beyond the requirements as set out in this Prospectus will depend upon a number of factors including the extent of the Company's ability to generate income from activities which the company cannot forecast with any certainty.

Any additional equity financing will be dilutive to shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional funding as needed, it may not be able to take advantage of opportunities or develop projects. Further, the Company may be required to reduce the scope of its operations or anticipated expansion and it may affect the Company's ability to continue as a going concern.

2.7 Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus. Therefore, the Securities offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital of the market value of the Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities.

Tikforce Limited

SECTION 3 PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the Offer

The purpose of the Offer is to raise approximately \$851,047 (before expenses). The application of funds raised from this Offer is summarised below.

The Company also proposes to raise a further \$150,000 pursuant to the proposed Placement as announced on 11 January 2018.

For the purposes of detailing the use of funds raised under this Prospectus, it is assumed no Options are exercised between the date of this Prospectus and the Record Date.

Source of Funds	Full Subscription (\$)
Placement Funds	150,000
Proceeds of the Offer	851,047
Total Funds	1,001,047
Use of Funds	
Sales and Marketing	305,000
Customer Implementation	50,000
Support and enhancement of the TikForce Platform	290,000
Expenses of the Offer ¹	94,261
General Management and administration	61,786
Working Capital	200,000
Total	1,001,047

Notes: The above table is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Directors reserve the right to alter the way funds are applied on this basis.

¹ Please refer to Section 5.9 of this Prospectus for further details of the expenses of the Offer. The table above includes fees payable to Alignment Capital pursuant to the Lead Manager Mandate as set out in Section 5.4.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives.

3.2 Effect of the Offer and Pro Forma Consolidated Statement of Financial Position

The principal effect of the Offer (assuming full subscription) will be that:

- cash reserves will increase by approximately \$150,000 immediately after completion of the Placement;
- 10,000,000 Shares will be issued under the Placement, together with 10,000,000 free attaching Options;
- cash reserves will increase by approximately \$851,047 (before expenses) immediately after completion of the Offer; and
- 56,736,485 New Shares and 28,368,242 New Options will be issued under the Offer.

A summary of all the Shares and Options the Company will have on issue after the Offer is outlined in Section 3.4.

3.3 Pro Forma Consolidated Statement of Financial Position

The unaudited management based Consolidated Statement of Financial Position as at 31 December 2017, the unaudited Pro Forma Statement of Financial Position as at close of the Offer and Placement,

Tikforce Limited

and the Audited Consolidated Statement of Financial Position as at 30 June 2017 shown on the following page have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. They have been prepared on the assumption that all Securities pursuant to the Offer in this Prospectus are issued.

The Statements of Financial Position have been prepared to provide information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	Audited Consolidated 30 June 2017	Management Consolidated 31 December 2017	Pro-Forma Unaudited Consolidated
	\$'000	\$'000	\$'000
ASSETS			
Current Assets			
Cash and cash equivalents	381,598	176,724	1,038,510
Other receivables	648,540	267,685	267,685
Total Current Assets	1,030,138	444,409	1,306,195
Non-Current Assets			
Property, plant and equipment	14,802	15,133	15,133
Other Receivables	189,289	121,743	121,743
Intangible Assets	1,195,896	2,325,189	2,325,189
Total Non-Current Assets	1,399,987	2,462,065	2,462,065
Total Assets	2,430,125	2,906,474	3,768,260
LIABILITIES			
Current Liabilities			
Trade and other payables	339,832	432,950	432,950
Borrowings	106,096	750,000	750,000
Provisions	97,332	114,985	114,985
Other liabilities	5,375	0	0
Total Liabilities	548,635	1,297,935	1,297,935
Net Assets	1,881,490	1,608,539	2,470,325
EQUITY			
Issued capital	8,169,430	8,614,006	9,615,053
Reserves	1,450,445	956,045	956,045
Accumulated losses	(7,738,385)	(7,961,512)	(8,100,773)
Total Equity	1,881,490	1,608,539	2,470,325

The above Pro Forma unaudited Consolidated Statement of Financial Position has been prepared on the basis that there have been no material movements in the assets and liabilities of the Company between date and the completion of the Offer, except:

1. completion of the Placement, by way of issue of the Placement Securities;
2. receipt of Placement funds, being \$150,000 (before costs);

Tikforce Limited

3. completion of the Entitlement Issue, by way of full subscription for the Offer, to raise \$851,047 (before expenses of the Offer) and 56,736,485 New Shares being issued as a result of the Offer, plus 28,368,242 free attaching New Options; and
4. expenses of the Offer (assuming full subscription) are estimated at \$94,261 and have been offset against proceeds of the Offer (details of expenses are set out in Section 5.9), together with fees payable to Alignment Capital under the Lead Manager Mandate set out in Section 5.4, plus \$45,000 in costs associated with the capital raising for the Convertible Note, which raised \$750,000 (see Company's announcements of 27 October 2017 and 17 November 2017 for further information).

3.4 Effect on Capital Structure After Completion of Offer

The capital structure of the Company following completion of the Offer (if fully subscribed) is summarised below:

Shares	Number
Listed ordinary fully paid Shares currently on issue	129,402,933
Escrowed ordinary fully paid Shares currently on issue	40,806,522
Placement Shares*	10,000,000
New Shares under Offer	56,736,485
Total Shares on issue following completion of Offer	236,945,940

Options**	Number
Listed Options exercisable at \$0.11 on or before 31 May 2018	43,220,960
Unlisted Options exercisable at \$0.11 on or before 31 May 2018	20,450,000
New Options under Offer (unlisted, free attaching on a 1 for 2 basis, exercisable at \$0.03, on or before 31 October 2020)	28,368,242
Placement Options (unlisted, free attaching to the Placement Shares on a 1 for 1 basis, exercisable at \$0.03, on or before 31 October 2020)	10,000,000
Total Options on issue at completion of the Offer	102,039,202

* Refer to the Company's ASX announcement of 11 January 2018 in respect of the Placement.

** Subject to all necessary shareholder and regulatory approvals, in addition to the above, the Company proposes to issue the following securities:

- (a) the Fee Options to the Lead Manager, subject to the terms of the Lead Manager Mandate set out in Section 5.4.1;
- (b) a further 10,000,000 Options in the same class as the New Options, which are free attaching to the Placement Shares on a 1 for 1 basis;
- (c) subject to conversion of the Company's convertible notes (refer to ASX announcements of 27 October 2017 and 17 November 2017), shares on conversion of the convertible notes (**Conversion Shares**), together with further Options in the same class as the New Options, which are free attaching to the Conversion Shares on a 1 for 1 basis.

Performance Shares (all currently on issue)	Number
Milestone A	8,000,000
Milestone B	12,000,000
Milestone C	16,000,000
Milestone D	2,000,000
Milestone E	2,000,000
Milestone F	1,000,000
Total Performance Shares	41,000,000

Performance Rights (all currently on issue)	Number
Milestone G	4,000,000
Milestone H	4,000,000
Milestone I	4,000,000

Tikforce Limited

Total Performance Rights

12,000,000

The above capital structure may change if existing Options are exercised, or Performance Shares or Performance Rights converted before the Record Date. Any increase to the number of Shares on issue will increase the number of New Shares which may be issued under the Offer by a corresponding amount. New Shares are fully paid ordinary shares which upon issue will rank equally with existing Shares on issue.

Optionholders who do not hold Shares on the Record Date are not entitled to participate in the Offer. Where the determination of the Entitlement of any Eligible Shareholder results in a fraction such fraction will be rounded down to the nearest whole number.

Tikforce Limited

SECTION 4 RIGHTS ATTACHING TO SECURITIES

4.1 Terms and Conditions of New Shares

All New Shares issued will rank pari passu in all respects with the Company's existing ordinary fully paid shares. The Company will apply for Official ASX Quotation of all New Shares issued under The Offer.

4.2 Rights and Liabilities Attaching to Shares

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, the Listing Rules and the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

- (a) At the date of this Prospectus all Shares are of the same class and rank equally in all respects. Specifically, the Shares that may be issued pursuant to the exercise of the New Shares offered under this Prospectus will rank equally with existing Shares on issue.
- (b) Subject to any special rights or restrictions (at present there are none), at any meeting each member present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each Share held.
- (c) Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.
- (d) The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares of the affected class, or with the sanction of a special resolution passed at a meeting of the holders of the Shares of the affected class.
- (e) Subject to the Company's Constitution, the Corporations Act or any other applicable laws of Australia and the Listing Rules, the Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances, such as where the Company has a lien on those Shares.
- (f) Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.
- (g) If the Company is wound up, the liquidator may, with the sanction of a special resolution :
 - (i) divide among the Shareholders the whole or any part of the Company's property; and
 - (ii) decide how the division is to be carried out between the Shareholders.
- (h) Subject to any special rights (at present there are none), any surplus assets on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them and in proportion to the amounts paid or credited as paid.

4.3 Terms and Conditions of Options

The material terms and conditions of the New Options offered pursuant to the Offer are as follows:

- (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) The Options are unlisted and non-transferable.
 - (d) Each Option gives the Option holder the right to subscribe for one Share.
 - (e) Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
 - (f) The amount payable upon exercise of each Option is the Exercise Price.
 - (g) 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.
 - (h) 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).**
- (i) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
 - (j) 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.
 - (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.

SECTION 5 ADDITIONAL INFORMATION

5.1 Nature of this Prospectus

The New Shares to be issued pursuant to this Prospectus are to be continuously quoted securities. This Prospectus is issued under the special prospectus content rules for continuously quoted securities in section 713 of the Corporations Act. This enables listed disclosing entities, such as the Company, to issue a prospectus for continuously quoted securities with modified disclosure requirements if they satisfy certain requirements.

The information in this Prospectus principally concerns the terms and conditions of the Offer and the information reasonably necessary to make an informed assessment of:

- (a) the effect of the Offer on the Company; and
- (b) the rights and liabilities attaching to the New Shares and Options offered pursuant to this Prospectus and the underlying securities.

The Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Shareholders should therefore also have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in the Company.

5.2 Continuous Reporting and Disclosure Obligations

The Company is listed on ASX and its Shares are quoted on ASX under the code “TKF”.

The Company is a “disclosing entity” for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations, which require it to disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

The Company will provide a copy of all documents used to notify ASX of information relating to the Company under the provisions of the Listing Rules since the Company lodged its most recent Annual Financial Report free of charge to any investor who so requests prior to the Closing Date. A list of those documents for the period from 29 September 2017 to the time of lodging this Prospectus is set out in Section 6. The Company will also provide a copy of the Annual Financial Report for the period ended 30 June 2017 free of charge upon request.

5.3 Market Price of Shares

The highest and lowest recorded closing market sale prices of the Shares quoted on ASX during the three (3) month period immediately prior the date of this Prospectus were \$0.03 on 17 October 2017 and \$0.012 on 14 December 2017. The last closing market sale price of the Shares quoted on ASX on the last day that trading took place in the Shares prior to the date of this Prospectus was \$0.021.

Tikforce Limited

5.4 Material Contracts and Agreements

5.4.1 Mandate

The Company has appointed Alignment Capital Pty Ltd (ACN 167 124 754) (**Alignment Capital**) as Lead Manager to the Offer pursuant to the terms of a mandate (**Lead Manager Mandate**) under which the Lead Manager will provide corporate and capital raising services in relation to the Offer and the Company's convertible note agreements (as announced on 27 October 2017, 17 November 2017 and 11 January 2018) (**Convertible Notes**).

The material terms of the Lead Manager Mandate are as follows:

- (a) Alignment Capital will provide the following services:
 - (i) assist and arrange for the Convertible Notes;
 - (ii) assist and arrange for the Placement;
 - (iii) act as Lead Manager to the Offer; and
 - (iv) assist, on a best endeavours basis, with placing the Shortfall of the Offer.
- (b) In consideration for its services under the Lead Manager Mandate, Alignment Capital (or its nominees) will receive the following fees:
 - (i) a management fee of 1% (excluding GST) on all funds raised under the Offer, any Shortfall and Placement;
 - (ii) a selling fee of 5% (excluding GST) on all funds raised under the Offer, any Shortfall and Placement; and
 - (iii) up to 32,510,472 options, on the same terms and conditions as the New Options (**Fee Options**), to be issued at a nominal issue price of \$0.00001 per Fee Option (the issue of the Fee Options is subject to all necessary shareholder and regulatory approvals) comprised as follows:
 - (A) 15,000,000 Fee Options on the advance of the Convertible Note funds;
 - (B) 7,500,000 Fee Options on completion of the Convertible Note issue;
 - (C) 1,500,000 Fee Options on completion of the Placement; and
 - (D) 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).

The terms and conditions of the Convertible Notes are set out in the Company's ASX announcements of 27 October 2017 and 17 November 2017.

The Lead Manager Mandate otherwise contains terms considered standard for an agreement of this type.

5.5 Litigation

The Directors are not aware of any legal proceedings which have been threatened or actually commenced against the Company.

5.6 Directors' Interests

Other than as set out elsewhere in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- the Offer,

Tikforce Limited

and no amounts have been paid or agreed to be paid (in cash or securities or otherwise) and no benefits have been given or agreed to be given to any Director:

- to induce him to become, or to qualify him as, a Director; or
- for services rendered by him in connection with the formation or promotion of the Company or the Offer.

5.7 Related Party Transactions

There are no related party transactions entered into that have not otherwise been disclosed in this Prospectus.

5.8 Interests and Consents of Advisers

Other than as set out below or elsewhere in this Prospectus, no underwriter, promoter or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus holds, or has held within two years before lodgement of this Prospectus with ASIC, any interest in:

1. the formation or promotion of the Company; or
2. property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
3. the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any underwriter, promoter or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Nova Legal has given, and has not withdrawn its consent to being named as Solicitors to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. Nova Legal has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name. Nova Legal has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Nova Legal approximately \$19,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Nova Legal has been paid approximately \$59,633 (excluding GST and disbursements) by the Company in respect of legal services (unrelated to the Offer).

Alignment Capital has given, and has not withdrawn, its written consent to be named as Lead Manager to the Offer in this Prospectus, in the form and context in which it is named. Alignment Capital has acted as Lead Manager to the Company in relation to the Offer. The Company estimates it will pay Alignment Capital fees for these services in accordance with the Lead Manager Mandate set out in Section 5.4.1. During the 24 months preceding lodgement of this Prospectus with ASIC, Alignment Capital has been paid fees in relation to the Convertible Note, and the Placement pursuant to the Mandate as set out in Section 5.4.1, and fees of approximately \$64,000 (excluding GST) in relation to capital raising services.

Tikforce Limited

5.9 Estimated Expenses of the Offer

In the event the Entitlement Issue is fully subscribed, the estimated expenses of the Offer (excluding GST) are as follows:

Fees/Expenses	Full Subscription (\$)
ASIC	2,400
ASX fees	4,998
Lead Manager Fees	60,063
Legal fees	19,000
Printing, registry and other expenses	7,800
Total	94,261

In addition to the above, subject to all relevant shareholder and regulatory approvals, the Company will issue Fee Options to the Lead Manager in accordance with the Lead Manager Mandate. Refer to Section 5.4.1 for further details.

5.10 Electronic Prospectus

Pursuant to ASIC Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

Tikforce Limited

SECTION 6 INFORMATION AVAILABLE TO SHAREHOLDERS

The Company will provide a copy of each of the following documents, free of charge, to any Shareholder who so requests:

- (a) the Annual Financial Report for the Company for the period ended 30 June 2017; and
- (b) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the Annual Financial Report of the Company for the period and prior to the date of this Prospectus.

Date	ASX Announcement
21/12/2017	Market Update
07/12/2017	Company Secretary Appointment/Resignation
28/11/2017	Director Appointment/Resignation
28/11/2017	Results of Annual General Meeting
27/11/2017	Tikforce enters Supply Chain Verification with Iluka
22/11/2017	Tikforce enters Corporate Partnership with NDS
17/11/2017	Amended mandate for Con Note and Rights issue
15/11/2017	Appendix 4G
27/10/2017	Appendix 4c September Quarter
27/10/2017	Mandate for Convertible Note and Rights Issue
25/10/2017	Notice of Annual General Meeting/Proxy Form
09/10/2017	Amended Appendix 3B 13 June Reference
29/09/2017	Annual Report to shareholders - 30 June 2017

Tikforce Limited

SECTION 7 DIRECTORS' CONSENT

This Prospectus is dated 11 January 2018 and is issued by Tikforce Limited.

The Directors have made all reasonable enquires and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

Each of the Directors of Tikforce Limited has consented to the lodgement of this Prospectus in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

Signed for and on behalf of Tikforce Limited.

A handwritten signature in black ink, consisting of a stylized 'D' followed by a series of connected loops and a long horizontal stroke extending to the right.

Duncan Anderson
Non-Executive Chairman and
Director

Tikforce Limited

SECTION 8 DEFINITIONS

Alignment Capital means Alignment Capital Pty Ltd (ACN 167 124 754).

Applicant means a person who applies for Securities pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

Application Money means the aggregate amount of money payable for Securities applied for in the Entitlement and Acceptance Forms.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) operating as the Australian Securities Exchange.

Business Day means any day which is defined to be a Business Day pursuant to Listing Rule 19.12 of the Listing Rules.

CHES means Clearing House Electronic Sub-register System of ASX Settlement Pty Ltd (ACN 008 504 532).

Closing Date means the closing date of the Offer being 5.00pm (WST) on 6 February 2018 (unless extended or withdrawn earlier).

Company means TikForce Limited (ACN 106 240 475).

Constitution means the Company's Constitution as at the date of this Prospectus.

Convertible Note means the Company's convertible notes issued to raise \$750,000, on the terms and conditions as set out in the Company's announcements of 27 October 2017 and 17 November 2017.

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

Cth means the Commonwealth of Australia.

Directors means directors of the Company.

Dollars or **\$** means dollars in Australian currency.

Eligible Shareholder means a Shareholder who has a registered address in Australia or New Zealand and who held Shares as at the Record Date.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Entitlement Issue Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this Prospectus.

Entitlement Issue or **Offer** means the pro rata non-renounceable entitlement offer on the basis one (1) New Share for every three (3) existing Shares held by Eligible Shareholders registered at 5.00pm (WST) on 17 January 2018 at an issue price of \$0.015 per New Share and one (1) free attaching New Option for every two (2) New Shares, further details of which are included in the "Details of the Offer" Section of this Prospectus.

Fee Options means the Options to be issued to the Lead Manager under the Lead Manager Mandate.

GST means goods and service tax levied in Australia pursuant to *A New Tax System (Goods and Services Tax) Act* 1999 (Cth).

Lead Manager means Alignment Capital pursuant to the terms of the Lead Manager Mandate.

Lead Manager Mandate means the mandate between the Company and Alignment Capital (as varied) on the terms and conditions described in Section 5.4.1.

Listing Rules means the Listing Rules of the ASX.

New Share means a Share issued pursuant to the Offer under this Prospectus.

Tikforce Limited

New Option means an unlisted new Option proposed to be issued pursuant to this Offer.

Offer means the offer of New Shares and free attaching New Options pursuant to this Prospectus under the Entitlement Issue.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Opening Date means 18 January 2018.

Option means an option to acquire a Share in the capital of the Company.

Placement means the Company's placement of Shares and Options as described in its announcement of 11 January 2018.

Placement Options means the Options issued under the Placement.

Placement Securities means the Placement Shares and Placement Options.

Placement Shares means the Shares issued under the Placement.

Prospectus means this prospectus dated 11 January 2018.

Quotation and **Official Quotation** means official quotation on ASX.

Record Date means 17 January 2018.

Right means a right to subscribe for a Share pursuant to this Prospectus.

Securities means Shares and/or Options, where the context permits.

Share means a fully paid ordinary share in the Company.

Shareholder means the holder of a Share as recorded in the register of the Company.

Share Registry means Advance Share Registry Limited.

Shortfall means those New Shares and New Options under the Offer not applied for by Shareholders under their Entitlement.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 1.8 of this Prospectus.

Shortfall Shares means those Securities issued pursuant to the Shortfall.

Tikforce Platform means the Company's main business activity and product and is a suite of software applications and IT systems to support the changing labour market and productivity motivated business environment.

Unlisted Options means an unlisted Option to acquire a Share in the Company.

VWAP means Volume Weighted Average Price.

WST means Western Standard Time, Perth, Western Australia.