
TIKFORCE LIMITED

ACN 106 240 475

NOTICE OF GENERAL MEETING

**A General Meeting of the Company will be held at Unit A7,
435 Roberts Rd, Subiaco, Western Australia 6005 on Monday
13 March 2017 at 10:30am (WST)**

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

Should you wish to discuss any matter please contact the Company Secretary on (08) 9429 2900

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the General Meeting of Shareholders of Tikforce Limited to which this Notice of Meeting relates will be held at Unit A7, 435 Roberts Rd, Subiaco, Western Australia on Monday 13 March 2017 at 10:30am (WST).

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company at 5:00pm (WST) on Friday 10 March 2017.

VOTING IN PERSON

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

VOTING BY PROXY

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

The accompanying Explanatory Statement and the Proxy and voting instructions form part of this Notice of Meeting.

By Order of the Board

Mr Roland Berzins
Company Secretary

Dated 6 February 2017

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TIKFORCE LIMITED

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NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Tikforce Limited (**Company**) will be held at Unit A7, 435 Roberts Rd, Subiaco WA on Monday 13 March 2017 at 10:30am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice of General Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company on Friday 10 March 2017 at 5:00pm (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in the 'Definitions' section of the Explanatory Memorandum.

AGENDA

1. Resolution 1 – Approval of prior issue of 10 million Placement Shares

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

*"That, in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve the prior issue of 10 million Shares (**Placement Shares**) at an issue price of 5 cents (\$0.05) to sophisticated and professional investors (being the Placement Recipients) on the terms and conditions set out in the Explanatory Memorandum (**Placement**)."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who participated in the Placement and any of their associates. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Resolution 2 – Approval of prior issue of 10 million Placement Options

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

*“That, in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve the prior issue of 10 million free attaching Options (**Placement Options**) to the Placement Recipients on the terms and conditions set out in the Explanatory Memorandum.”*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who participated in the Placement and any of their associates. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Resolution 3 – Approval of prior issue of 8 million Fee Shares

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

*“That, in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve the prior issue of 8 million Shares (**Fee Shares**) to CPS Capital Group Pty Ltd (and / or its nominees) on the terms and conditions set out in the Explanatory Memorandum”*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who participated in the issue of the Fee Shares and any of their associates. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Resolution 4 – Approval of issue of 16 million Fee Options

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

*"That, in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 16 million listed Options each with a nominal issue price of \$0.00001, an exercise price of 11 cents (\$0.11) and an expiry date of 31 May 2018 to CPS Capital Group Pty Ltd (and / or its nominees) on the terms and conditions in the Explanatory Memorandum (**Fee Options**)."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the issue of the Fee Options and anyone who might obtain a benefit except a benefit solely in their capacity as holders of ordinary securities if the Resolution is passed, or an associate of that person.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 5 – Approval of issue of 12 million Performance Rights

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

"That, in accordance with Listing Rule 7.1 and for all other purposes Shareholders approve the issue of:

- (i) 4 million Class A Performance Rights;
- (ii) 4 million Class B Performance Rights; and
- (iii) 4 million Class C Performance Rights

(Performance Rights)

to CPS Capital Group Pty Ltd (and / or its nominees) on the terms and conditions in the Explanatory Memorandum.

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the issue of Performance Rights and anyone who might obtain a benefit except a benefit solely in their capacity as holders of ordinary securities if the Resolution is passed, or an associate of that person.

However, the Company will not disregard a vote if:

- (b) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
 - (c) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.
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BY ORDER OF THE BOARD

Roland Berzins
Company Secretary
Dated: 6 February 2017

For personal use only

Tikforce Limited

ACN 106 240 475

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Unit A7, 435 Roberts Rd, Subiaco WA on Monday 13 March 2017 at 10:30am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

1. Action to be taken by Shareholders

Shareholders should read the Notice and Explanatory Memorandum carefully and in its entirety before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice, at the end of the Explanatory Memorandum. This form is to be used by Shareholders if they wish to appoint a representative ("**proxy**") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

2. Background

2.1 Placement to CPS

Pursuant to a Lead Management and Corporate Advisory Mandate dated 26 October 2016 (**Mandate**) with CPS Capital Group Pty Ltd (ACN 088 055 636) (**CPS**), and as announced on 31 October 2016, the Company undertook a placement of 10 million Shares to sophisticated and professional investors at \$0.05 per Share to raise \$500,000 (**Placement Shares**). Each Placement Share was issued with one free attaching Option, on the terms and conditions set out in Schedule 2 (**Placement Options**).

2.2 Rights Issue Prospectus

On 16 November 2016, the Company also announced details of a 1 for 4 pro rata non-renounceable entitlement issue of Shares to the Company's Shareholders, plus one free attaching Option for every two new Shares issued (**Entitlement Offer**). The Entitlement Offer was made to Shareholders pursuant to a Prospectus which was dated and lodged with ASIC on 16 November 2016 (**Prospectus**).

2.3 CPS Fees

Pursuant to the Mandate, the Company is required to issue the following securities to CPS in consideration for services provided under the Mandate:

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- (a) management fee of 8 million Shares for management of the Placement (the subject of Resolution 3);
 - (b) underwriting fee of 16 million Options to fully underwrite the Entitlement Offer (the subject of Resolution 4); and
 - (c) a separate management fee of 12 million Performance Rights for management of the Placement (the subject of Resolution 5).
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3. Resolution 1 – Approval of prior issue of 10 million Placement Shares

3.1 General

Under the Placement, and as described in section 2.1, the Company issued 10 million Shares at an issue price of 5 cents (\$0.05) each per Share to raise \$500,000. These Shares were issued to sophisticated and professional investors who are clients of CPS (being the Placement Recipients).

Resolution 1 seeks Shareholder approval of the issue of the Placement Shares pursuant to Listing Rule 7.4.

3.2 Listing Rule 7.4

The Placement Shares were issued partly within the Company's 10% placement capacity permitted under Listing Rule 7.1A, representing a total of 3,776,756 and the balance of 6,223,244 were issued as part of the Company's 15% placement capacity permitted under Listing Rule 7.1, without the need for Shareholder approval.

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

By approving the issue of the Placement Shares, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in Listing Rule 7.1 and the additional 10% placement capacity permitted under Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

Resolution 1 is an ordinary resolution.

3.3 Specific information required by Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) the Company issued a total of 10 million Placement Shares, being:
 - (i) 6,223,244 Shares pursuant to the Company's placement capacity under Listing Rule 7.1; and
 - (ii) 3,776,756 Shares pursuant to the Company's additional placement capacity under Listing Rule 7.1A;

- For personal use only
- (b) the Placement Shares were issued at a price of 5 cents (\$0.05) each per Share;
 - (c) the Placement Shares are fully paid ordinary shares in the capital of the Company;
 - (d) the Placement Shares were allotted and issued to various sophisticated and professional investors (pursuant to sections 708(8) and 708(11) of the Corporations Act) and who are not related parties of the Company;
 - (e) the funds raised from the Placement (being \$500,000) will be applied towards working capital and development of the Tikforce platform of products; and
 - (f) a voting exclusion statement is included in the Notice.
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4. Resolution 2 – Approval of prior issue of 10 million Placement Options

4.1 General

Under the Placement, and as described in section 2.1, the Company also issued 10 million Placement Options (being free attaching Options to the Placement Recipients). Each Placement Option is listed, has an exercise price of 11 cents (\$0.11) each per Option and has an expiry date of 31 May 2018, and is otherwise on the terms and conditions set out in Schedule 2.

Resolution 2 seeks Shareholder approval of the issue of the Placement Options pursuant to Listing Rule 7.4.

4.2 Listing Rule 7.4

The Placement Options were issued within the Company's 15% placement capacity permitted under Listing Rule 7.1, without the need for Shareholder approval.

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

By approving the issue of the Placement Options, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Resolution 2 is an ordinary resolution.

4.3 Specific information required by Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) the Company issued 10 million Placement Options;
- (b) the Placement Options were issued at an exercise price of 11 cents (\$0.11) each per Option expiring on 31 May 2018 and are otherwise on the terms and conditions set out in Schedule 2;

- (c) the Placement Options were issued as free attaching Options to the Placement Recipients;
- (d) the Options were allotted and issued to various sophisticated and professional investors (pursuant to sections 708(8) and 708(11) of the Corporations Act) and who are not related parties of the Company;
- (e) the Placement Options were free attaching Options issued to the Placement Recipients, accordingly no funds were raised by the issue of the Placement Options; and
- (f) a voting exclusion statement is included in the Notice.

5. Resolution 3 – Approval of prior issue of 8 million Fee Shares

5.1 General

Pursuant to the Mandate, and as described in section 2.3(a), the Company issued 8 million Fee Shares to CPS. The Fee Shares were issued as satisfaction of capital raising fees to CPS (and or its nominees) for services provided to the Company in respect of the Placement pursuant to the Mandate, and accordingly, no funds were raised by the issue of the Fee Shares

Resolution 3 seeks Shareholder approval of the issue of the Fee Shares pursuant to Listing Rule 7.4.

5.2 Listing Rule 7.4

The Fee Shares were issued within the Company's 10% placement capacity permitted under Listing Rule 7.1A, without the need for Shareholder approval.

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

By approving the issue of the Fee Shares, the Company will retain the flexibility to issue equity securities in the future up to the 10% placement capacity set out in Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

Resolution 3 is an ordinary resolution.

5.3 Specific information required by Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) the Company issued 8 million Fee Shares pursuant to the Company's additional placement capacity under Listing Rule 7.1A;
- (b) the Fee Shares were issued to CPS (and or their nominees, who are various sophisticated and professional investors (pursuant to sections 708(8) and 708(11) of the Corporations Act) and who are not related parties of the

Company) as consideration for the management of the Placement pursuant to the Mandate;

- (c) the Fee Shares are fully paid ordinary shares in the capital of the Company;
- (d) the Fee Shares were issued as consideration for services provided in respect of the Placement, accordingly no funds were raised from the issue of the Fee Shares; and
- (e) a voting exclusion statement is included in the Notice.

6. Resolution 4 – Approval of Issue of 16 million Fee Options

6.1 General

Pursuant to the Mandate, and as described in section 2.3(b), Resolution 4 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of 16 million Fee Options, with a nominal issue price of \$0.00001, an exercise price of 11 cents (\$0.11) each per Option and expiring on 31 May 2018 (and otherwise on the terms and conditions set out in Schedule 2) as an underwriting fee payable to CPS in relation to the Entitlement Offer.

Further, pursuant to the Mandate, if the Company does not obtain Shareholder approval for the issue of the Fee Options, the Company will be required to pay CPS the management fee in cash at the rate of \$0.005 per Option.

6.2 Listing Rule 7.1

Listing Rule 7.1 requires Shareholder approval for the proposed issue of the Fee Options under the Offer. Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12-month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12-month period.

Given the issue of the Fee Options will exceed this 15% threshold (and none of the exceptions in Listing Rule 7.2 apply), Shareholder approval is required in accordance with Listing Rule 7.1.

The effect of Resolution 4 will be to allow the Directors to issue the Fee Options under the Offer during the period of 3 months after the Meeting (or a longer period if permitted by ASX) without using the Company's 15% placement capacity.

Resolution 4 is an ordinary resolution.

6.3 Specific information required by Listing Rule 7.3

Listing Rule 7.3 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.1:

- (a) the maximum number of Fee Options the Company is to issue under the Offer is 16 million;

- (b) the Fee Options will be issued no later than 3 months from the date of the General Meeting (or such longer period of time as ASX may, in its discretion, allow pursuant to a waiver of Listing Rule 7.3.2), and it is intended that allotment of all of the Fee Options will occur on the same date
- (c) the Fee Options will have a nominal issue price of \$0.00001, an exercise price of 11 cents (\$0.11) each per Option, an expiry date of 31 May 2018 and are otherwise on the terms and conditions set out in Schedule 2;
- (d) the Fee Options will be issued to CPS as consideration for services provided by CPS in respect of the Placement, and will raise only nominal funds, which will be applied by the Company to its working capital; and;
- (e) a voting exclusion statement is included in this Notice.

7. Resolution 5 – Approval of Issue of 12 million Performance Rights

7.1 General

Pursuant to the Mandate, and as described in section 2.3 (c), the Company has agreed, subject to obtaining the necessary Shareholder approvals, to issue a total of 12 million Performance Rights as a further management fee to CPS (and/or their nominees) for their management of the Placement.

The Performance Rights will be issued to CPS (and /or its nominees), at CPS' discretion.

The Company will issue Class A, B and C Performance Rights on the terms and conditions set out in Schedule 1. Each class of Performance Rights are convertible into ordinary Shares in the Company (on a one-for-one basis), subject to their respective Performance Milestones being achieved.

Resolution 5 seeks Shareholder approval for the issue of the Performance Rights to CPS (and/or their nominees) and is an ordinary resolution.

The Terms and Conditions of the Performance Rights are set out in Schedule 1.

7.2 Listing Rule 7.1

Listing Rule 7.1 requires Shareholder approval for the proposed issue of the Performance Rights pursuant to the Mandate. Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12-month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12-month period.

The effect of Resolution 5 will be to allow the Directors to issue the Performance Rights during a period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Resolution 5 is an ordinary resolution.

7.3 Specific information required by Listing Rule 7.3

Listing Rule 7.3 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.1:

- (a) the maximum number of Performance Rights the Company will issue is as follows:
 - (i) Class A Performance Rights: 4 million;
 - (ii) Class B Performance Rights: 4 million; and
 - (iii) Class C Performance Rights: 4 million.
- (b) the Performance Rights will be issued no later than 3 months from the date of the General Meeting (or such longer period of time as ASX may, in its discretion, allow pursuant to a waiver of Listing Rule 7.3.2) and it is intended that allotment of all of the Performance Rights will occur on the same date;
- (c) the Performance Rights will each have a term of 5 years, and are convertible into ordinary Shares in the capital on the achievement of their respective Performance Milestone;
- (d) the Performance Rights will be issued to CPS as consideration for services provided by CPS in respect of the Placement, accordingly no funds will be raised from the issue of the Performance Rights; and
- (e) a voting exclusion statement is included in this Notice.

8. ENQUIRIES

Shareholders are requested to contact the Company Secretary on (08) 9429 2900 if they have any queries in respect of the matters set out in this document.

Schedule 1: Terms and Conditions of Performance Rights

Terms of Performance Rights

The terms and conditions of the Performance Rights are set out below:

(a) **Definitions**

Class A Performance Right means a Performance Right issued by the Company in accordance with the Agreement that is subject to the A Performance Right Milestone and these terms.

Class A Performance Right Expiry Date means five (5) years from the date of issue of the A Performance Rights.

Class A Performance Right Milestone will be taken to have been satisfied upon the Company achieving a market capitalisation of \$17 million based upon the following calculation:

$$MC = CP \times FPO$$

Where

MC means Market Capitalisation;

CP means the closing share price of the Company's Shares on the ASX; and

FPO means the number of fully paid ordinary shares of the Company on issue.

ASX means ASX Limited (ABN 98 009 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Class B Performance Right means a Performance Right issued by the Company in accordance with the Agreement that is subject to the B Performance Right Milestone and these terms.

Class B Performance Right Expiry Date means five (5) years from the date of issue of the B Performance Rights.

Class B Performance Right Milestone will be taken to have been satisfied upon the Company achieving a market capitalisation of \$25 million based upon the following calculation:

$$MC = CP \times FPO$$

Where

MC means Market Capitalisation;

CP means the closing share price of the Company's Shares on the ASX; and

FPO means the number of fully paid ordinary shares of the Company on issue.

Class C Performance Right means a Performance Right issued by the Company in accordance with the Agreement that is subject to the C Performance Right Milestone and these terms.

Class C Performance Right Expiry Date means five (5) years from the date of issue of the C Performance Rights.

Class C Performance Right Milestone will be taken to have been satisfied upon the Company achieving a market capitalisation of \$33 million based upon the following calculation:

$$MC = CP \times FPO$$

Where

MC means Market Capitalisation;

CP means the closing share price of the Company's Shares on the ASX; and

FPO means the number of fully paid ordinary shares of the Company on issue.

Change in Control Event means the occurrence of:

- (i) the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
- (ii) that takeover bid has become unconditional; or
- (iii) the announcement by the Company that Shareholders of the Company have at a court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
 - (A) cancelled; or
 - (B) transferred to a third party; and,
 - (C) the court, by order, approves the proposed scheme of arrangement.

Company means Tikforce Limited (ACN 106 240 475) and, where the context requires, includes its subsidiaries.

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

Directors mean the directors from time to time of the Company.

Expiry Date means the Class a Performance Right Expiry Date, the Class B Performance Right Expiry Date or Class C Performance Right Expiry Date (as the case may be).

Holder means the holder of a Performance Right.

Listing Rules means the official listing rules of ASX, as amended, added to or replaced from time to time.

Milestone means the Class A Performance Right Milestone, the Class B Performance Right Milestone, the Class C Performance Right Milestone (as the case may be).

Performance Right means a Class A Performance Right, a Class B Performance Right, a Class C Performance Right (as the case may be).

Section 606(1) means section 606(1) of the Corporations Act.

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

Shareholder means a holder of Shares.

(b) Dividend

Holders are not entitled to a dividend.

(c) Conversion

The Performance Rights will convert into Shares in accordance with this Section (c).

(i) Conversion Milestones and Ratio

Subject to Section (c), upon the satisfaction of the relevant Milestone occurring prior to the relevant Expiry Date, each Performance Right will convert into one (1) Share.

(ii) Conversion on Change in Control

Upon the occurrence of a Change of Control Event:

- A. that number of Performance Rights that, after conversion, is equal to 10% of the issued Share capital of the Company (as at the date of the Change of Control Event) shall automatically convert into Shares;
- B. the Company shall ensure a pro-rata allocation of Shares issued under this Section to all Holders; and
- C. any Performance Rights that are not converted into Shares in accordance with this section will continue to be held by the Holder on the same terms and conditions.

(iii) Lapse after Expiry Date

If on the relevant Expiry Date:

- A. the Milestone affecting the Class A Performance Rights has not been satisfied, then all Class A Performance Rights held by each Holder shall consolidate into one (1) Class A Performance Right and then convert into Shares on a one for one (1:1) basis;
- B. the Milestone affecting the Class B Performance Rights has not been satisfied, then all Class B Performance Rights held by each Holder shall consolidate into one (1) Class B Performance Right and then convert into Shares on a one for one (1:1) basis; and
- C. the Milestone affecting the Class C Performance Rights has not been satisfied, then all Class C Performance Rights held by each Holder shall consolidate into one (1) Class C Performance Right and then convert into Shares on a one for one (1:1) basis.

(iv) Takeover Provisions

- A. If the conversion of Performance Rights (or part thereof) would result in any person being in contravention of Section 606(1) then the conversion of each Performance Right that would cause the

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contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of Section 606(1);

- B. The Holders shall give notification to the Company in writing if they consider that the conversion of Performance Rights (or part thereof) may result in the contravention of Section 606(1) failing which the Company shall assume that the conversion of Performance Rights (or part thereof) will not result in any person being in contravention of Section 606(1); and
- C. The Company may (but is not obliged to) by written notice request the Holders to give notification to the Company in writing within seven (7) days if they consider that the conversion of Performance Rights (or part thereof) may result in the contravention of Section 606(1). If the Holders do not give notification to the Company within seven (7) days that they consider the conversion of Performance Rights (or part thereof) may result in the contravention of Section 606(1) then the Company shall assume that the conversion of Performance Rights (or part thereof) will not result in any person being in contravention of Section 606(1).

(d)After Conversion

- (i) The Shares issued on conversion of any Performance Right will, as and from 5.00pm (WST) on the date of allotment, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.
- (ii) Issue of shares for no consideration
The Company shall allot and issue Shares upon conversion of the Performance Rights for no consideration to the Holder or its nominees and shall record the allotment and issue in the manner required by the Corporations Act and the Listing Rules.
- (iii) Reorganisation
In the event of any reconstruction, consolidation or division of the issued capital of the Company, the Performance Rights and their terms of conversion shall be reconstructed, consolidated or divided:
 - A. in the same manner, such that no additional benefits are conferred on the Holders by virtue of such reconstruction, consolidation or division; and
 - B. to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (iv) Winding up
If the Company is wound up prior to conversion of all of the Performance Rights into Shares, then the Holders will have no right to participate in surplus assets or profits of the Company on winding up.
- (v) Non-transferable
The Performance Rights are not transferable.
- (vi) Copies of notices and reports
The Holders have the same right as Shareholders to receive notices, reports and audited accounts.

- (vii) Voting rights
The Holders shall have no right to vote, subject to the Corporations Act.
- (viii) Participation in new issues
There are no participation rights or entitlements inherent in the Performance Rights and Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.
- (ix) Quotation
The Performance Rights are unquoted. No application for quotation of the Performance Rights will be made by the Company.

Schedule 2: Terms and Conditions of Options

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- a) The exercise price of each Option is \$0.11 ("Exercise Price").
- b) The Options expire at 5:00pm WST on 31st May 2018 ("Expiry Date").
- c) The Options will have a nominal issue price of \$0.00001 payable at the time of issue.
- d) Each Option shall entitle the holder to subscribe for and be issued one Share in the capital of the Company upon exercise of the Option and payment to the Company of the Exercise Price.
- e) Shares issued as a result of the exercise of any of the Options will rank equally in all respects with all Shares currently on issue.
- f) The Option holder is not entitled to participate in new issues of securities offered to Shareholders (including any rights issue, entitlement issue or bonus issue) unless the Option is exercised before the relevant record date for that new issue.
- g) Shares issued on the exercise of Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys.
- h) If the Company is listed on ASX it will, pursuant to the exercise of an Option, apply to ASX for quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the ASX Listing Rules.
- i) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to the reconstruction of capital at the time of the reconstruction.

Definitions

In this Notice:

\$ means Australian dollars.

ASX means ASX Limited and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the Company's current board of Directors.

CPS means CPS Capital Group Pty Ltd (ACN 088 055 636).

Company or **Tikforce** means Tikforce Limited (ACN 106 240 475).

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company and **Directors** means all of them.

Entitlement Offer means the Company's 1 for 4 pro rata non-renounceable entitlement issue of Shares to the Company's Shareholders, plus one free attaching Option for every two new Shares issued.

Explanatory Memorandum means this explanatory memorandum accompanying the Notice.

Fee Options means the Options issued by the Company to CPS as consideration for services provided in relation to the Placement.

Fee Shares means the Shares issued by the Company to CPS as consideration for services provided in relation to the Placement.

Listing Rules means the listing rules of ASX.

Meeting or **Meeting** has the meaning given in the introductory paragraph of the Notice.

Notice or **Notice of Meeting** or **Notice of General Meeting** means the Notice of General Meeting to which the Explanatory Memorandum is attached.

Option means a Fee Option, an option issued pursuant to the Entitlement Offer or a Placement Option (as the case may be), and is on the terms and conditions as set out in Schedule 2.

Performance Rights means the Class A, Class B or the Class C performance rights to be issued by the Company pursuant to Resolution 5 and on the terms set out in Schedule 1.

Placement means the Company's issue of 10 million Shares at an issue price of 5 cents (\$0.05) (and free attaching Option) to the Placement Recipients.

Placement Option means Options issued by the Company to the Placement Recipients under the Placement.

Placement Share means Shares issued by the Company to the Placement Recipients under the Placement.

Placement Recipient means a sophisticated or professional investor (as defined in sections 708(8) and 708(11) of the Corporations Act) who are clients of CPS and who received Shares under the Placement.

Proxy Form means the proxy form attached to the Notice.

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

Schedule means the schedule to this Notice.

Section means a section of this Notice.

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

Shareholder means a shareholder of the Company.

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

In this Notice, words importing the singular include the plural and vice versa.

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TIKFORCE LIMITED
ACN 106 240 475

PROXY FORM

GENERAL MEETING

The Company Secretary
Tikforce Limited

By post:
Tikforce Limited
Unit A7,
435 Roberts Rd,
Subiaco, WA 6008

By facsimile:
(08) 9486 1011

by email:
rberzins@gccpcapital.com.au

I/We ¹ _____

of _____

being a Shareholder/Shareholders of the Company and entitled to _____

votes in the Company, hereby appoint ² _____

OR the Chair of the Meeting as our proxy

or failing the person so named or, if no person is named, the Chair of the Meeting, or the Chair's nominee, to vote in accordance with our following directions, or, if no directions have been given, and subject to the relevant laws, as the proxy sees fit, at the Meeting of the Company to be held at Unit A7, 435 Roberts Rd, Subiaco, WA 6008 on Monday 13 March 2017 at 10:30am (WST). If 2 proxies are appointed, the proportion or number of votes of this proxy is authorised to exercise is * []% of the Shareholder's votes*/ [] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

The Chair of the Meeting intends to vote all undirected proxies in favour of each Resolution.

OR

Voting on Business of the Meeting

		For	Against	Abstain
Resolution 1	Approval of prior issue of 10 million Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of prior issue of 10 million Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of prior issue of 8 million Fee Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Issue of 16 million Fee Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Issue of 12 million Performance Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is ___%

Authorised signature/s This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹ Insert name and address of Shareholder

² Insert name and address of proxy

*Omit if not applicable

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Instructions for Completing 'Proxy' Form

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the 'Certificate of Appointment of Representative' prior to admission. A form of the certificate may be obtained from the Company's share registry.

A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked, the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.

You must sign this form as follows in the spaces provided:

Individual: Where the holding is in one name, the member must

Joint Holding: Where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a power of attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the power of attorney to this Proxy Form when you return it.

Companies: a director can sign jointly with another director or a company secretary. A sole director who is also a sole company secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

Completion of a Proxy Form will not prevent individual members from attending the Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Meeting.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the Company's office (Unit A7, 435 Roberts Rd, Subiaco, WA 6008 or Facsimile number (08) 9486 1011 if faxed within Australia or +61 8 9486 1011 if faxed from outside Australia), or by email to rberzins@gcpcapital.com.au not later than 48 hours prior to the time of commencement of the Meeting.

Proxy forms received later than this time will be invalid.

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