Due Diligence and Valuation Report

Arrowhead Code:	83-01-05
Coverage initiated:	3 January 2011
This document:	02 November 2011
Fair share value bracket:	AU$10.4c to AU$19.6c
Share price on date:	AU$2.4c[i]

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Company:	MIKOH Corporation Limited
Ticker:	ASX: MIK
Headquarters:	Sydney, Australia
Managing Director:	Mr. Richard Sealy
Website:	www.mikoh.com

Market Data

52-Week Range:	AU$1.9c - AU$5.1c[ii]
Average Daily Volume:	469,004[iii]
Market Cap. on date:	AU$13.62M[iv]

Financial Forecast Data (in AU$)

	'12E	'13E	'14E	'15E	'16E	'17E	'18E
High profit/ (loss) MM	3.4	5.1	12.6	10.5	17.8	11.7	20.2
High EPS cents	0.60	0.90	2.21	1.85	3.13	2.06	3.57
Low profit/ (loss) MM	0.1	1.4	4.7	4.3	7.0	5.6	0.1
Low EPS cents	0.02	0.25	0.83	0.76	1.24	0.99	0.02

Fiscal Year (FY)

1st July – 30th June

Summary

MIKOH Corporation Ltd. is a global security solutions provider specializing in tamper evident techniques for security seals, smart RFID tags and encrypted data on networks. MIKOH started to commercialize the proprietary and patented Smart&Secure™ tamper-proof RFID solution in FY07-09, transitioned into a commercial security solutions provider in FY10-11 and is poised to become a leading player in the security markets.

In 2010, MIKOH, through its strategic partner Kollakorn, secured a 10-year contract to implement a national Electronic Vehicle Registration (EVR) solution in Thailand. Kollakorn has a 10 year concession from the Thailand government for EVR in the country with a total potential of 32MM existing registered vehicles. Company expects release of the next generation tag in the coming fiscal and work is continuing on the development of CertainID.

The announcement by DLT on November 2, 2011, to control the speed of public passenger vehicles using the RFID readers for public vehicles throughout all of Thailand is a significant step forward for MIKOH, especially Smart&Secure tag.

In April 2011, MIKOH signed an agreement with ARA TechBis Sdn Bhd (ARA) of Malaysia to form a JV for the purpose of establishing an EVR/AVI system in Malaysia. In FY12 YTD, MIKOH raised approximately AU$1.07MM through issue of 47.40MM ordinary shares. Company got 4 year US$6MM convertible note facility from La-Jolla Cove Investment.

Company is expected to purchase convertible notes worth US$5MM from Kollakorn, key advantage of this transaction is that it provides funding to continue the commercialization of the Thai Project. Consequent to this transaction the shareholding of Mikoh in Kollakorn is expected to go up to 37.75% in future if Mikoh converts its notes into shares.

Arrowhead believes that significant ramp-up of revenues in the AVI Segment, should be the main valuation driver for the company. The company however expects revenue from AVI/EVR segment in 2012 to be less than 2011, which will be counteracted by company's share in Kollakorn profits. The ongoing Thai EVR project along with other opportunities in Malaysia and other ASEAN countries should deliver cumulative revenues of AU$3.4MM for the FY2012-14 at the low end of our estimate.

Based on intrinsic revenue capacity of the Thai EVR contract and similar opportunities in ASEAN countries, Arrowhead believes that MIKOH's fair share value lies in the AU$10.4c to AU$19.6c[v] bracket.

See important disclosures on page 26 of this report.

Company Presentation

MIKOH is a world-leading provider and innovator of custom security system solutions using its end-to-end authentication and tamper detection products and technologies. The company develops technologies and designs and implements solutions that identify, seal, authenticate, monitor, track, protect and control all types of sensitive assets, both physical and data/communications for its clients.

MIKOH currently focuses on security solutions for:
- Automatic Vehicle Identification (AVI)
- Secure asset management and tracking (objects, containers and vehicles)
- Secure network online identification (biometric authentication)

These customized end-to-end security systems employ digitally-marked tamper-evident seals, patented tamper-proof RFID labels and tags, licensed NSA (National Security Agency) closure devices for containers, and patented biometric authentication for secure online identification of people and data on encrypted networks and the Internet.

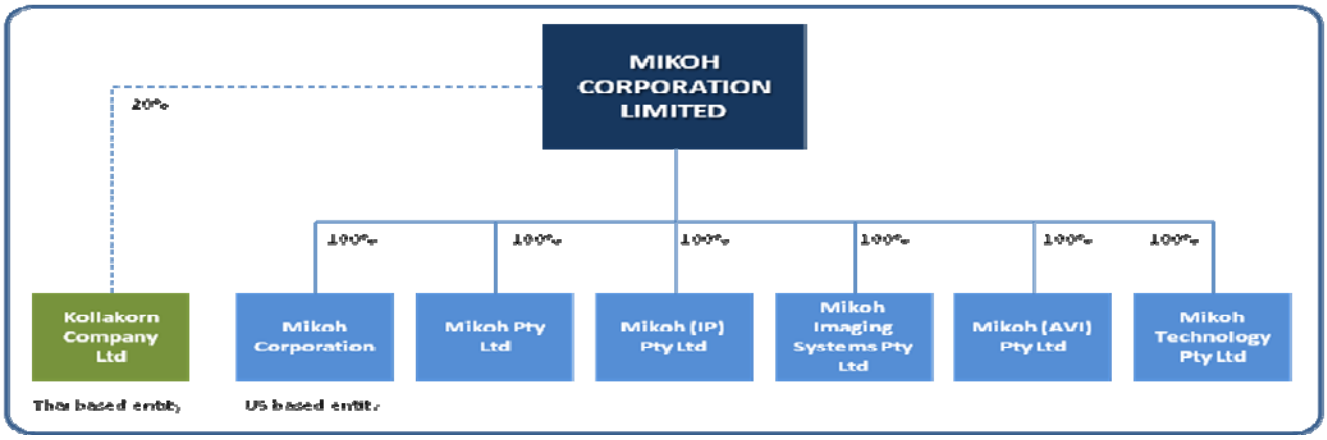
Over the years MIKOH has successfully developed Intellectual Property and formed relationships with commercialization partners, manufacturers, value-added-resellers and licensees. Many of these relationships are both a service or raw material provider as well as a channel to the market.

In the AVI market, MIKOH has a collaboration agreement with Sirit, a division of Federal Signal Corporation to produce and distribute Smart & Secure™ tags and readers for vehicle applications.

Operation Feasibility

MIKOH has had operating losses over four years growing from AU$3.7MM in FY2007 to AU$5.1MM in FY2010. MIKOH has undertaken significant steps in FY2011 which include changes in management and the redefining of strategic direction for the company. In line with the announcements made earlier, subscribe label business and printer manufacturing business were sold and discontinued respectively by the company. During the same period the company has taken various cost cutting measures to improve its operating efficiency. This we believe will lay a strong foundation for growth in the years to come. MIKOH now focuses on maximizing the value of its intellectual property and has significant projects on hand including the ongoing Thailand EVR project, along with other ASEAN opportunities. MIKOH has formed JV with ARA TechBis Sdn Bhd (ARA) of Malaysia for the purpose of establishing an EVR/AVI system in Malaysia, similar to that established in Thailand. These opportunities are expected to generate revenues of AU$8.8MM for the FY2012 to FY2014 at the low end of our estimate. The Thailand concession is poised for growth and the newly acquired ownership of 19.9% of Kollakorn with dividends along with business growth in the coming years. Revenue expectation, for the coming financial year is expected to be low because all of the hardware and first year's tag have been supplied.

Organization Structure



KollaKorn Company Ltd.: In 2010, MIKOH, through its strategic partner Kollakorn (owned by Somapa IT), secured a 10-year contract to implement a national Electronic Vehicle Registration (EVR) solution in Thailand, which has ~32MM total vehicles. MIKOH, in 2011 entered into an agreement to swap a 19.9% stake in Kollakorn (refer to page 18) and plans to leverage on this tie-up to obtain EVR opportunities in select ASEAN countries, with potential in the range of ~100MM vehicles. MIKOH, in 2011, sold an initial stock of 2MM EVR tags to Kollakorn. Company is also expected to purchase US$5MM convertible notes from Kollakorn. The transaction has potential to increase MIKOH's shareholding in Kollakorn to 37.75% should it decide to convert its notes into shares.

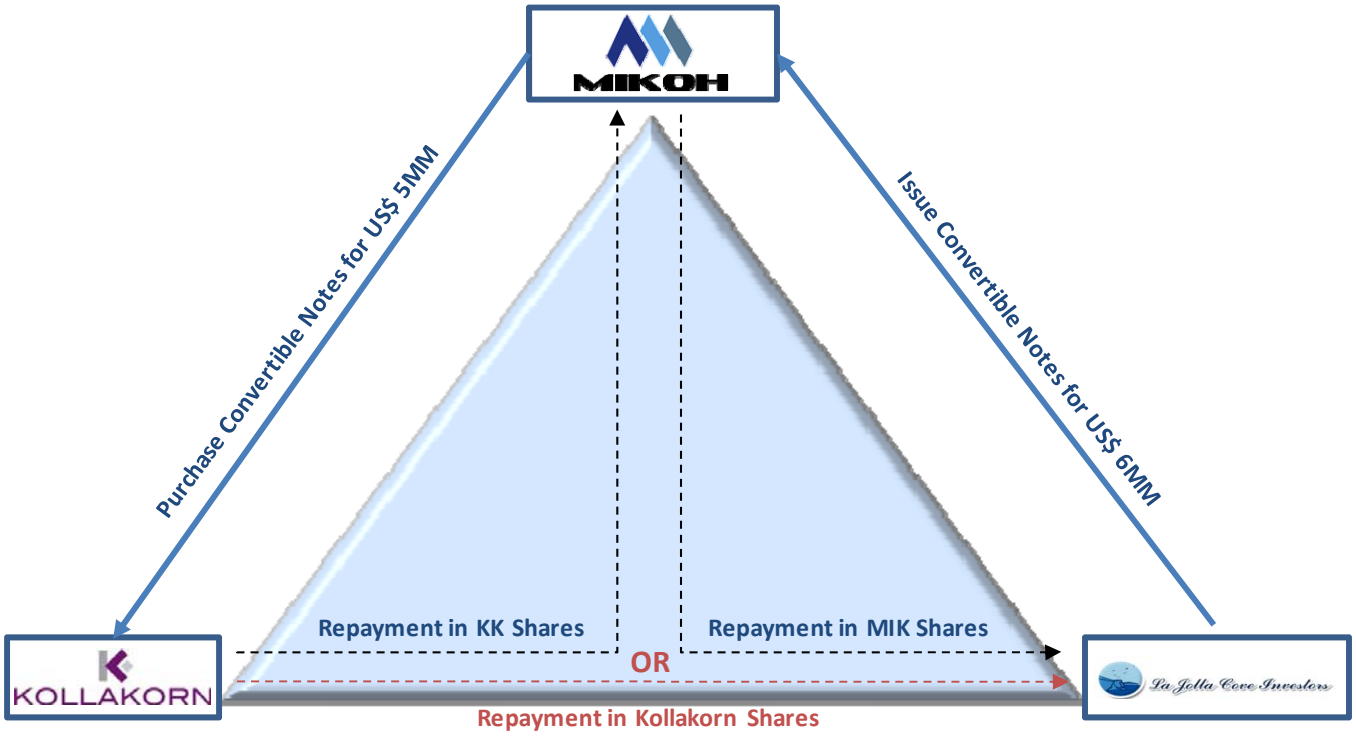
Need for Capital

Funding has been a big issue for MIKOH since November 2010 when the funds raised by the previous management ran perilously low. The new management took over a Company with significant debts and raised AU$2.78MM in FY11 in cash to fund operations. Unfortunately a significant amount of this money was expended on paying past debts. Subsequent to the end of the financial year, MIKOH secured a US$6MM convertible note arrangement with La Jolla Cove Investors Inc.

Dilution of Equity

Company raised approximately AU$1.07MM through issue of 47.40MM ordinary shares in FY12 YTD. Company is expected to purchase convertible notes worth US$ 5MM from Kollakorn. The key advantage of such transaction is that it provides necessary funding to continue the commercialization of the Thai Project successful commercialization of which will benefit Mikoh through the sale of the Mikoh products to Kollakorn; and potential dividends in the future from Kollakorn.

The proposed transaction is expected to be made from US$ 6MM received from La Jolla Cove Investment Inc. The proposed transaction will have repayment options of cash and conversion into shares for both Mikoh and Kollakorn (for further details refer page19). The Mikoh's shareholding in Kollakorn could be diluted if La Jolla chooses to acquire Kollakorn shares upon redemption of its Convertible Note from 19.9% to 17.7%. Also, if MIKOH converts into Kollakorn shares and repays La Jolla separately then MIKOH's shareholding in Kollakorn can potentially go upto 37.75%.



The company plans to replicate its Public Private Partnership (PPP) model along with its strategic partners for the new markets like Indonesia, Malaysia and Vietnam. Company has continued on marketing efforts with the objective of securing a new rollout in the coming financial year. The Company

is currently focusing utilization of its Smart&Secure™ RFID tags to diversify into areas beyond EVR and expects release of next generation tag in the coming financial year. Company has two new technology initiatives lined up: Transit Vault and CertainID™.

MIKOH's Asset Portfolio[vi]

MIKOH provides a complete AVI solution that manages vehicles in many automotive applications like EVR, Vehicle Access Control and Electronic Toll Collection (ETC) and management of vehicles into all kinds of controlled, restricted, or monitored areas. MIKOH and its partners have entered into a long term contract with the Government of Thailand to implement EVR in the country by setting up the infrastructure including the RFID tag readers and Tamper Evident RFID tags.

Smart&Secure™- is a patent-protected, Tamper Evident RFID technology developed by the company which ensures a one-to-one relationship between the vehicle and the RFID tag. The company uses its Smart&Secure™ tag to implement its AVI solutions. Arrowhead believes that Smart&Secure™ tag coupled with the AVI and EVR solutions will be the main contributor to the company's expansion plans in the near future. The company's strategy to form JV and expand in ASEAN countries is expected to further augment its revenues.

Transit Vault–is a system designed to seal reusable plastic containers (RPCs) using low cost pressure-sensitive security seals. Incorporating intellectual property licensed from the US National Security Agency (NSA), Transit Vault uses a patented closure mechanism that indicates whether a container has been opened or tampered. The container can use Smart&Secure™ tamper evident RFID seals.

CertainID™- CertainID™ is a bio-authentication technology developed by MIKOH to overcome issues currently preventing widespread adoption of network-based biometrics. CertainID™ enables secure biometric identification and 'biometric tagging' of encrypted information transfers over the Internet or any other network.

Semi-Passive UHF- RFID Tag - MIKOH is currently developing a new semi-passive UHF RFID tag that will combine the low cost of passive technology with the electronic intelligence and versatility of active technology. First samples of the new tag are expected during the first quarter of 2012.

The table below shows the applications of various technologies developed by MIKOH:

		Applications			
	MIKOH Technology and application	Automatic Vehicle Identification	Secure High Value Asset Management & Tracking	Real-Time Tamper and Alarm	Bio-Authentication
Technologies	Smart&Secure™	✓	✓	✓	
	Transit Vault			✓	
	CertainID™				✓

The consolidated entity went through a thorough restructure during the 2011 financial year which led to the divestiture and discontinuation of two of its businesses. The main focus for the consolidated entity going forward will be around the growth and expansion of the EVR and Automated Vehicle Identification (AVI) / Smart&Secure technology businesses.

For more detail on Assets see *Product & Services* section of this report.

Geographical strategy and reach[vii viii ix]

Asia Pacific

MIKOH and its partners have been awarded an exclusive 10 year Government concession to implement a national EVR system in Thailand. The project is being delivered through a 10-year Public Private Partnership (PPP) arrangement and MIKOH has partnered with Kollakorn and Somapa IT for the project. The company has entered into a supply contract with Sirit Inc to supply Sirit's RFID technology tags and

readers for the project. MIKOH, Somapa IT and Kollakorn have subsequently entered into a 10 year co-operation agreement to jointly pursue similar opportunities in other ASEAN countries such as Malaysia, Indonesia, the Philippines and Vietnam with a cumulative potential of ~100MM existing vehicles. On 4th April, 2011, MIKOH signed a Heads of Agreement with ARA TechBis Sdn Bhd (ARA) of Malaysia to form a JV for the purpose of establishing an EVR/AVI system in Malaysia, similar to that established in Thailand.

Further to the AVI/EVR opportunity, MIKOH announced that its Joint Venture Partner, Kollakorn, has signed a contract with the Office of Transport and Traffic Policy and Planning (OTP) for approval to establish a proof of concept for a bus scheduling information system with Bangkok Mass Transit Authority (BMTA) along the route between Min Buri and Victory Monument. The project will cost at least 10 million Baht to implement and will use RFID readers at the bus stop and MIKOH's Smart&Secure™ Tags attached to the front mirror and headlight of the buses. In June 2011 MIKOH finalized the deal whereby it acquired 19.9% stake in Kollakorn which is owned by Somapa IT. Company expects its 19.9% share of Kollakorn internal revenues to compensate for decrease in revenues in 2012 from AVI/EVR.

MIKOH is also expected to purchase convertible notes worth US$ 5MM from Kollakorn. The key advantage of this transaction is that it provides funding to Kollakorn to continue the commercialization of the Thai Project, success of which will benefit MIKOH through the sale of the MIKOH products to Kollakorn. Consequent to this transaction the shareholding of MIKOH in Kollakorn is expected to go up to 37.75% in future if Mikoh converts its notes into shares. The resolution for proposed transaction was approved in the EGM on 14th October 2011, along with resolution to issue US$6MM convertible note to La Jolla Cove Investors.

US and Australia

The company has also teamed up with Accenture for the US Navy Automatic Identification Technology (AIT) Project which has a budget ceiling of US$75MM over 5 years. The company is currently investigating similar opportunities in other markets.

In addition, MIKOH has forayed into the protective equipment and apparel sector by signing a sales and marketing agreement with Global Safety Solutions & Management Pty Ltd (GSSM) to supply Smart&Secure™ tamper-indicating RFID tags for protective clothing. GSSM believes that the use of the Smart&Secure™ tamper evident tag will differentiate their product from its competitors.

The marketing operations in USA have been significantly scaled down and now only two employees remain in USA, Peter Atherton and David Rodriguez. Peter is also continuing with the development of the CertainID™ product with assistance of David. David has added responsibility of overseeing the manufacture of Smart&Secure™ tags.

Latin America

In October 2008 MIKOH entered a three-year agreement that licensed Sirit (now acquired by Federal Signal) to exclusively promote and sell MIKOH's patented tamper-indication Smart&Secure technology worldwide in AVI systems where physically secure vehicle tags are required. In return, MIKOH was paid a sliding-scale royalty based on volume. Revenues from this arrangement had started to flow to MIKOH since 2009 with the incorporation of MIKOH's Smart&Secure into Sirit's tag manufacturing lines. Smart&Secure has been integrated into electronic toll collection systems being deployed by Sirit in Brazil, Colombia and Uruguay. Sirit reported that progress has also been achieved in other countries across Latin America, and they are actively working at converting these opportunities into new revenue channels.[x]

MIKOH portfolio and company premiums

Company:

- MIKOH is a niche player in the customized security solution market and has unique patented products. Its patented Smart&Secure™ tags are differentiated by their tamper evident technology creating an essential one-to-one link between the asset and tag.

Products:

- MIKOH's Smart&Secure™ solution could be expanded to other AVI applications including intelligent congestion traffic flow management system, congestion or peak-time charges, electronic insurance, electronic toll collection, automated access control (in Airports, Government facilities) and parking and permit automation.
- The company's next generation high-tech product is Transit Vault. This product is intended to be used in the asset protection and secure tracking of valuable goods and documents.Once the product is commercialized in the coming years, Transit Vault has the opportunity to be a large revenue driver for MIKOH.
- The latest patented technology, CertainID™, has extremely strong potential and a vast market which could make it a far bigger line of business than the AVI and Transit Vault applications.

Operations:

- MIKOH has been able to form relationships with commercialization partners, manufacturers, value-added-resellers and licensees to promote the developed Intellectual properties and leverage upon the tie ups in different geographies. Many of these relationships are both a service or raw material provider as well as a channel to the market
- The PPP in Thailand should be a prelude to AVI applications in other ASEAN nations including initial discussions in China. MIKOH has the requisite strategic partnership to replicate the success in other geographies including Indonesia, Malaysia and Vietnam which have a combined potential of more than 8MM registered vehicles.
- Mr. Sealy, the current CEO of the business, has nearby 30 years of experience in running both public and private companies as a Director in Australia, New Zealand, the United Kingdom and South East Asia. MIKOH should significantly benefit from Mr. Sealy's experience in various target markets of the company.
- The company is expected to enjoy a huge operating leverage as revenue kicks in significantly after it penetrates the AVI market. The company should have a GPM of nearly 25% in the later stages of the EVR implementation, given the favorable margin of its Smart&Secure™ solution.
- In October 2008 MIKOH entered a three-year agreement that licensed Sirit (now acquired by Federal Signal) to exclusively promote and sell MIKOH's patented tamper-indication Smart&Secure technology worldwide. In return, MIKOH was paid a sliding-scale royalty based on volume. Revenues from this arrangement had started to flow to MIKOH since 2009.[xi]
- In 2010, MIKOH, through its strategic partner Kollakorn (owned by Somapa IT), secured a 10-year contract to implement a national Electronic Vehicle Registration (EVR) solution in Thailand. MIKOH, in 2011 entered into an agreement to swap a 19.9% stake in Kollakorn and plans to leverage on this tie-up to obtain EVR opportunities in select ASEAN countries, with potential in the range of ~100MM vehicles.
- On 4th April 2011, MIKOH signed a Heads of Agreement with ARA TechBis Sdn Bhd (ARA) of Malaysia to form a JV for the purpose of establishing an EVR/AVI system in Malaysia, similar to that established in Thailand.
- On 22nd August 2011, the Board of MIKOH Corporation Limited announced that the Company had signed an agreement with La Jolla Cove Investments Inc to provide a 4 year convertible note facility for the Company of US$6MM. In a back to back agreement, MIKOH will purchase US$5MM of convertible notes from Kollakorn Co. Ltd.
- On 14th October 2011, the company in its EGM approved the resolution for the issue of the US$6MM convertible note to La Jolla and the consequential issue of shares on conversion. Company also approved the resolution to purchase US$5MM convertible notes from Kollakorn.

MIKOH portfolio company risk

- MIKOH's patented technology could be superseded and replicated by another player with a cheaper security solution. This could drastically change the prospects for the company given its current ability to charge a premium for its tamper proof solution. This is offset by the fact that MIKOH owns the IP around the commercial applications of any tamper-proof RFID products and manufacturing of these products, which gives a certain layer of protection. Additionally, in practice, in the case of the

See important disclosures on page 26 of this report.

Thai contract, the PPP has already being awarded and the rollout begun, and hence it is unlikely that the Thai Ggovernment would choose to switch systems in the foreseeable future. The deepening of the relationship with Somapa and the subsequent equity swap enables MIKOH to be a symbiotic part of a whole system provider and it is very unlikely that Kollakorn would have the possibility or the interest to replace MIKOH with another provider.

- MIKOH is exposed to material supply risk related to its tags, since Sirit, the manufacturer of these tags, may not be able to follow through with the volumes necessary to roll out orders beyond the full Thai contract. The company needs to either prepare the future supply issues with Sirit or identify new manufacturing partners for sourcing its tags as and when it converts other potential ASEAN EVR contracts.
- The RFID solution could become obsolete as new technologies evolve in the next few years.

MIKOH Corporate Strategy[xii]

MIKOH has undertaken steps to position itself as a provider of end-to-end security solutions with a focus to leverage upon its Intellectual property. The company plans to do this by:

- Executing the EVR project awarded by the government of Thailand in partnership with Somapa, Kollakorn and Sirit.
- Executing an agreement with ARA of Malaysia to form a joint venture for the purpose of establishing an EVR/AVI system in Malaysia. The primary objective of the Joint Venture will seek to obtain the concession to operate the AVI/EVR system in Malaysia. MIKOH's Smart&Secure™ Tags will be used to enhance asset and personnel security in different environments and situations throughout Malaysia over a period of time.
- In line with its strategy to focus on security equipment the subscribe label business and the printer manufacturing business of the company were respectively sold and discontinued. The main focus for the consolidated entity going forward will be around the growth and expansion of the EVR and Automated Vehicle Identification (AVI) / Smart&Secure technology businesses.
- Breaking into the protective equipment and apparel sector by signing a sales and marketing agreement with Global Safety Solutions & Management Pty Ltd. to supply Smart&Secure tamper indicating RFID tags for hazardous equipment and clothing.
- Leverage upon the joint venture with Kollakorn to provide EVR and AVI solutions throughout the Asia Pacific region having the Thailand EVR project as a benchmark. Company has also signed an agreement with ARA TechBis Sdn Bhd (ARA) of Malaysia to form a JV for the purpose of establishing an EVR/AVI system in Malaysia.
- Building a market for MIKOH's next generation Transit Vault product in the US and Australian Governments. The company also has a tie up with US-based Pelican Products and has developed SecureContainer closure designs and production tooling specifically for use with Pelican's all-terrain cases, which are used extensively in the US Federal Government.
- Development of new patented technology, including the proliferation ofMIKOH's newly patented bio-authentication technology to both the commercial and government markets. The technology enables "certain" authentication of the individual at both ends of any information transmission without transmitting any bio data across the internet.
- The new management took over a Company with significant debts and has the raised AU$2,775,951 in cash since November 2011. Subsequent to the end of the financial year, MIKOH also secured a US$6MM convertible note arrangement with La Jolla Cove Investors Inc.

Key trends in Automatic Identification of Vehicle / Asset Tracking Market

Sector trends: RFID Market

The global RFID market is expected to grow at a 17% CAGR during 2011-2013, generating US$ 9.7B.The Asia Pacific region is expected to witness the highest growth at a 27% CAGR due to the adoption of RFID technology in countries such as China, India, South Korea, Taiwan, Singapore, Malaysia and Thailand. EVR has growth prospects in ETC and better traffic management in countries with huge road networks such as China, India, and Mexico.

For more detail on trends see *Products and Marketing* section on page 11 of this report.

Key variables in determining MIKOH's revenue estimates

- Sales of Smart&Secure™ tags based on its ten year contract with the government of Thailand to implement an EVR system in the nation. MIKOH is expected to have replacement demand for its tags for every two years depending upon the government regulations, apart from the existing (28m) and new vehicles added into the market.
- Sales of Smart&Secure™ tags based on the new vehicles added in the Thailand market, pegged at about AU$4m to AU$5m per annum.
- Likely mandatory implementation of the EVR system in Thailand. As an incentive to use the EVR technology prior to mandatory regulations, the vehicle owners are currently being offered insurance premium discount and phone credits that more than cover the total registration cost and discounts on other motor vehicle products.
- Sale of Smart&Secure™ tags for Malaysia as cluster 1 (17MM vehicles) and other ASEAN countries as cluster 2 (72MM vehicles) have been extrapolated taking into consideration the Thailand EVR project. The probability of success for these projects have been pegged at 3/5 and 4/5 for the low and high estimate.
- The AVI Smart&Secure™ tag business became profitable as a result of sale of equipment and initial stock of 2MM tags to Kollakorn. The revenue for this activity in 2011 was AU$3,761,408 with net profit of AU$ 128,295. Many of the costs such as staff and consultant fees for AVI business are not expected to occur in the next fiscal. The revenue guidance for next fiscal has been kept low because Kollakorn has initial stock of tags. However, the company's share of 19.9% in Kollakorn profit is expected to compensate for decrease in revenue.
- AU$/US$ exchange rate (since MIKOH's costs and listing are in Australian dollars while most sales can be expected to be in US$).

For more detail on key variables see *Key Variable Analysis* section of this report.

News[xiiixiv]

- **Ministry of Transport announces enforcement of speed control for public passenger vehicles** (November 2, 2011): The Board of MIKOH Corporation Limited announced that further to the announcement last week, of the successful conclusion of the benchmark testing using the MIKOH RFID Smart&Secure tags for speed control on the Don Muang Tollway, the Department of Land Transport (DLT) has announced plans to enforce speed control for public passenger vehicles. The compulsory implementation of the MIKOH Smart&Secure tag using the RFID readers for public vehicles throughout all of Thailand is a significant step forward for MIKOH.
- **MIKOH completes allotment of ordinary shares** (October 26, 2011): MIKOH completed the allotment of 3.12MM shares to La Jolla Cove Investors for AU$50,000.
- **MIKOH's Extraordinary General Meeting update** (October 14, 2011): MIKOH in its extraordinary general meeting passed resolution for issue of Convertible Notes to La Jolla Cove Investors Inc. Also, the resolution for purchase of Convertible Notes from Kollakorn Co. was also passed.
- **MIKOH completes allotment of ordinary shares** (October 10, 2011): MIKOH completed the allotment of 2.31MM shares to La Jolla Cove Investors for AU$50,000.

- **MIKOH concludes that Kodiak has defaulted on its obligation** (October 7, 2011): MIKOH board has concluded that Kodaik Capital Group, LLC has defaulted on its obligation under the agreement between MIKOH and Kodiak pursuant to which MIKOH issued shares worth US$0.8MM to Koidak.
- **MIKOH completes allotment of ordinary shares** (September 12, 2011): MIKOH completed the allotment of 2.07MM shares to La Jolla Cove Investors for AU$50,000.
- **MIKOH completes allotment of ordinary shares** (September 6, 2011): MIKOH completed the allotment of 6.27MM shares for a consideration of AU$200,000 relating to drawdown by MIKOH to Kodiak Capital Group, LLC.
- **US$6MM convertible note facility from La Jolla Cove Investment Inc.** (August 23, 2011): La Jolla Cove Investment Inc. has agreed to provide 4 year US$6MM million convertible note facility to MIKOH at an interest of 4.75% p.a. payable monthly (to be paid either in cash or shares). There are two options for conversion of note facility - Option 1: conversion into fully paid MIKOH shares at lesser of 10 cents or 80% of 3 lowest VWAP's in the 21 days prior to conversion. Option 2: conversion of US$4.5MM convertible note into 20% of Killakorn with balance US$1.5MM converting into MIKOH shares.
- **MIKOH change in interest of substantial shareholder** (August 15, 2011): DeanCorp Limited, an entity controlled by Mr. Fraser Clay has become a substantial shareholder of MIKOH. He has 39.65MM ordinary shares that have voting power of 7.17%. Mr. Clay specializes in finding underperforming opportunities and companies and turning them into successful ventures. He is also a major shareholder of ZYL Limited and CEO of Multi-Vender Support Services (MVSS).
- **MIKOH further issued new ordinary shares** (August 15, 2011): MIKOH announced issue of 1.07MM ordinary shares at an issue price of AU$0.035 per share and 13.64MM ordinary shares at an issue price of AU$0.022 per share. The shares were issued for working capital purposes relating to the prior capital raise.
- **MIKOH further issued new ordinary shares** (July 11, 2011): MIKOH announced issue of 1.21MM ordinary shares at an issue price of AU$ 0.0205 per share. The shares were issued as final allotment under the Share Purchase Plan, as announced by the company on June 6, 2011.
- **MIKOH issued new ordinary shares** (July 7, 2011): The Company issued 20.00MM ordinary shares at an issue price of AU$0.0205 per share. These shares were issues in pursuant to second allotment under the Share purchase Plan, announced on June 6, 2011.
- **MIKOH issued new ordinary shares** (July 4, 2011): The Company issued 41.84MM ordinary shares at an issue price of AU$0.0205 per share. The shares were issued pursuant to tranche one allotment under the Share Purchase Plan, announced on June 6, 2011.
- **MIKOH issued new ordinary shares** (June 30, 2011): The Company announced issuance of 12.99MM ordinary shares at an issue price of AU$0.022 per share. The company informed that the shares were issued as second placement as per the deed for share issue, approved under shareholder resolution dated March 21, 2011.
- **Kollakorn Company Limited acquired stake in MIKOH** (June 17, 2011): The Company announced issuance of 89.72MM fully paid ordinary shares at AU$0.032 per share. Kollakorn acquired 91.MM ordinary shares which represents 19.9% of the voting power.
- **MIKOH gets AU$750,000 investment** (June 2, 2011): MIKHO announced that it received AU$ 750,000 funding from Kodiak Capital. These funds will be used to fund company's Thai project which includes designing security product and data communication.
- **MIKOH sells the Subscribe Business** (May 9, 2011): MIKOH announced that as of April 30, 2011, it has sold all the assets and liabilities relating to the Subscribe Security Label Printing business. This business was previously owned and operated by MIKOH Imaging Systems Pty Ltd., a fully owned subsidiary of MIKOH based in Melbourne. The sale will create a net capital loss of $3,716.09MM to MIKOH in 2011. MIKOH will share in a profit arrangement on a contract which when settled will result in a close to break-even position for MIKOH. The completion of this sale will provide a reduction in monthly cash-burn and will free up management's time and financial resources to focus on the growth of the Smart&Secure™ business as well as other technologies currently in development.

See important disclosures on page 26 of this report.

- **Notice of general meeting relating to the issue of shares to Kollakorn Ltd.** (May 3, 2011): Resolution was passed for approval to be given for the allotment and issue by the company to Kollakorn such that Kollakorn has a 19.9% stake in MIKOH. The deal is subject to relevant ASX and Member approvals and is framed to be finalized by 30 June 2011.
- **MIKOH publishes Appendix 4C - 3Q2011 quarterly report** (May 2, 2011): MIKOH reported negative operating cash flows of $0.6m for Q3-2011 and $2.2m for the first nine months of FY2011. MIKOH has also reported share issues of $0.56m in 3Q2011 taking the aggregate share issues to $1.7m during the first nine months of FY2011.
- **MIKOH signs formal agreement with Kollakorn** (April 8, 2011): Formal agreements confirming the exchange of shares between MIKOH and Kollakorn have been signed and there were no changes to the previously announced terms.
- **MIKOH breaks into the protective Equipment and Apparel sector** (April 6, 2011).MIKOH has signed a marketing and sales agreement with Global Safety Solutions & Management Pty Ltd. To supply Smart & Secure tamper indicating RFID tags for integration into its line of personal protective equipment and apparel.
- **MIKOH signs with local partner in Malaysia** (April 4, 2011).MIKOH has signed a Heads of Agreement with ARA TechBis Sdn Bhd (ARA) of Malaysia to form a JV for the purpose of establishing an EVR/AVI system in Malaysia similar to that established in Thailand with Kollakorn Co Ltd. The JV Company will be owned 80% by ARA; 10% by Somapa IT Co. Ltd. and 10% by MIKOH.
- **Share placement** (March 28, 2011).Hanuman Private Wealth has been engaged as lead manager for the purpose of raising $1.5m for MIKOH by way of placement of securities to the investors. The terms of placement includes issue of 42,857,143 shares at an issue price of 3.5 cents per share. The opening date of the placement was 28 March 2011 and the closing date was be 31 May 2011 or the date upon which $1.5 million has been raised by the company. It also includes issue of 21,428,571 attached options on the basis of one option for every two shares purchased at an exercise price of 5 cents each with an expiry date of 12 months after the closing date of the placement.
- **Accounts for the Half Year Ended 31 December 2010** (February 28, 2011).Revenues for the half year were up 169% to $1.9MM (2010: $0.7MM) and the net loss for the same period was down 20% to $1.8MM (2010: $2.4MM). This was achieved as a result of the commencement of rollout of the Thailand AVI contract and cost reductions implemented by the directors. The Smart&SecureTM tag business is now starting to make profits for MIKOH with the rollout of the Thai EVR system.
- **MIKOH and Kollakorn Formalize Joint Development of Thai EVI/AVR** (February 16, 2011).The Board of MIKOH signed a heads of agreement with Kollakorn Co. Ltd. to acquire 19.9% of Kollakorn Co. Ltd., which is owned by Somapa IT and holds the 10 year concession for vehicle registration from the Thai Government. Payment will be effected by a straight exchange of shares between MIK and Kollakorn with no cash component whereby Kollakorn will have issued to it 19.9% of the MIK issued share capital. The agreement is subject to shareholder, ASX, ASIC and FIRB approval on the 3rd June, 2011.
- **"Waiting time is over Technology is making our buses more efficient"**(January 5, 2011). Somapa Information Technology signed an agreement with Bangkok Mass Transit Authority (BMTA) for approval to establish a proof of concept for a bus scheduling information system along the route between Min Buri and Victory Monument, which is currently used by 384 buses. Somapa IT Managing Director Namchoke Somapa, who is advising the Department of Land Transport (DLT), said the project will cost at least 10MMbht to implement, with radio frequency identification (RFID) readers installed at the bus stops and RFID chips attached to the front mirror and light of the buses.
- **MIKOH Corporation Limited - Proposed Capital Raising** (December 11, 2010).MIKOH engaged Hanuman Private Wealth to advise on and to raise funds. The Board of MIKOH was advised to place up to 27,150,000 shares at 3.5 cents each to sophisticated investors to raise approx. US$950,250. The fund raising was conducted in two tranches with the first one raising up to a maximum of $670,000, which was expected to be finalized by December 24, 2010 and the second tranche for the balance up to $950,250, which was expected to be finalized by February28, 2011.
- **Teams with Accenture for US Navy AIT Project** (November 29, 2010) MIKOH announced it entered into a Teaming Agreement with consulting and technology services firm Accenture. As per the agreement, MIKOH joins Accenture's team in a bid for the upcoming US Navy and Marine Corps

Automatic Identification Technology (AIT) project. The aim of the AIT project is to improve asset visibility within the US Navy logistics pipeline. This contract, due to be awarded during Q2-2011, is expected to have a budget ceiling of US$75MM over five years

- **Expands its AVI Footprint into the US Market** (November 25, 2010) MIKOH announced further steps in expanding its AVI business. Following its successful introduction of AVI in Thailand this year, MIKOH has received an order for Smart&Secure™ Destruct-on-Removal RFID smart tags under its licensing agreement with Sirit Inc., a unit of Federal Signal Corp. The order for 250,000 headlamp tags that carry the MIKOH TE patented technology is for an Electronic Toll Collection (ETC) rollout in Washington State. The Washington State DoT placed the order with Sirit, and the tags will be deployed over the subsequent 3 to 6 months.
- **Receives Third Additional Thailand EVR Order** (August 3, 2010) MIKOH announced a further purchase order of US$900,000 through its EVR contract. The order comprised 1,000,000 MIKOH-patented Smart&Secure™ 'destruct on removal' TE RFID headlamp tags and 1,000,000 UHF decal tags which were to be delivered between September and October 2010.
- **Thai Government Formally Unveils MIKOH-based EVR Solution** (July 23, 2010) MIKOH announced the successful completion of the Thailand government's inaugural media event for the country's EVR system. The system has been named "SmartRFID" by the government. This event signifies the first public roll-out of the Smart RFID system and the benefits that the system generates for motorists in Thailand

Listing and Corporate Information[xv]

MIKOH is an Australian-listed company (Australian Securities Exchange: MIK.AX) with headquarters in Sydney, Australia, and offices in the US and Singapore. MIKOH Corp (US) is a US based company, incorporated in Delaware and headquartered in McLean, VA.

Major Shareholders[xvi]

Name of the Holder	Shares Held	% of Shares Outstanding
Kollakorn Company Limited	89,722,683	15.90
Clay Fraser John	40,982,505	7.26
Snape Anthony	25,436,708	4.51
Copulos Stephen	15,020,623	2.66
Tyree Peter Lyndon	10,625,000	1.88
Atherton Peter Samve	8,962,948	1.59
Finza Pty Ltd.	8,420,000	1.49
Halley Douglas James	7,915,473	1.40

Contacts

MIKOH Corporation Limited, Registered and Principal office – Level 9, 65 York Street Sydney NSW 2000
Email: MIKOH@mikoh.com; Website: www.mikoh.com

See important disclosures on page 26 of this report.

Management and Governance[xvii]

The management and governance team at MIKOH is comprised of experienced professionals with a proven track record.

Board of Directors

Sevag Chalabian ***Non-executive Chairman***

Sevag Chalabian was appointed Chairman on 21st February 2011. Mr. Chalabian is a practicing lawyer with particular specialization in corporate and commercial transactions. Mr. Chalabian is a Non-Executive Director of East Coast Minerals Limited and Bisan Limited both of which are listed on the ASX. Mr. Chalabian has also been chairman of several other listed companies and brings considerable expertise to the role of Chairman of the company.

Richard Malcolm Sealy ***Managing Director***

Mr. Sealy has more than 30 years of experience in various public and private companies in New Zealand, Australia and the United Kingdom in various capacities. He has served as a CEO in a number of financial, manufacturing, real estate and mining companies both private and public. Mr. Sealy is a chartered accountant and a graduate of the Australian Institute of Company Directors and has proven credentials for resolving difficult corporate situations such as restructuring. Mr. Sealy has considerable experience in South East Asia and Middle Asia and in developing businesses in China, Thailand, Kazakhstan and Kyrgyzstan.

Anthony (Tony) Snape ***Non-executive Director***

Mr. Anthony (Tony) Snape brings a wealth of senior level experience in the finance and investment industries, having served as Director and Chairman on a number of Boards. He has an extensive background in leadership, commercial development, and strategic planning gained over 38 years of providing corporate and strategic advice to Australian institutions. He currently chairs a few select private companies.

Namchoke Somapa ***Non-executive Director***

Namchoke Somapa, an MBA, is the founder and CEO of Somapa Information Technology and the CEO of Kollakorn Company Limited, MIKOH's partner in the Thai EVR/AVI rollout. Namchoke's background in marketing and software development enables him to understand both the business and technical aspects of MIKOH's EVR business in Thailand. Namchoke's vast network of contacts both in Thailand and internationally reach as far as the United State, Africa, the Pacific Islands and back to Asia.

Riad Tayeh ***Non-executive Director***

Riad Tayeh began his career at Coopers & Lybrand before moving to Ferrier Hodgson Sydney, and then Ferrier Hodgson Hong Kong. For ten years he specialized in corporate restructure, financial investigation, and turnaround strategy. In the Hong Kong market he restructured a number of listed companies which went on to be very successful. Mr. Tayeh is a Fellow of the Institute of Chartered Accountants. Mr. Tayeh has assisted various companies in restructuring, equity raisings, building and acquiring businesses, and exit strategies. He joined Antony de Vries in partnership in February 2002, bringing considerable commercial acumen in the formation of de Vries Tayeh. Mr. Tayeh enjoys a reputation as a tough-minded and astute practitioner, and offers clients an energetic and practical approach to business solutions.

See important disclosures on page 26 of this report.

Management Team[xviii]

Richard Malcolm Sealy ***Managing Director***

See Board of Directors section above for Richard Sealy's biography.

Dr Peter Atherton ***Chief Technology Officer***

Dr. Peter Atherton Co-founded MIKOH in the early 1990's and has been instrumental in development of the company's security and authentication technologies. Dr. Atherton comes with a background in science and technology and is currently working as the chief technology officer with MIKOH Corporation. In his current role he is responsible for the development and manufacturing of MIKOH's security and digital marking technologies.

Samuel Marks ***Chief Finance Officer & Company Secretary***

Samuel has over 15 years of diverse commercial experience. He began his career working with PricewaterhouseCoopers before moving to Arthur Andersen and subsequently General Electric. His skill set includes strategy reviews, acquisitions, integrations and divestments ranging from $5m to $3 billion. He is currently a Partner in a boutique corporate Advisory firm in Sydney, Main Street Capital, which focuses on both management consulting and corporate advisory. Samuel has worked in Australia, the United States, UK, Europe, China and Hong Kong. He is a Chartered Accountant and holds a Bachelor of Business from RMIT University.

Stefanie Goh ***General Manager, Asia Region***

Ms Goh has 15 years of experience in marketing and marketing communications including a number within the transportation sector as Product Development Manager and as Head of Marketing within the airline industry. Through a variety of roles, Ms Goh has been responsible for business strategy, planning and strategic partnerships and has program managed significant projects across a diverse group of partners to achieve common goals. Ms Goh is currently responsible for the development of MIKOH's AVI solutions business and is the key account manager for the Thai EVR project. Ms Goh holds a BA in Media Studies from Royal Melbourne Institute of Technology.

David Rodriguez ***Senior Director, Manufacturing***

David Rodriguez has more than 15 years experience in manufacturing program management, supply chain execution and manufacturing engineering. Prior to MIKOH, David served as a customer program management consultant with Celestica. David oversaw contract manufacturing relationships for Corvis Corporation as a program manager and in-house manufacturing for Bausch & Lomb as a process engineering manager. He also served as a product cost engineer for Xerox Corporation. Rodriguez holds an MBA from the University of Rochester and a BSEE from Manhattan College.

See important disclosures on page 26 of this report.

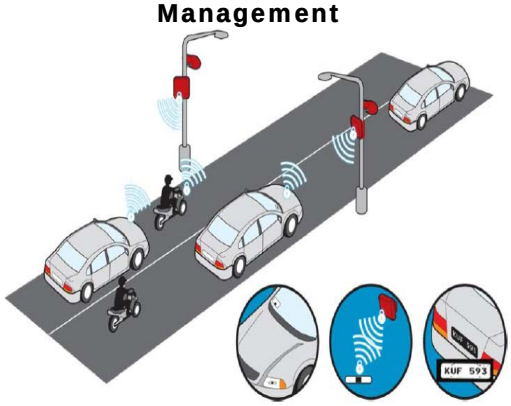
Products and Marketing

Sector trends: Electronic Vehicle Registration – Market Overview[xixxxxxi]

The global RFID market is expected to grow at a 17% CAGR during 2011-2013, generating US$ 9.7B, with Asia Pacific witnessing the highest growth at a 27% CAGR due to the adoption of RFID technology in countries such as China, India, South Korea, Taiwan, Singapore, Malaysia and Thailand. China is one of the fastest growing RFID markets and is expected to reach US$2.4B in 2014. The market for radio frequency identification (RFID) technology in Southeast Asia and Australia-New Zealand earned revenue of over $80 million in 2008 -- a number that is expected to skyrocket to over $250 million by 2016, according to research firm Frost & Sullivan. In the Asia Pacific, logistics and retail sectors are increasingly using RFID while the security and transportation sectors are in the emerging stage. RFID for EVR particularly has seen a lot of traction in the recent years with governments across the globe looking at it as an effective tool for implementing vehicle regulatory compliances. RFID tags accounted for more than 50% of the world's RFID revenues in 2009, with figures reaching between US$1500MM and $2500MM. As tags are evolving into smaller form factors to meet the requirements of different environments, more features and capabilities are being added for optimizing performance and enhancing accuracy for applications.

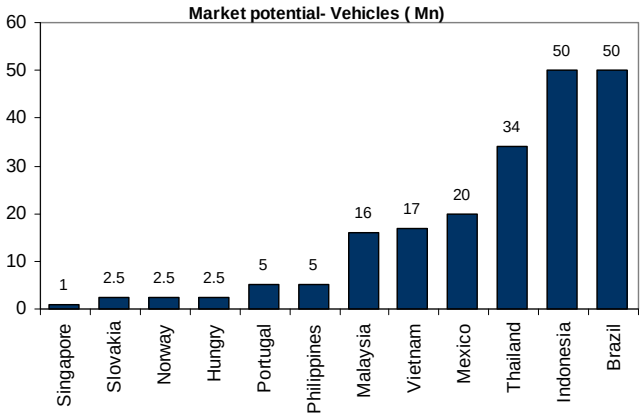
AVI solutions have been deployed in many developing nations including South Africa, China, India, Dubai, Mexico, Brazil, Argentina and various other Latin American countries for fleet management, vehicle access control, and electronic toll collection (ETC). AVI/EVR uses the passive RFID transponders embedded in decals affixed to windshields or other parts of a vehicle which can be tracked by the fixed RFID readers installed at main traffic intersections and highways. The tags unique ID numbers enable the system to compare and determine details such as owner and registration for regulatory purposes with the information in a back-end database.

Congestion Monitoring & Traffic Flow Management



Free Flow& Peak Hour Tolling

In our view, EVR has growth prospects in ETC and better traffic management in countries with substantial road networks such as East Asian countries, China, India, and Mexico. Brazil. IPICO, a RFID player in the EVR segment, has entered into a joint agreement with the China Academy of Transport Services to exclusively service the Chinese market. In 2009, IPICO estimated the Chinese market at 56M vehicles with a road network spanning up to 63,000 km. In Mexico, Sirit and Axiompass collaborated for the nationwide EVR with tags being supplied by Neology of San Diego. The US$40M contract for 10M tags was signed in



late 2008. The Sirit/Axiompass installations covered 42 lanes at three toll plazas in the state of Morelos in the southern part of the greater Mexico City metro area at the end of 2009.

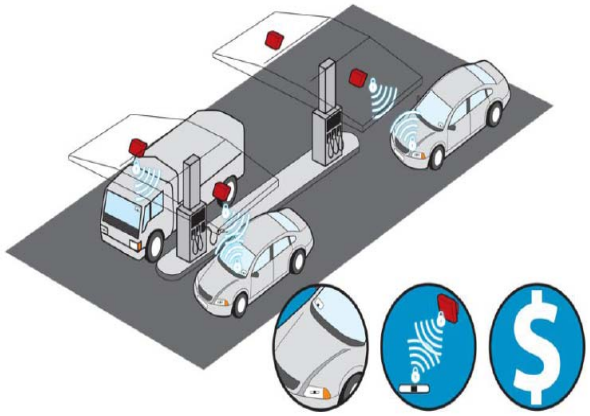
MIKOH being a niche player in the segment and having presence in the Asian and US markets stands to benefit significantly with the expanding EVR market. MIKOH's unique product portfolio including the tamper evident Smart&Secure™ tags puts it in a better position compared with its competitors to tap the market for regulatory purposes globally. MIKOH, along with its strategic partners, has recently been awarded a project to implement the Thailand EVR, giving it a platform to pursue similar opportunities in other Asian markets such as Indonesia, Malaysia and Vietnam with a combined potential of ~100MM vehicles.

Sector trends: Asset Tracking – Market Overview[xxii]

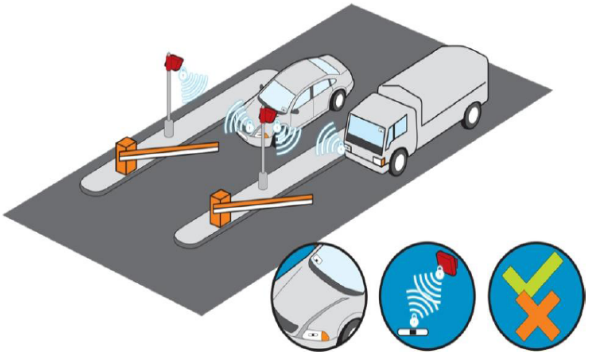
Defense organizations across the globe have started using RFID technology for their supply chain management with the US army granting multiple US$500MM plus orders in the past ten years. RFID tags affixed to cargo containers can also enable real-time tracking during transportation and during warehousing, ensuring continuous security of assets.

Emerging applications have the potential to unleash new opportunities for growth in the market. Convergence of RFID with other technologies such as real-time locating systems (RTLS) and Wi-Fi will be a strong trend in the coming years for niche applications, adding intelligence to business processing needs, notes the analyst of this research service. Active RFID technology incorporated in wireless sensor networks (WSN) is another development that is gaining traction and creating more applications, which were earlier considered impossible. Some popular examples are the monitoring of natural disasters, vehicle crash monitoring on highways, waste management, and smart grid data monitoring.

Fleet Management



Border Control



MIKOH's new modified Transit Vault enables tracking, tamper detection and reporting from any location in the world. MIKOH with its unique product offering should be able to capitalize on the growing demand for RFID based security solutions in the defense domain. In fact, MIKOH and Accenture have recently signed a teaming agreement to do just that, and on the US Army's bid to win an RFID solution for all of its mobile assets.

Products and Services[xxiii]

1. Smart&Secure™

Smart&Secure™ is a patent-protected, tamper evident RFID technology developed and patented by MIKOH. It addresses tag physical security issues by detecting whether an RFID label has been tampered or moved and provides a one-to-one relationship between a tag and an asset. Smart&Secure™ technology indicates when the asset and tag relationship has been compromised. The proprietary multi-layer tag construction results in a reliable tamper detection even when sophisticated tamper methods are used.

Automatic Vehicle Identification

Automatic Vehicle Identification (AVI) using Smart&Secure™ provides a secure, versatile, reliable and cost efficient method of implementing electronic vehicle registration (EVR), electronic tolling (eTolling), average speed monitoring, public transport journey time management, commercial vehicle tracking, access control and parking lot management.

MIKOH uses Sirit IDentity (ID) series RFID readers for AVI hardware solution, the combination with which ensures unbeatable performance in terms of reliability, read distance, speed and data security.

Smart&Secure Inform

Smart&Secure Inform technology disables an RFID tag if it is tampered or moved. The tag cannot be transferred to counterfeit or substituted assets, ensuring that a functional tag indicates the original genuine asset. Users can be certain that more than just the tag is being identified and tracked. The Smart&Secure Insight technology (next level technology) is yet to be externally marketed, pending the filing of provisional patents.

2. Transit Vault

Transit Vault is a system designed to seal reusable plastic containers (RPCs) using low cost pressure-sensitive security seals. Incorporating intellectual property licensed from the US National Security Agency (NSA), Transit Vault uses a patented closure mechanism that indicates whether a container has been opened.

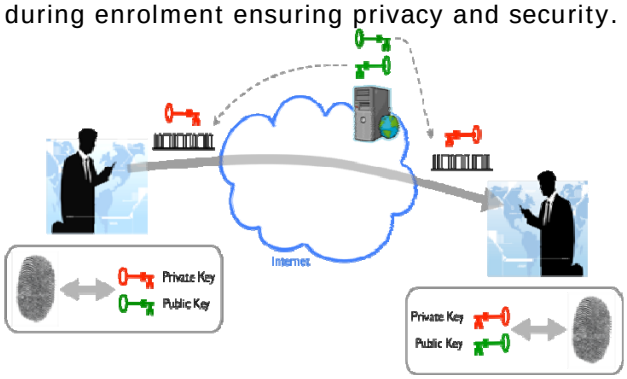
Transit Vault can be used with almost any RPC design by either incorporating the closure mechanism into the container design or creating a retrofit kit. MIKOH has teamed with Pelican Cases to offer Transit Vault retrofit kits for most of the off-the-shelf Pelican case models, covering a wide variety of shapes, sizes and applications. The container can be sealed using either of the options of security seals with varying levels of capabilities:

- MIKOH SubScribe tamper indicating seal with visual authentication
- MIKOH SubScribe tamper indicating seal with visual authentication and barcode or serial number
- MIKOH Smart&Secure™ tamper evident RFID seal with electronic tamper indication and authentication.
- Real time tracking using satellite phone tracking and GPS location systems

3. CertainID™

CertainID™ provides a new method for bio-authentication on PKI networks that obviates many of the known vulnerabilities in using biometrics on networks.

CertainID™ enables secure biometric identification and 'biometric tagging' of encrypted information transfers over the Internet or any other network-without releasing any biometric data into the network, not even during enrolment ensuring privacy and security.



'Biometric tagging' of encrypted message transfers requires both sender and recipient to be biometrically identified in order to complete the transfer.

CertainID™ uses a new "Biometric Authorization" process to enable biometric authentication and tagging without releasing biometric data. Biometrically associated user key pairs are generated in each user's device–independent of any biometric data. Biometrically associated private keys are enabled (as needed) for user-specified cryptographic operations; conditional upon user being biometrically identified–private keys are otherwise disabled.

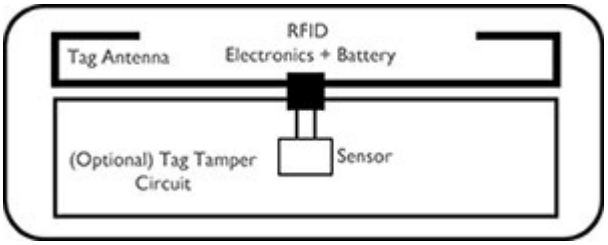
Private key use by an authorized user can be verified by any remote third party (device or person) via the corresponding public key. CertainID™:

- Allows multiple person as for an authorized user (professional, private, etc.) through segregated key use
- Does away with the need for a central repository of biometric data
- Can be used with two-factor(or multi factor) authentication
- Can be used with portable devices such as cell phones, laptops ,etc

The system can be adapted for one-time biometrically associated key pairs and puts no additional computational load within the PKI network.

4. Semi-Passive UHF RFID Tag

Company is currently developing a new semi-passive UHF (Ultra-High Frequency) RFID tag that will combine the low cost of passive technology with the electronic intelligence and versatility of active technology.



The new tag will offer number of feature and benefits like:

- detection of tag tampering in real time;
- incorporation of one or more sensors to monitor the tag environment;
- recording of tag sensor readings and alerts;
- increased data storage memory (compared with a passive RFID tag);
- incorporation of true cryptographic technology to protect stored data;
- lower cost than active tags with similar capabilities.

First samples of the new tag are expected during the first quarter of 2012.

Thailand Electronic Vehicle Project[xxiv]

Overview

MIKOH has an exclusive partnership contract to implement a national EVR system in Thailand. The implementation will guarantee a one-to-one relationship between the RFID tag and vehicles ensuring that tags cannot be switched between vehicles. Under the agreement, MIKOH will be the exclusive EVR technology supplier of radio frequency identification Smart&Secure™ EVR tags, RFID decals and RFID readers.

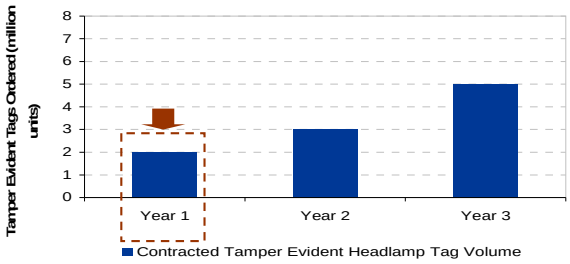
Project partners

The Thailand EVR project is being delivered through a 10 year Public Private Partnership (PPP) arrangement and MIKOH has partnered with Kollakorn and Somapa IT for the project. Kollakorn is the lead partner and holder of the Government 10-year contract, and is responsible for financial backing, government liaison, and administration of the EVR infrastructure.

Kollakorn is the system integration partner and working closely with MIKOH to deploy a functional working EVR system to meet the needs of Thailand's Department of Land Transport.

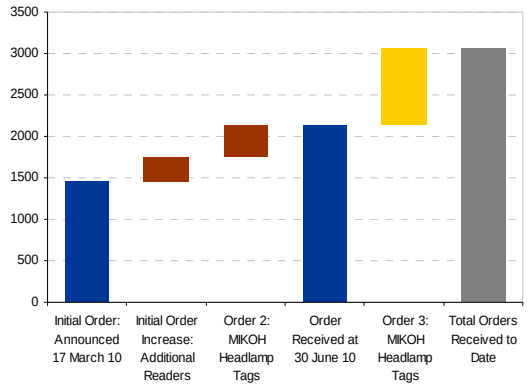
Product Partners

The company has entered into a long-term supply contract with Sirit Inc. to supply Sirit's RFID reader technology and to manufacture tags under license to MIKOH for the project. MIKOH, Somapa IT and Kollakorn have subsequently entered into a 10 year co-operation agreement to jointly pursue similar opportunities in other ASEAN countries such as Indonesia, Malaysia and Vietnam with a cumulative potential of up to ~100MM existing vehicles throughout the area.



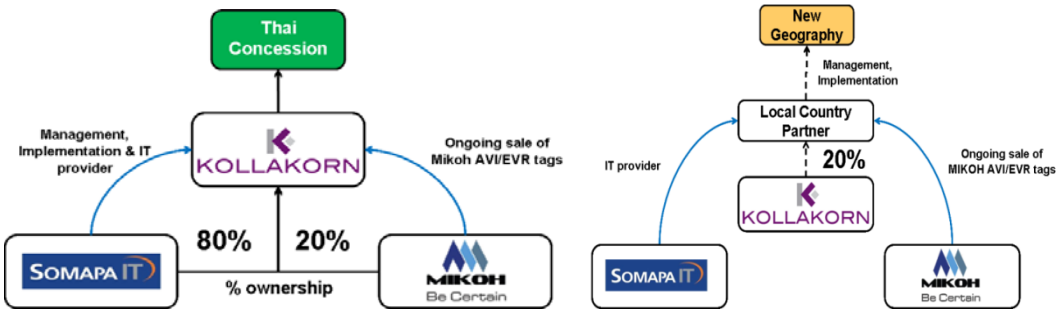
The company expects minimum revenue of AU$25MM within the first 3 years with recurring revenues thereafter. MIKOH has so far supplied orders for two million tamper evident headlamp tags. MIKOH is expected to purchase convertible notes worth US$ 5MM from Kollakorn. The key advantage of this transaction is that it provides funding to Kollakorn to continue the commercialization of the Thai Project, success of which will benefit Mikoh through the sale of the Mikoh products to Kollakorn.

In 2011, the business became profitable due to sale of equipment and initial stock of 2MM tags to Kollakorn. The revenue from the activity for FY11 was AU$3.76MM.



MIKOH and Kollakorn Joint Venture[xxv]

In June 2011 MIKOH finalized the deal whereby it acquired 19.9% stake in Kollakorn which is owned by Somapa IT. Kollakorn has a 10 year concession from the Thailand government for EVR in the country with a total potential of 28MM existing registered vehicles. Kollakorn acquired 91.94MM shares in the company to acquire 19.9% of voting rights. The company is also expected to purchase convertible notes from Kollakorn worth US$5MM. The proposed transaction is expected to increase MIKOH's holding in Kollakorn to 37.75% should company decide to convert its notes into shares (for more details refer page 20).

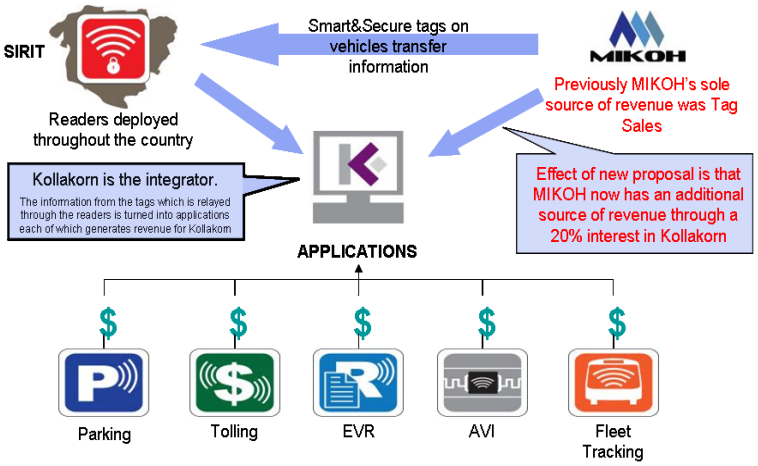


It is understood that the Thai Project represents the largest project of its kind in the world.
The Project has three components:

- The Smart&Secure™ tag which uses MIKOH's technology and is supplied to the Project by MIKOH;
- The hardware such as readers, antennae and encoders which are supplied by MIKOH but purchased from Sirit a division of Federal Signal Inc (a USA publically listed company) in accordance with a five year supply agreement; and
- The computer application systems that operate to monetize the system and which have been designed and developed by Somapa Information Technology.

Benefits to MIKOH

The Joint venture agreement between MIKOH and Kollakorn will make MIKOH a fully integrated provider of AVI/EVR solution globally and reduce its dependence on regional partners. The joint venture will also help MIKOH obtain interest in the 10 year concession for the EVR in Thailand. The proposed joint venture will also place the company in a better position to tap the other ASEAN countries like Indonesia, Malaysia, Singapore, Philippines and Vietnam with a combined potential of 89M vehicles. These benefits will accrue to MIKOH over and above the mark-up it enjoys on sale of the tags in Thailand EVR project.



The Thailand concession is poised to commence making returns in the year 2012 and the acquired ownership of 19.9% of Kollakorn will provide MIKOH with dividends in the coming years. The strategy of

purchasing an interest in Kollakorn has provided MIKOH with a valuable asset that has increased in value significantly over its acquisition price.

Before the Kollakorn equity deal, MIKOH did not have "internally" a complete system to offer to countries with an existing or potential interest in establishing an EVR system, providing only the tag; it could not provide the all-important IT applications which monetize the tag. With the recent purchase of stake in Kollakorn, the joint entity can offer the tag and the application systems to any new integrator.

The complete system solution offered to potential new countries will speed up the process of installation, allowing the new country partner to have a lower level of IT sophistication and justify Kollakorn and MIKOH having a percentage share of the new integrator's revenue stream.

MIKOH has also proposed a transaction and is expected to purchase convertible notes worth US$ 5MM from Kollakorn. The key advantage of this transaction is that it provides funding to continue the commercialization of the Thai Project, success of which will benefit Mikoh through the sale of the Mikoh products to Kollakorn. Consequent to this transaction the shareholding of Mikoh in Kollakorn is expected to go up to 37.75% in future if Mikoh converts its notes into shares.

Kollakorn financials

The joint venture with Kollakorn entitles MIKOH Corporation to 20% share in profits of Kollakorn. The purchase of convertible notes from Kollakorn will permit MIKOH to increase its shareholding in Kollakorn to 37.75%. MIKOH's share in profits of Kollakorn is calculated as per 37.75% stake. Company had to issue 99.87MM shares for 19.9% stake in Kollakorn which increased no. of shares to 513.02MM. Currently, total no. of ordinary shares on issue is 567.36MM. The table below gives us the financial outlook of Kollakorn through 2020, as provided by the company:

Kollakorn financial projections (AU$ MM)									
	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Net Revenues	25.1	28.6	47.0	41.0	61.8	59.8	82.5	77.5	98.7
EBITDA	5.3	9.4	15.5	18.5	21.6	20.9	28.9	27.1	34.5
EBIT	2.4	6.6	12.6	15.5	18.7	18.1	24.0	22.2	29.6
Interest expense	1.3	0.8	0.5	0.3	0.1	0.0	0.0	0.0	0.0
PAT	0.8	4.1	8.5	10.7	13.0	12.7	16.8	15.5	20.8
MIKOH's share in profits	0.3	1.5	3.2	4.0	4.9	4.8	6.3	5.9	7.8

Kollakorn Funding Requirements

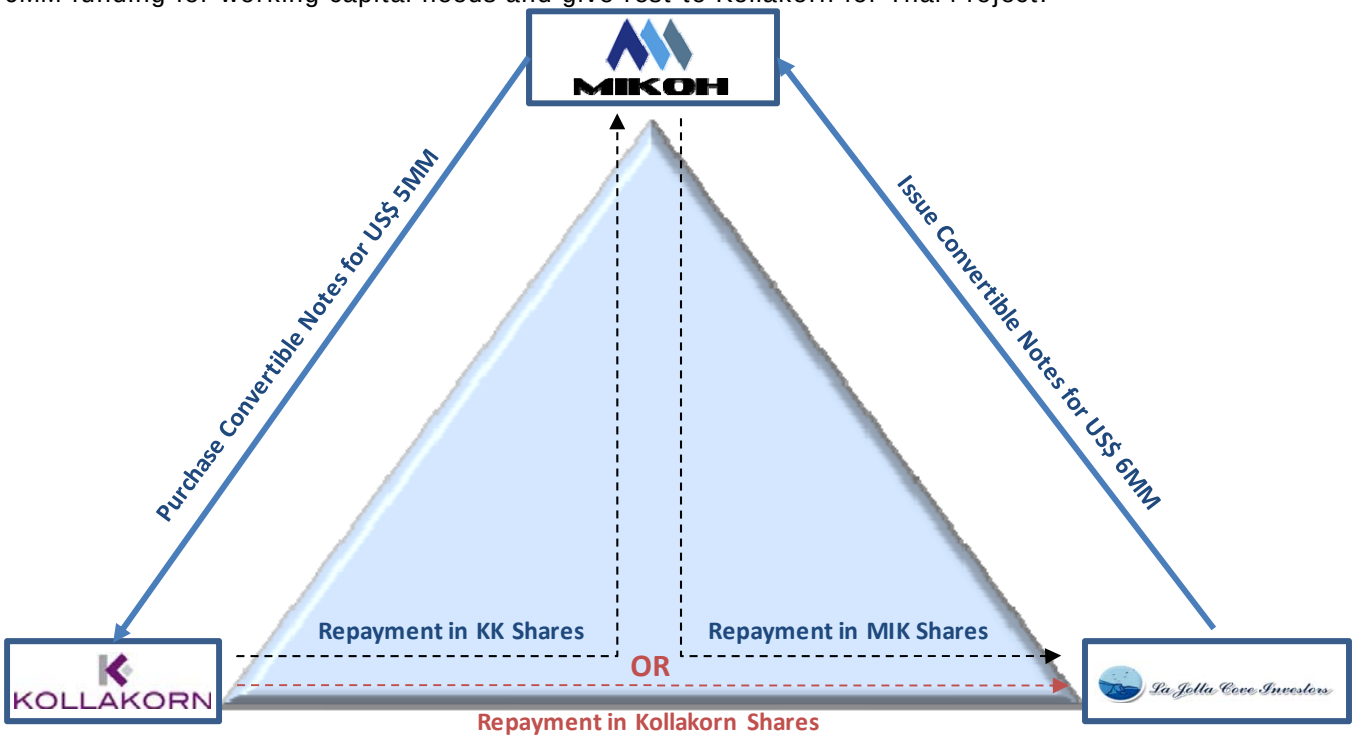
In order to implement the Thai Project Kollakorn requires initial funding of around US$ 5MM. Mikoh seems to have procured a funding solution for the Thai Project which is comprised of, an agreement with La Jolla Cove Investors Inc. whereby Mikoh will issue one Convertible Note to La Jolla for US$ 6 MM. A further separate agreement has been entered into between Mikoh and Kollakorn whereby Kollakorn will issue 5 Convertible Notes to Mikoh totaling US$ 5MM ("Kollakorn Convertible Notes"). The resolution for the proposed purchase of convertible notes from Kollakorn was passed in the EGM on 14th October 2011.

The options available to Mikoh for the redemption and conversion of the Kollakorn Convertible Notes are:
• The issue of Kollakorn fully paid shares at an expected issue price of US$2.78 per share which would result in the issue of around 1,800,000 Kollakorn shares to Mikoh. This would result in Mikoh owning approximately 37% of Kollakorn; or
• By the transfer of up to US$4.5MM of the Kollakorn Convertible Notes to La Jolla, this will be redeemed for around 1.62MM Kollakorn fully paid shares. The balance of the Kollakorn Convertible Notes of around US$500,000 would be converted by Mikoh into approximately 180,000 Kollakorn fully paid share. In this scenario La Jolla would own around 20% of Kollakorn with Mikoh's interest diluted to 17.7%.

See important disclosures on page 26 of this report.

Convertible Note Structure

On October 14th 2011, resolution for both, the proposed investment by La Jolla Cove Investments Inc to provide a 4 year convertible note facility for the company of up to US$6MM and purchase of US$5MM of convertible notes from Kollakorn Co. Ltd that will have the same principal terms as the convertible note issued to La Jolla. The expected deal structure is supposed to give option to La Jolla Cove Investment Inc. to convert into shares of either Kollakorn or Mikoh after 4 years. Mikoh will retain US$ 1 MM of US$ 6MM funding for working capital needs and give rest to Kollakorn for Thai Project.



MIKOH and ARA TechBis Sdn Bhd (ARA) Joint Venture

MIKOH signed a Heads of Agreement with ARA TechBis Sdn Bhd (ARA) of Malaysia to form a Joint Venture for the purpose of establishing an EVR/AVI system in Malaysia, similar to that established in Thailand with Kollakorn. The principle terms of the agreement are as follows:

- A new Joint Venture company will be incorporated in Malaysia for the purpose of gaining a concession from the relevant parties in Malaysia to operate an EVR/AVI;
- The Joint Venture company will be owned: 80% by ARA; 10% by Somapa and 10% by MIKOH;
- The Somapa and MIKOH shares in the Joint Venture Company will be free carried for the first Ringgit 10 million (A$3.1 million);
- The Smart&Secure™ tags and the hardware will be supplied by MIKOH;
- The basic application systems that operate the AVI/EVR System will be supplied by Somapa and ARA will modify them for use in Malaysia;
- ARA will manage the Joint Venture Company and arrange funding.

The primary objective of the Joint Venture Company will be to obtain the concession to operate the AVI/EVR system in Malaysia. ARA has already engaged in talks with relevant parties and it is expected that demonstrations of the AVI/EVR system will be made shortly.

The Joint Venture company will also install, operate and maintain the AVI/EVR system as well as expanding the use of the EVR/AVI System into other vehicular applications such as vehicular access control for gated communities, parking lot management, electronic toll collection and E-commerce.

MIKOH's Smart&Secure™ Tags will be used to enhance asset and personnel security in different conditions and situations throughout Malaysia over a period of time.

Malaysia has approximately 16MM vehicles registered, growing at the rate of 1MM vehicles per annum.

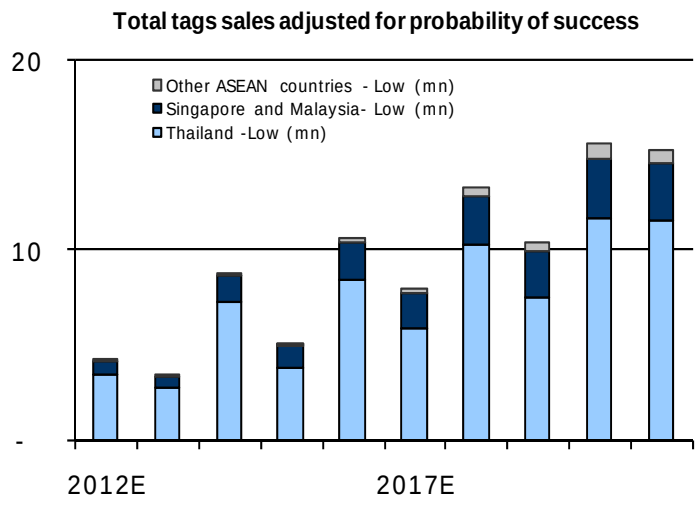
Key variable analysis for Revenue Forecast

The key variables are the main quantifiable variables which influence the valuation of the company. Key variables can be exogenous (exchange rate, product price, etc.) or endogenous (production rates, costs of production) to the company performance. A low and high forecast is determined by Arrowhead for each variable. Each of the variables is considered independently for the purpose of this report because the final goal of the Arrowhead Due Diligence and Valuation Report is to state what the company is worth *at least* and *at most*. This valuation takes into account financing in a "worst-case" dilutive scenario, while MIKOH is pursuing other options which would probably be less dilutive.

Variable 1 – Sales of Smart&Secure™ Tamper evident tags under the Thailand Electronic vehicle registration contract

MIKOH pegs current market size in Thailand at 32MM vehicles. Based on interaction with management, Arrowhead forecasts that MIKOH should be able to cover 3.5MM vehicles as a comfortable low estimate for 2012, whereas a prudent high estimate would be 4MM. On the low estimate MIKOH should be able to cover 11.0MM vehicles in the next 4 years while the high estimate will put this number at 14.3MM vehicles.

See Thailand Electronic Vehicle Project section on page 18 of this report for Project details



Variable 2– Net additions of vehicles to the existing base of vehicles in Thailand

We forecast the net additions of vehicle in the Thailand market at 1.2MM per annum for next three years, a comfortable low estimate whereas a prudent high estimate would be 1.5MM for the same period. In the years 2015-2020 we expect vehicle additions of 0.1MM on lower side and 0.5MM on higher side.

Variable 3 – Regulatory outlook on the Thailand EVR project

We forecast the demand for Smart&Secure™ Tamper evident tags to be at 12MM from 2014 to 2016 in the case where EVR is made mandatory by the government of Thailand. Arrowhead expects the demand to be around 4.5MM from 2013-2020 if it is extended to 10 years. Volumes beyond 2012 are going to be driven by the course adopted by the Thailand government towards making EVR mandatory.

Variable 4 – Sale of Smart&Secure™ tags in other ASEAN countries

Sale of Smart&Secure™ tags for Singapore and Malaysia as cluster 1 (17MM vehicles) and other ASEAN countries as cluster 2 (72MM vehicles) have been extrapolated taking into consideration the Thailand EVR project and JV with ARA TechBis Sdn Bhd (ARA) of Malaysia . Arrowhead forecasts that MIKOH should be able to cover 1.2MM vehicles in 2012, a comfortable low estimate for 2012, whereas a prudent high estimate would be 1.5MM tags in cluster 1 comprising of Singapore and Malaysia. Arrowhead expects new vehicle additions in cluster 1 to be at 1.2MM on the lower end compared to

1.5MM on the higher end. Arrowhead forecasts that MIKOH should be able to cover 1.2MM vehicles in 2012, a comfortable low estimate for 2012, whereas a prudent high estimate should be 1.5MM tags in cluster 2 comprising of other ASEAN region opportunities. Arrowhead expects new vehicle additions in cluster 2 to be at 8m on the lower end compared to 10MM on the higher end.

Variable 5 – Probability of success in other ASEAN countries

The probability of success for EVR projects in other ASEAN countries have been pegged at 1/10 and 2/9 for the low and high estimate.

Variable 6 – Currency movement between the AU$/US$ pair

Arrowhead forecasts AU$/US$ pair to trade at 0.9 for the valuation horizon, a comfortably low estimate, whereas a prudent high estimate would be 1.1. Although both the revenue and cost related to the tag are billed in US$, the gross profit and the cash flows could be impacted by the movement in the exchange rates.

Value

The Fair Market Value for all of MIKOH shares stands at AU$58.87M to AU$111.48M.

The Fair Market Value for a publicly traded share stands AU$10.4c to AU$19.6c.

Balance Sheet Forecast

CONSOLIDATED BALANCE SHEET *all figures in '000 AU$, unless stated differently* ***Low bracket estimates***

year beginning July 1st	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E
Total Current Assets	9,115	9,532	14,267	18,575	25,605	31,220	40,089	47,504
Total Non-current Assets	2,891	7,893	7,895	7,898	7,900	7,903	7,906	7,910
TOTAL ASSETS	**12,006**	**17,425**	**22,163**	**26,472**	**33,506**	**39,124**	**47,995**	**55,414**
Total Current Liabilities	3,552	3,556	3,561	3,565	3,570	3,574	3,580	3,585
Total Non-current Liabilities	2,000	6,000	6,000	6,000	-	-	-	-
TOTAL LIABILITIES	**5,552**	**9,556**	**9,561**	**9,565**	**3,570**	**3,574**	**3,580**	**3,585**
Total Shareholder's Equity	6,454	7,869	12,602	16,907	29,936	35,549	44,416	51,829
TOTAL LIABILITIES & EQUITY	**12,006**	**17,425**	**22,163**	**26,472**	**33,506**	**39,124**	**47,995**	**55,414**

Important information on Arrowhead methodology

The principles of the valuation methodology employed by Arrowhead BID are variable to a certain extent depending on the subsectors in which the research is conducted, but all Arrowhead valuation research possesses an underlying set of common principles and a generally common quantitative process.

With Arrowhead Commercial and Technical Due Diligence, Arrowhead extensively researches the fundamentals, assets and liabilities of a company, and builds solid estimates for revenue and expenditure over a coherently determined forecast period.

Elements of past performance such as price/earnings ratios, indicated as applicable, are present mainly for reference purposes. Still, elements of real-world past performance enter the valuation through their impact on the commercial and technical due diligence.

Elements of comparison such as multiple analyses may be to some limited extent integrated in the valuation on a project-by-project or asset-by-asset basis. In the case of this MIKOH report, cash-flow forecasts are derived from the expected advertising revenue in coming years, with a high discount applied.

Arrowhead BID Fair Market Value Bracket

The Arrowhead Fair Market Value is given as a bracket. This is based on quantitative key variable analysis, such as key price analysis for revenue and cost drivers or analysis and discounts on revenue estimates for projects, especially relevant to those projects estimated to provide revenue near the end of the chosen forecast period. Low and high estimates for key variables are produced as a tool for valuation.

In principle, an investor who is comfortable with the high brackets of our key variable analysis will align with the high bracket in the Arrowhead Fair Value Bracket, and likewise in terms of low estimates. The investor will also take into account the company intangibles – as presented in the first pages of this document for the analysis on strengths and weaknesses and on other essential company information.

These intangibles serve as supplementary factors for adding or subtracting a premium in the investor's own analysis.

The bracket should be understood as a tool provided by Arrowhead BID for the reader of this report and the reader should not solely rely on this information to make his decision on any particular security. The reader must also understand that global capital markets contain inefficiencies, especially in terms of information, and that, on the other hand, corporations and their commercial and technical positions evolve rapidly: this present edition of the Arrowhead valuation is for a short to medium-term alignment analysis (one to twelve months). The reader should refer to important disclosures on page 21 of this report.

Information on MIKOH Resources valuation

MIKOH Resources valuation methodology: The Arrowhead fair valuation for MIKOH Resources is based on the discounted cash flow (DCF) method on the Thailand EVR project. The cash flow projections are derived using DCF.

Time horizon: The time period chosen for valuation is ~129 months (2011-2022).While revenue is expected to ramp up significantly in the later years; but due to the discount factor used they have a marginal effect on the valuation. They are included to present a full project cycle situation.

Underlying Business Plan:

The company is expected to leverage upon its patented secure solutions to drive the revenue from AVI and Asset Tracking market from FY 2012.

- The key objective of the company is to successfully execute the Thailand EVR project and emulate similar model in other ASEAN countries including Indonesia, Malaysia and Vietnam.
- Company has signed an Agreement with ARA TechBis Sdn Bhd (ARA) of Malaysia to form a JV for the purpose of establishing an EVR/AVI system in Malaysia.
- Building a market for the MIKOH's next generation Transit Vault solution in the US and Australian Governments.
- Introducing MIKOH's newly patented bio-authentication technology to both the commercial and government markets.

Terminal Value: Terminal value is estimated to depend on a terminal growth rate of 0%, representing the maturity, technology change and prospective competiveness in the business.

Prudential nature of valuation: It should be noted that this Arrowhead Fair Value Bracket estimate is a relatively prudential estimate, the reasonable production from one of these assets, if completed, is heavily discounted (see Key Variables section). The valuation also discounts the eventuality of any of MIKOH's projects, which would be developed by the projects.

Key variables in determining MIKOH's revenue estimates

- Sales of Smart&Secure™ tags based on its ten year contract with the government of Thailand to implement an EVR system in the nation. MIKOH is expected to have replacement demand for its tags for every two years depending upon the government regulations, apart from the existing (34m vehicles) and new vehicles added into the market.
- Sales of Smart&Secure™ tags based on the new vehicles added in the Thailand market, pegged at about 4m to 5m per annum
- Likely mandatory implementation of the EVR system in Thailand. As an incentive to use the EVR technology prior to mandatory regulations the vehicle owners are currently being offered insurance premium discount and phone credits.
  Sale of Smart&Secure™ tags for Singapore and Malaysia (17m vehicles) and other ASEAN countries (72m vehicles) have been extrapolated taking into consideration the Thailand EVR project. The probability of success 1/2 and 7/10 have been assumed for the low and high estimate.

See important disclosures on page 26 of this report.

Analyst certifications

I, Thomas Renaud, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security and the subject company.

I, Vishal Pasari, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security and the subject company.

Important disclosures

Arrowhead Business and Investment Decisions, LLC received fees in 2011 from MIKOH for researching and drafting this report and for a series of other services to MIKOH including distribution of this report and networking services. Neither Arrowhead BID nor any of its principals or employees owns any long or short positions in MIKOH.

Aside from certain reports published on a periodic basis, the large majority of reports are published by Arrowhead BID at irregular intervals as appropriate in the analyst's judgment.

Any opinions expressed in this report are statements of our judgment to this date and are subject to change without notice.

This report was prepared for general circulation and does not provide investment recommendations specific to individual investors. As such, any of the financial or other money-management instruments linked to the company and company valuation described in this report, hereafter referred to as "the securities", and may not be suitable for all investors.

Investors must make their own investment decisions based upon their specific investment objectives and financial situation utilizing their own financial advisors as they deem necessary. Investors are advised to gather and consult multiple sources of information while preparing their investment decisions. Recipients of this report are strongly advised to read the *Information on Arrowhead Methodology* section of this report to understand if and how the Arrowhead Due Diligence and Arrowhead Fair Value Bracket integrate alongside the rest of their stream of information and within their decision making process.

Past performance of securities described directly or indirectly in this report should not be taken as an indication or guarantee of future results. The price, value of, and income from any of the financial securities described in this report may rise as well as fall and may be affected by simple and complex changes in economic, financial and political factors.

Should a security described in this report be denominated in a currency other than the investor's home currency, a change in exchange rates may adversely affect the price of, value of, or income derived from the security.

This report is published solely for information purposes, and is not to be considered as an offer to buy any security, in any state.

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Arrowhead Business and Investment Decisions, LLC is not responsible for any loss, financial or other, directly or indirectly linked to any price movement or absence of price movement of the securities described in this report.

Valuation

Figures are in thousands AU$, unless indicated otherwise.

WACC

Risk-free rate	4.49%	xxvi
Beta	1.45	xxvii
Risk premium	6.0%	xxviii
Additional Risk Premium	0.0%	xxix
Cost of Equity	13.2%	
Terminal Growth Rate	0%	xxx

KEY VARIABLES

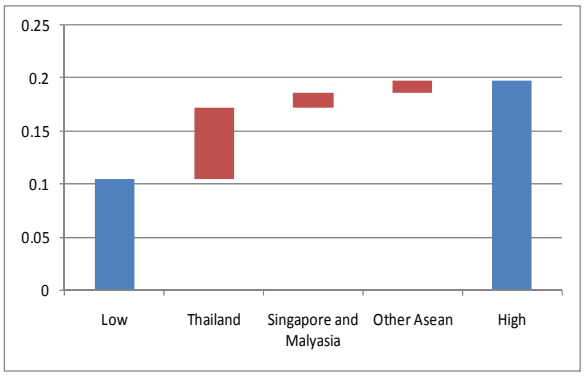
	Demand for Smart & Secure tags from Thailand EVR 2012-2022	Demand for Smart & Secure tags from other ASEAN countries EVR adjusted for probability of success	AU$/US$ exchange rate
Max value	*Please refer to Key Variables section*		
Min value			

Time Period --->	0.75	1.75	2.75	3.75	4.75	5.75	6.75	7.75	8.75	9.75
Year beginning 1st June	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E
FCFE (High)										
Net cash from operation	2,568	5,998	10,108	13,101	15,427	13,639	17,438	16,498	19,971	23,857
Capital Expenditure	(2)	(2)	(2)	(2)	(3)	(3)	(3)	(4)	(4)	(4)
Equity/Debt Addition	4,800	4,000	-	-	-	-	-	-	-	-
Free Cash Flow to Equity	**7,366**	**9,996**	**10,106**	**13,099**	**15,424**	**13,636**	**17,435**	**16,494**	**19,967**	**23,852**
Discount Factor	0.92	0.81	0.71	0.63	0.56	0.49	0.44	0.38	0.34	0.30
Present Value of FCF	**6,746**	**8,087**	**7,222**	**8,268**	**8,600**	**6,716**	**7,585**	**6,338**	**6,777**	**7,152**
FCFE (Low)										
Net cash from operation	(743)	2,329	2,280	6,904	4,699	7,589	6,063	9,725	7,720	13,837
Capital Expenditure	(2)	(2)	(2)	(2)	(3)	(3)	(3)	(4)	(4)	(4)
Equity/Debt Addition	4,800	4,000	-	-	-	-	-	-	-	-
Free Cash Flow to Equity	**4,055**	**6,327**	**2,278**	**6,901**	**4,696**	**7,586**	**6,060**	**9,721**	**7,716**	**13,833**
Discount Factor	0.92	0.81	0.71	0.63	0.56	0.49	0.44	0.38	0.34	0.30
Present Value of FCF	**3,714**	**5,119**	**1,628**	**4,356**	**2,618**	**3,736**	**2,636**	**3,736**	**2,619**	**4,147**

ARROWHEAD FAIR VALUE BRACKET

	High	Low	
Terminal Value (TV)	125,313	80,523	
Present Value of TV	33,188	21,326	
Present Value of FCF + TV	**111,062**	**58,452**	
+ Cash	416	416	xxxi
Equity Value Bracket	**111,478**	**58,867**	
Shares on issue ('000)	567,357	567,357	xxxii
Fair Share Value Bracket	**AUD 0.196**	**AUD 0.104**	
Current Market Price	**AUD 0.024**	**AUD 0.024**	
Current Market Cap. (AU$)	**13,617**	**13,617**	
Target Market Cap. Bracket (AU$)	**111,478**	**58,867**	

$ Per Share Value Contribution



Notes

i	*Source: Bloomberg as of 01-November-2011*
ii	*Source: Bloomberg as of 01-November-2011*
iii	*Source: Bloomberg, average volume for 3 months as on 01-November-2011*
iv	*Source: Arrowhead Calculation as per current share price and total no. of shares issued*
v	*Arrowhead Business and Investment Decisions Fair Value Bracket - AFVBTM. See information on valuation on pages 24-27 of this report and important disclosures on page 26 of this report.*
vi	*Source: http://www.mikoh.com/products-and-solutions/smart-n-secure.html*
vii	*Source: http://www.mikoh.com/Downloads/ASX%20Release%20Accenture.pdf*
viii	*Source: http://www.mikoh.com/Downloads/MIK%20AVI%2026%20Aug%2010.pdf*
ix	*Source: http://www.mikoh.com/Downloads/Final%20ASX%20Release%20(WAS)%20%2025%20Nov%202010.pdf*
x	*Source: http://www.sirit.com/inthenews_detail.asp?InTheNews_ID=15*
xi	*Source:http://www.sirit.com/inthenews_detail.asp?InTheNews_ID=15*
xii	*Source: http://www.mikoh.com/Downloads/842805%20100430%20Shareholder%20Update.pdf*
xiii	*Source: http://www.asx.com.au/asx/statistics/announcements.do?by=asxCode&asxCode=MIK&timeframe=D&period=M3*
xiv	*Source: http://www.mikoh.com/ investor-relations/ASX-announcements.html*
xv	*Source: http://www.mikoh.com /corporation/overview.html*
xvi	*Source: Bloomberg as of 21-October-2011*
xvii	*Source: http://www.mikoh.com/corporation/board-of-directors.html*
xviii	*Source: http://www.mikoh.com/corporation/management-team.html*
xix	*Source: http://www.rncos.com/Report/IM576.htm*
xx	*Source: http://www.businesswire.com/news/home/20110330005748/en/Research-Markets-2011-Global-RFID-Market-Report*
xxi	*Source: http://www.informationweek.com/news/hardware/peripherals/226500257*
xxii	*Source: http://www.packagingessentials.com/2010/06/23/the-booming-rfid-business-in-2010-by-dr-peter-harrop-chairman-idtechex/*
xxiii	*Source: http://www.mikoh.com/ products-and-solutions/smart-n-secure.html*
xxiv	*Source: http://www.mikoh.com/Downloads/MIK%20AVI%2026%20Aug%2010.pdf*
xxv	*Source: http://www.mikoh.com/Downloads/ASX%20Announcement%20re%20Somapa.pdf*
xxvi	*Source: 10-year Australian Government Bond Coupon – Bloomberg 21-October-2011*
xxvii	*Source: Arrowhead BID estimate.*
xxviii	*Source: Arrowhead BID estimate.*
xxix	*Source: Arrowhead BID estimate.*
xxx	*Source: Arrowhead BID estimate.*
xxxi	*Source: Cash balance as per Appendix 4c Q3 2011*
xxxii	*Source: Per latest appendix 3B of the company*