

DigitalX Limited (ASX:DCC, OTCQB:DGGXF) (**‘DigitalX’** or **‘the Company’**) is pleased to provide an update on its activities for the quarter ended 30 September 2022, along with its Appendix 4C cash flow report.

HIGHLIGHTS

- Team executing on refreshed strategy with immediate revenue focus:
 - Delivered same-day settlement service (T+0) for Sell My Shares with first revenues achieved
 - Launched Australian-domiciled Ethereum validator node generating staking revenue
- Total volume of Sell My Shares transactions hit \$100 million since acquisition in October 2021
- Digital Asset Fund returned +23.0% and the Bitcoin Fund returned +4.0% net of fees over the quarter
- Appointment of experienced finance executive Jeremy Balding as Head of Funds Management
- Pursued growth plans for Drawbridge securities trading approval app, showcasing the product at the Governance Institute national conference
- Release of maiden baseline ESG disclosure report comparing the Company’s measurements against World Economic Forum metrics
- Continued momentum with strategic partners including:
 - Progressed work with the Digital Finance CRC on a use case for central bank digital currency with the Reserve Bank of Australia
 - Launched a proof of concept to tokenise units in a managed fund with the ASX on their Synfini Distributed Ledger Technology (DLT) platform

Quarterly Overview

DigitalX's corporate objective is to generate a return for shareholders by growing the blockchain economy and building the future of global digital finance. In line with its strategy for achieving this, the Company has been continuing to execute on opportunities to deliver shareholder returns through both the development of new blockchain technologies and investment in digital assets as an emerging asset class.

The Company's Management and team continued to focus on driving value for shareholders within the blockchain economy over the quarter through initiatives that included:

- Launch of Ethereum validator node to generate staking revenue
- Soft launch of the same-day settlement service (T+0) for Sell My Shares customers
- Fund tokenisation proof of concept completed on the ASX's DLT platform, Synfini

Commenting on the Quarter, DigitalX Chief Executive Officer Lisa Wade said:

"Within our updated strategy we are looking to build resilient revenue streams and maximise our existing business activities, including Sell My Shares, Digital Asset Funds Management and digital product development such as Drawbridge. As flagged in the June quarterly the team spent the September quarter focusing on operational excellence in our BAU activities and executing on our strategy for growth. The quarterly operating result was broadly in line with management expectations given the investment in revenue-generating initiatives, one-off costs incurred at the start of the new financial year and the continued macro-economic uncertainty. We hit a pleasing landmark this quarter with Sell My Shares transacting over \$100 million in volume since we acquired the business in October 2021."

Investor Webinar

Please join Lisa Wade and the DigitalX Executive Team for the September 2022 Quarterly Report Webinar on Thursday November 3, 2022 at 4:00 PM AEDT.

To register for the session and for more information on the September 2022 Quarterly Report, please click [here](#).

Investors can submit questions prior to the webinar via the registration link or by emailing investors@digitalx.com.

Financial Review

DigitalX had cash, listed digital assets and liquid unlisted investments of AU\$19.7m in value as at 30 September 2022.

Name	Value (\$AUD)
Australian Dollars ¹	\$4,289,279
Bitcoin ²	\$6,456,308
Fund units ³	\$7,680,655
Human Protocol ⁴	\$1,062,500
Other liquid investments	\$182,314
Total	AUD\$19,671,057

¹ Includes \$490,000 XAUD token which the company considers to be cash and cash equivalent.

² Total Bitcoin in treasury at 30 September 2022 was 212.61.

³ Includes total units in the DigitalX BTC Fund and DigitalX Fund based on the respective NAV at 30 September 2022.

⁴ Based on the closing price per coinmarketcap.com.

Pleasingly, DigitalX saw a quarter-on-quarter increase in the value of its Bitcoin and fund unit holdings from \$6.2m to \$6.5m and \$7.2m to \$7.7m respectively. This is consistent with the funds management commentary noted below.

The Company noted a fall in the value of its Human Protocol holding over the quarter from \$3.5m to \$1.1m as previously escrowed tokens started to vest and the price was impacted by an increase in supply in the market. The Company identified this and took active steps to maximise the value from its holding given the market conditions, entering into a structured sale arrangement to divest the holding in Human Protocol at USD\$0.068 representing a premium to market at the time of the transaction. The transaction completed post quarter end as [announced](#) to the market with the proceeds converted into Bitcoin and Ethereum.

Total cash on hand decreased from \$6.1m to \$4.3m primarily due to the investment into people and infrastructure to **support the Company's new strategy and revenue initiatives such as same-day settlement, new fund products, ETH staking and fund tokenisation.**

There were also a number of one-off costs for the quarter related to the Mt Gox claim (\$210k, further detail provided below) and other expected annual operating costs that fall due in the September quarter such as insurances and compliance costs.

Total cash receipts for the September quarter were \$417k (up from \$191k in the same quarter last year but down on \$672k in the previous quarter). September quarter receipts were affected by heightened volatility in the digital asset market and broader financial markets, which impacted both funds management revenues and Sell My Shares revenue. However, as noted above, the Company is executing on a number of revenue-generating initiatives to offset this decline.

Expenditure incurred during the quarter was predominantly impacted by a number of expected one-off costs incurred around the start of the new financial year and investment into people and infrastructure to support the execution of the strategy and short-term revenue initiatives including:

- Staff costs of \$794k as the Company onboarded several key hires aligned to the revenue initiatives including:
 - Head of Funds Management and Senior Investment Analyst to drive fund inflows and new fund product development;
 - Product lead for asset tokenisation to accelerate the Company's asset tokenisation capabilities as noted in the product development commentary; and
 - Addition of experienced Chief of Staff to drive strategy implementation and revenue focus.
- Administration and corporate costs of \$679k - the September quarter has historically seen higher administration and corporate costs relative to other quarters due to a number of annual costs incurred and paid around the start of the

new financial year including annual insurance premiums and compliance and listing fees of ~\$251k. Also included in this amount is \$24k for the Company's contribution to the Digital Finance CRC partnership.

- Professional fees of \$397k - this was largely in line with expectation and includes legal fees related to the Mt Gox matter noted below of \$210k.
- Marketing costs of \$293k - The expenditure primarily relates to revenue-generating activities including online advertising for Sell My Shares and events directly linked to new business generation for the funds management team and Drawbridge, such as the annual Governance Institute of Australia event noted above.

The Company is conscious of the operating outflow for the quarter and continues to have a very close focus on cost management and solid financial discipline while acknowledging the heightened market volatility in the digital asset market, and balancing the need for growth in its products and progression and delivery of its strategic revenue initiatives.

In addition to the operating cash flows, the Company incurred investing expenditure of \$61k for minor asset purchases and the purchase of the Betacarbon tokenised carbon credits noted below.

In accordance with ASX Listing Rule 4.7C.3, \$42k was paid to related parties or their associates during the quarter (prior quarter \$45k), including Non-Executive Director remuneration and legal fees paid to Steinepreis Paganin (of which DigitalX Chair Mr Hicks is a Partner).

Strategy

During the quarter, the Company released its strategy refresh presentation to market. The strategy refresh incorporates the short-term focus on maximising revenue growth and setting a long-term strategic vision for the business laying the foundation for growth in the next five years while generating shareholder value.

Management set about executing the strategy at the start of Q1 FY2023 and has made quick progress around key revenue initiatives, described in more detail below in the Business Review, including:

- First revenue from the Company's ETH staking nodes
- Soft launch of the same-day settlement offering for Sell My Shares

- Fund tokenisation proof on concept completed in partnership with ASX Synfini platform
- Progress on the real world asset fund

Further work is being undertaken internally around culture, accountability and a strong focus on company priorities as key alignment KPIs for each member of the team.

Business Review

DIGITAL ASSET FUNDS MANAGEMENT

DigitalX is the investment manager of digital asset investment products that provide qualified investors with a secure and traditional method to invest into the digital asset sector. The Company operates two professionally managed wholesale funds, the DigitalX Bitcoin Fund and the Digital Asset Fund, a diversified basket of leading digital assets. The DigitalX digital asset funds solve the technical and administrative challenges of investing in this emerging asset class.

Fund performance and activities

The DigitalX Digital Asset Fund and the DigitalX Bitcoin Fund saw returns for the quarter, net of fees, of +23.0% and +4.1% respectively. Comparatively, the S&P Top 10 Cryptocurrency Equal Weight Index returned 6.4%.

The Ethereum “Merge” was completed without issue on 15 September and Ethereum officially transitioned to a Proof-of-Stake (PoS) system – a huge milestone for the entire digital assets ecosystem. Any Ethereum forks quickly faded into irrelevance. More broadly, inflation throughout the world showed little signs of cooling and some developed markets like the United Kingdom and European Union crossed double-digit rates of inflation. Bond yields remained inverted for most of the month and currency markets whipsawed as the US dollar continued to gain strength. Central banks have remained hawkish and economic data has been solid which gives central bankers more reason to implement further rate hikes.

With a backdrop of heightened volatility due to increasing interest rates, the DigitalX Fund currently maintains a relatively defensive stance with overweight positions in Bitcoin and Ethereum. The S&P Cryptocurrency Top 10 Equal Weight Index was down 7.1% for the month of September whilst the DigitalX Bitcoin Fund rose 4.1% and the DigitalX Digital Asset Fund was up 4.2% over the same period. Despite volatile markets, the DigitalX Digital Asset Fund returned 23.0% in the past quarter, whilst the S&P Top 10 Cryptocurrency Equal Weight Index returned 6.4%, an outperformance of 16.6%.

At the end of the quarter, funds under management had risen from \$13.4m to \$14.9m.

Despite the continued volatility, the funds saw only a small net outflow of -\$0.2m for the quarter (prior quarter \$0.3m).

The Company continues to remain focused on its funds management business through further investment in systems, processes and people to ensure the funds are at an investment grade level. Two hires were made into the funds team during the quarter, Jeremy Balding the new Head of Funds Management and Hannah Pham as analyst on the Real World Asset Token Fund. Both hires bolstered the experience of the funds team with 26 years and 14 years of industry experience respectively.

DigitalX Fund Analyst Information Sessions

At DigitalX, it is our aim to keep things open and transparent and to give stakeholders as much information about investing in the sector as we can. Recognising the volatility and uncertainty within the markets, the fund team has commenced running Monthly Fund Analyst Zoom calls to engage with existing and potential investors across Australia. To register for the next fund analyst information session please click [here](#).

PRODUCT DEVELOPMENT

DigitalX is growing a portfolio of digital finance products and services to transform the way investors, fund managers, and listed companies create and trade digital assets. The Company is focused on developing and growing revenues from existing fintech-based businesses such as Sell My Shares, as well as innovation discovery work to develop viable new product businesses that leverage advances in blockchain technologies.

Strategic Pillar	Originate	Invest	Transact
Description	Unlocking the value of real world assets through tokenisation	Providing attractive risk adjusted returns for investors	Improving asset access and removing friction for investors
Q1 FY23 Focus	Managed fund tokenisation proof of concept on ASX synfini platform	Scaling DigitalX Ethereum validator nodes and merge to proof of stake blockchain	Growth in Sell My Shares revenues through launch of same-day settlement service
Objective	Value of tokenised assets	Return on investment	Total transaction value

Sell My Shares

The Company continued to grow its online stockbroking business Sell My Shares, which during the quarter reached the milestone of processing over \$100 million worth of trades since acquisition. As part of its growth strategy, the product team delivered an innovative new feature for customers to eliminate settlement wait times. The same-day settlement service (T+0) enables customers to avoid the standard two-day wait period for settlement of ASX trades by receiving funds for their share sales on the same day for an increased service fee. Following an initial testing phase, the service has successfully generated its first revenues from early customers. The option is now being scaled out to all customers of the business, as well as additional potential broker partnerships for this service which are being explored.

Additionally, the Company has engaged with a number of lawyers specialising in deceased estates in order to deliver new services aimed at improving the processes of selling shares from an estate. The objective is to position Sell My Shares as the primary partner for legal firms needing to minimise the time and effort required to administer shares from an estate on behalf of their clients and to grow revenues from this customer segment. A beta version of this new service has been developed with a plan to roll this out to users over the next quarter.

Digital Asset Tokenisation

The Company progressed development of its asset tokenisation capabilities for the purpose of creating new digital investment distribution channels for fund managers. As one of the first organisations to be granted access to the ASX Synfini platform, the product team successfully issued a digital cryptographic token representing units in a managed fund as a technology proof of concept on this platform.

The initiative demonstrates how each fund unit can be represented as a token acting as a digital twin of a fund's ownership register of unit holders. These digital forms of ownership create new pathways for improved outcomes and access to investment opportunities as financial services providers become increasingly connected to digital asset ecosystems such as the ASX Synfini platform.

Ethereum Validator Nodes & Staking

During the quarter the product team further developed upon the Company's initial Ethereum staking node as [announced](#) on 17 August 2022. Development focused on preparing to scale computing infrastructure to support additional nodes and prepare for the merge of the Ethereum blockchain from a proof of work to a proof of stake system. Each Ethereum validator node requires 32 ETH to be staked as a deposit, which then generates a return from Ethereum transaction fees in exchange for the node's contribution of computational resources needed to run the network. The current average rate of return is approximately 4% per annum. The Company also completed initial modelling to assess the provision of staking services for other organisations beyond DigitalX.

Drawbridge

During the quarter DigitalX attended the Governance Institute of Australia's Annual Conference, showcasing its Drawbridge securities trading approval app to prospective listed companies' governance professionals. The Company continues to grow Drawbridge's use by listed company customers and is developing an integration plan outlining how the application can be used by share registry providers as a valuable digital governance offering.

An announcement on the \$1 million federal government grant as part of the Department of Industry's Business Research and Innovation Initiative (BRII) is pending, with no announcement made during the quarter. DigitalX is one of five organisations eligible for one of two \$1 million grants available as part of the second round of funding. The second round of funding follows DigitalX's completion of the feasibility study phase to address the program's regtech challenge in conjunction with the Australian Securities and Investments Commission (ASIC).

Corporate Activities

Treasury

During the period the Company progressed a number of initiatives around monetisation and diversification of its treasury holdings which included:

- Generating first revenues from its Ethereum staking node. With the successful transition of the Ethereum network to the proof of stake model, the Company will increasingly add to its staked Ethereum position to increase its yield from digital asset treasury; and
- As noted above, the Company entered into a structured sale arrangement to divest its holding in Human Protocol. The transaction completed post quarter end as [announced](#) to the market with the Company converting the proceeds into Bitcoin and Ethereum.

Environment, Social and Governance (ESG)

Baseline Report

As part of its ongoing commitment to ESG, DigitalX was pleased to release its initial baseline disclosure report showing its measurement against the World Economic Forum (WEF) metrics.

Highlights of the report include:

- The Company's work around beginning to address the environmental impact of its corporate activities by offsetting 60 tonnes of carbon dioxide through a unique partnership with Metacarbon Inc. whereby the carbon offsets are represented through a non-fungible token (NFT).
- The Company completed an exercise to review and re-define its core purpose.
- Completion of the annual board skills matrix update and review in line with the ASX Corporate Governance Principles and the board skills component of the WEF framework. As part of this work ESG factors have been incorporated into the matrix.

- Upgrade of internal systems to allow the Company to accurately track, measure and report on the people components of its ESG strategy including better reporting around diversity and training.
- Completion of an annual risk review in line with ASX Corporate Governance Principles and the risk component of the WEF framework with incorporation of ESG factors.

A copy of the report is available [here](#).

Tokenised Carbon Credits

In July 2022 the Company used XAUD (Australian Dollar Stablecoin) to buy 230,000 Australian Carbon tokens (BCAU) as part of its strategy to begin to offset its carbon footprint from holding Bitcoin.

Each BCAU is notionally backed by a delivered Australian Carbon Credit Unit (ACCU) held in the Australian National Register of Emissions Units and represents 1kg of carbon captured or avoided. The particular units are linked to the ancient practice of savannah burning undertaken by Traditional Owners to combat uncontrolled wildfires in the Northern Territory and in Northern Queensland.

Once the full transactional process has taken place, and DigitalX's BCAU-backed ACCUs have been retired, DigitalX will be issued with a certificate by the Clean Energy Regulator. This details the number of units and date by specific serial number associated with the savannah-burning project, and acts as official proof the offset took place.

Annual Report

During the quarter the Company lodged its annual report for the year ended 30 June 2022. A copy of the report is available [here](#).

Annual General Meeting

The Company's Annual General Meeting will be held on 24 November 2022.

Mt Gox

In its March 2022 quarterly report, the Company noted that it had previously commenced proceedings in the District Court of Massachusetts to secure the rights to Bitcoin that has been recovered by liquidators of historical crypto exchange, Mt Gox.

In February 2014, prior to the Company acquiring its Bitcoin mining business and re-complying with Chapters 1 and 2 of the ASX Listing Rules, the Mt Gox Bitcoin Exchange was shut down after it was hacked. As set out in the Company's Prospectus dated 12 May 2014 (2014 Prospectus), one of the subsidiaries acquired by the Company lost access to 351 Bitcoin as part of that hack. The Company became aware that Mr Alex Karis, a former Director of the Company, had lodged a claim with the bankruptcy trustee of Mt Gox for the 351 Bitcoin in his own name, despite Mr Karis having entered into an agreement to transfer the trading accounts to which those Bitcoin relate to a subsidiary of the Company (as referred to in Section 11.17 of the Company's 2014 Prospectus).

During the quarter, the matter was dismissed without prejudice in the District Court of Massachusetts following the Company filing its counterclaim in the Federal Court of Australia.

In the March 2022 quarterly report, the Company noted that Mr Karis had filed proceedings in the Federal Court of Australia claiming amounts he states are owing to him by the Company. Following the initial engagement with legal counsel, the Company still asserts that it does not owe any amount to Mr Karis and intends to defend these proceeds to the fullest extent. By the end of the September quarter the matter was awaiting a mediation hearing between the parties which is expected to occur in November or December 2022.

Outlook

Corporate

While the Company anticipates that market conditions will remain challenging this quarter, we will continue to focus on executing our strategy to grow revenues in a cost-conscious manner and have identified some costs that can be extracted from the business over the next nine months to ensure we maximise shareholder returns.

It is worth highlighting that while concentrating on short-term revenue growth in recent months, Management have also been improving the foundational elements of DigitalX to set the Company on a long-term growth trajectory. This process has involved:

- Establishing a risk committee at Board level;
- The pursuit of operational excellence via bringing in an experienced team; and
- Identifying cost-out initiatives that will not impact revenue growth.

Management remains focused on maximising existing businesses to build new revenue opportunities for the future. Going into the next quarter, our development team is continuing to build out our revenue roadmap by:

- Expanding the ETH staking node and data validation capability;
- Developing our deceased estates offering for Sell My Shares and growing the T+0 product opportunities;
- Continuing to position Drawbridge as a centrepiece for listed companies to bridge compliance and digital financial services;
- Testing and developing our real world asset tokenisation capability and beginning to deploy capital; and
- Seeking strategic partners for the fund business to boost Total Value Locked (assets under management).

Market

During the quarter we saw an undeniable uptick in Web3.0 (new digital financial infrastructure) activity - our core thematic driver long-term. We see this new digital financial infrastructure becoming further embedded into asset ownership and settlement layers through the use of programmable assets and smart contracts. We continue our work in this space in conjunction with the Digital Finance CRC.

Furthermore, we have seen signs that the underperformance of digital asset markets compared to traditional financial markets is easing. We maintain a list of developments in the sector that we see to be positive structural changes toward a mainstream digital assets future, "the shift list". This list has seen an incredible increase in activity with large players in the world of traditional finance such as Visa, Blackrock and Fidelity making key announcements this quarter.

We also continue to see digital finance making the move towards the tokenisation of real-world assets. DigitalX is perfectly placed to capitalise on this shift by validating asset data to enable the tokenisation of real-world assets from both an investment and transactional standpoint.

Over the next quarter we will continue our focus on strategic execution and building a solid, sustainable revenue base. Whilst we will need to navigate further short term volatility we are seeing a global shift towards blockchain and nascent technologies and we are well positioned to benefit from that.

-Ends-

Authorised by the Board of DigitalX Limited.

For further information, please contact:

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About DigitalX

DigitalX Limited (ASX: DCC, OTCQB: DGGXF) is a technology and investment company focused on blockchain consulting, digital asset funds management, and RegTech. DigitalX's consulting division designs and develops blockchain technology applications for business and enterprise organizations. Through its asset management division, DigitalX provides low-cost traditional asset management products for qualified investors looking to gain exposure to the growing alternative asset class of digital assets, including Bitcoin. DigitalX is currently commercialising Drawbridge, the Company's first RegTech solution that supports listed companies in better managing their compliance and corporate governance policies. With Drawbridge, companies can manage employee and director share trading approvals in order to safeguard their reputations.

www.digitalx.com | <https://digitalx.fund> | www.opendrawbridge.io | www.sellmyshares.com.au

APPENDIX 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

DigitalX Limited

ABN

59 009 575 035

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter \$AUD'000	Year to date (3 months) \$AUD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	418	418
1.2 Payments for		
(a) research and development		
(b) advertising and marketing	(293)	(293)
(c) leased assets	-	-
(d) staff costs	(794)	(794)
(e) administration and corporate costs	(679)	(679)
(f) professional fees	(397)	(397)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(47)	(47)
1.9 Net cash from / (used in) operating activities	(1,792)	(1,792)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(29)	(29)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(10)	(10)

Consolidated statement of cash flows		Current quarter \$AUD'000	Year to date (3 months) \$AUD'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	(22)	(22)
2.6	Net cash from / (used in) investing activities	(61)	(61)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,141	6,141
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,792)	(1,792)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(61)	(61)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$AUD'000	Year to date (3 months) \$AUD'000
4.5	Effect of movement in exchange rates on cash held	1	1
4.6	Cash and cash equivalents at end of period¹	4,289	4,289

Note 1: At the date of this report, the Group also holds Bitcoin, listed digital assets and other unlisted investments not included above but which are considered to be highly liquid and can be converted into cash when required as set out on page 1 of the Quarterly Activities Report.

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$AUD'000	Previous quarter \$AUD'000
5.1	Bank balances	3,799	5,641
5.2	Call deposits	490	500
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,289	6,141

6.	Payments to related parties of the entity and their associates	Current quarter \$AUD'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 ²	42
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note 2: Amounts paid to related parties includes Non-Executive Director fees, superannuation, and legal & consulting fees.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$AUD'000	Amount drawn at quarter end \$AUD'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-

7.5 Unused financing facilities available at quarter end

-

7.6 Description of facilities

-

8.	Estimated cash available for future operating activities	\$AUD'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,792)
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,289
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	4,289
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.39

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Not applicable

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not applicable

8.6.3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2022

Authorised by: Board of DigitalX Limited

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.