

ASX ANNOUNCEMENT

7th June 2017

DigitalX secures new funding

Highlights:

- Investment of approximately \$4.35m in DigitalX from Blockchain Global Limited (**BGL**) and associated investors, subject to due diligence and shareholder approval
- Investment price of 2.7 cents per share represents a 28.5% premium to the 5 day VWAP of the Company's shares prior to the date of announcement
- First Tranche funding through Bitcoin – a first for the Australian Securities Exchange
- Transaction builds on Company's history within the Blockchain ecosystem

DigitalX Ltd (**Company** or **DCC**) is pleased to announce that it has entered into a conditional subscription agreement and converting loan agreement with Blockchain Global Limited, an Australian incorporated company operating in the Bitcoin and Blockchain space internationally, to invest approximately \$4.35m at 2.7 cents per share to acquire an interest in approximately 40% of DigitalX on a fully diluted basis. The price of the investment represents a 28.5% premium to the VWAP of DigitalX's shares over the last 5 days in which shares were traded prior to the date of this announcement. The investment is conditional upon the satisfaction of specific conditions precedent, which are outlined below.

Under the terms of the arrangement:

- (a) DigitalX has received AUD\$300,000 by way of a convertible loan in Bitcoin (BTC). The convertible loan is convertible into shares in DigitalX, subject to the receipt of shareholder approval, otherwise is repayable within 12 months from drawdown and attracts interest at 12% per annum; and
- (b) BGL will subscribe for, or procure subscribers for, shares, convertible notes and options in DigitalX for up to a further \$4.05 million. The investment comprises, \$550,000 in convertible notes on the same terms as the existing convertible notes, and \$3.8 million in shares, with 1 options also being issued for every 3 shares issued, exercisable at 3.3 cents per share on or before the date that is three years from the date of issue. Detailed information on the securities to be issued and the details of the transaction will be set out in a notice of meeting to be despatched to shareholders. The notice of meeting will include a report from an independent expert as to the fairness and reasonableness of the transaction to existing shareholders.

Demonstrating long-term shareholder commitment, BGL will voluntarily escrow their shareholding for a period of 12 months from the date of issue. To provide additional industry expertise, BGL will have the right to appoint up two Directors to the DCC board. Nominees will be subject to the necessary checks and due diligence required to ensure compliance with Corporations Act and corporate governance.

BGL is a major player in the blockchain industry, providing Bitcoin mining, software and consultancy services. BGL has been involved in Blockchain technology since 2014 and has established many successful companies via commercializing blockchain technology projects. More recently BGL has enjoyed success supporting crowd-sourced Blockchain token sales and Initial Coin Offerings (ICO's).

The conditions precedent to the transaction are as follows:

1. completion of due diligence on the Company by BGL to its satisfaction (acting reasonably) by 30 June 2017;
2. BGL and the Company mutually agreeing a use of funds budget;
3. the Company obtaining all requisite shareholder approvals to give effect to the transaction, including approval under Section 611 (item 7) of the Corporations Act and Listing Rule 7.1. approval, with all resolutions relating to the transaction and the ratification of previous issues to be inter conditional;
4. the parties obtaining any necessary regulatory approvals on terms acceptable to the parties as are required to give effect to the transaction, including any waivers of the Listing Rules required to complete the subscription; and
5. the parties obtaining any necessary third party approvals on terms acceptable to the parties as are required to give effect to the transaction.

A break free of AUD\$100k payable to BGL by DigitalX is payable where the shareholder approval condition is not satisfied.

Ironside Capital Pty Ltd (**Ironside**) are corporate advisors to DigitalX and lead manager to the transaction and will receive a 6% fee on all funds raised.

Leigh Travers, CEO of DigitalX stated ""DigitalX welcomes BGL as an investor in the Company, and appreciates the confidence it has shown in DigitalX's growth and understanding within the Blockchain ecosystem. Having just returned from Consensus, the biggest Blockchain conference in the world, the growing support for Blockchain, digital currency and decentralized organizations is unquestionable. With a stronger balance sheet and additional Blockchain expertise, I am confident that we can deliver value for all shareholders going forward."

-Ends-

For further information, please contact

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About DigitalX

DigitalX is a Blockchain-enhanced software solutions group disrupting the payments industry. The Company's Application, AirPocket allows consumers to make secure and cost-effective money transfers worldwide. Companies can use DigitalX's AirID technology to leverage the benefits of the Blockchain.