

27 July 2020

Daniel Nicholson
Australian Securities Exchange
Level 40, Central Park
152 St Georges Terrace
PERTH WA 6000

BY EMAIL: Daniel.Nicholson@asx.com.au

CC: Madeleine.Green@asx.com.au>

DIGITALX PRICE AND VOLUME QUERY

Dear Daniel,

We refer to your letter dated 27 July 2020 querying the change in the price of DCC's shares from a low of \$0.023 on Monday, 20 July 2020, to an intraday high of \$0.03 today, and also noting the significant increase in the volume of securities traded from 20 July 2020 to 27 July 2020 (**Letter**).

In response to your questions outlined in the Letter, we provide the following information:

1. The Company is not aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in the Company's securities.
2. Based on the Company's response to question 1, no response to this response is provided.
3. The Company continues to execute its previously announced business plan. Previously, the Company has announced:
 - a) that it had launched a Bitcoin Fund and seeded the Fund with 215 of its own Bitcoin on 13 November 2019; and
 - b) the continuation of the Company's Blockchain consulting and product development work.

Since those announcements, the Company has put in significant work to grow its funds under management in each of its Bitcoin Fund and its Digital Assets Fund, and has actively continued its consulting work, as well as the consideration of its own product development.

As a wholesale fund, the Company's Bitcoin Fund relies on the availability of the Fund to wholesale and sophisticated qualifying investors. To this end, the Bitcoin Fund was recently added to the Netwealth investment platform.

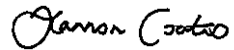
In addition to, and complementing the above, the performance of Bitcoin and other digital assets in recent times has been more stable (compared to historical volatility) and seen steady improvements. The Board notes that historically, it has not been unusual for the Company's share price to track changes in the Bitcoin price. The Company also continues to hold its Bitcoin and its asset values therefore appreciate together with movements in the price of those assets.

On the basis of the above, the Directors consider that it is reasonable to deduce that these factors, or a combination of them, could lead to increased interest in the Company at this time.

4. The Company confirms it is in compliance with the Listing Rules, in particular Listing Rule 3.1.
5. I confirm that the questions above have been authorised and approved by the Board.

Please do not hesitate to contact me if further information is required.

Yours sincerely

A handwritten signature in black ink that reads "Shannon Coates". The signature is written in a cursive, slightly slanted style.

Shannon Coates
Company Secretary



27 July 2020

Reference: 20975

Ms Shannon Coates
Company Secretary
DigitalX Limited

By email

Dear Ms Coates

DigitalX Limited ('DCC'): Price and Volume - Query

ASX refers to the following:

- A. The change in the price of DCC's securities from a low of \$0.023 on Monday, 20 July 2020, to an intraday high of \$0.03 at the time of writing, today.
- B. The significant increase in the volume of DCC's securities traded from 20 July 2020 to 27 July 2020.

Request for information

In light of this, ASX asks DCC to respond separately to each of the following questions and requests for information:

1. Is DCC aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
 - (a) Is DCC relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in DCC's securities would suggest to ASX that such information may have ceased to be confidential and therefore DCC may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that DCC may have for the recent trading in its securities?
4. Please confirm that DCC is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that DCC's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of DCC with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **1:15 PM AWST Monday, 27 July 2020**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall

within the exceptions mentioned in Listing Rule 3.1A, DCC's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require DCC to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in DCC's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in DCC's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to DCC's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that DCC's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours faithfully

Daniel Nicholson
Adviser, Listings Compliance (Perth)