

ASX ANNOUNCEMENT

23 May 2016

Shareholder update from the Chief Executive Officer

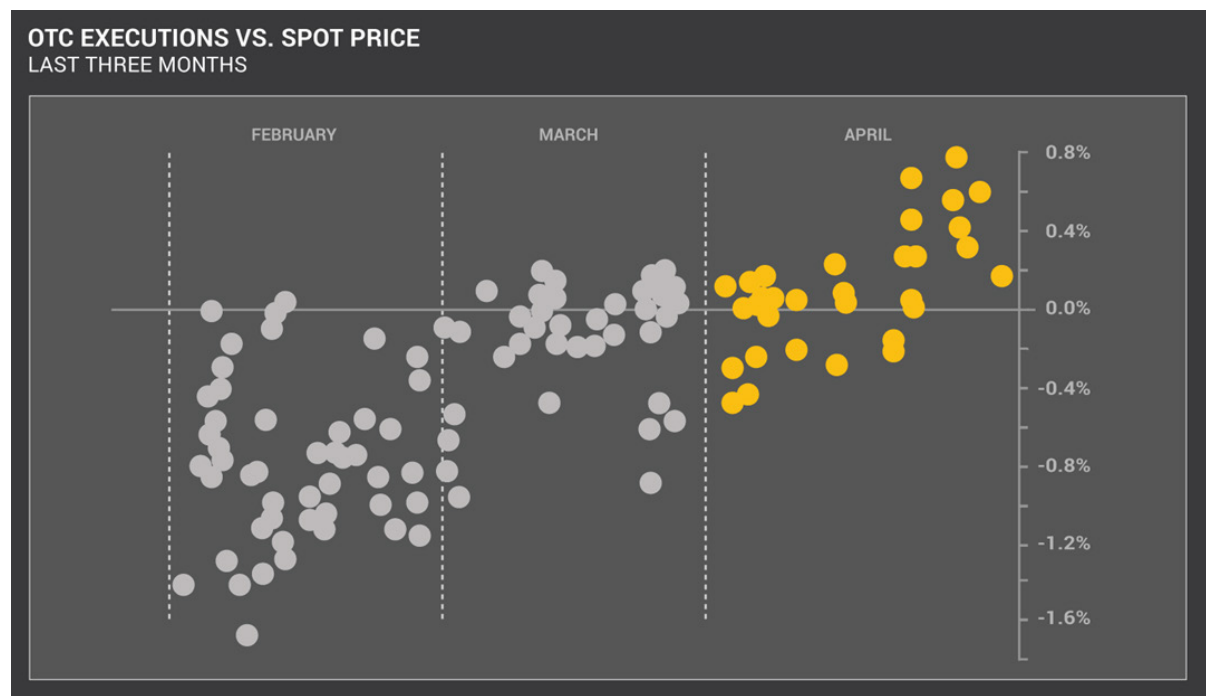
Dear Shareholders,

It's been a busy few months for DigitalX Limited and the hard work is starting to pay off as our Company is starting to gain material traction in the market, which puts us at a major inflection point.

In the first instance, trading activity on the liquidity desk has bounced back to record levels after a quiet start to the year (as detailed in the quarterly report released on April 29). Revenues for the desk in April jumped to over \$4 million, or 118% above the three-month average for the March quarter.

The stronger revenue is attributable to significantly increased demand from USA-based customers last month. This was evidenced across the industry with US dollar-based exchanges trading at par with Chinese-based exchanges for the first time in years.

Additionally, block trades on USA-based Bitcoin exchanges were executed on average at a premium to their exchange mid-rate, which implies that large USA-based buyers are beginning to enter the market.



*Chart Provided by ItBit Trading Services

It is not only our bitcoin operations that are moving from strength to strength. I am also excited to provide an update on the rollout of AirPocket, our value and funds transfer App, in Latin America since we announced a strategic partnership with one of the world's largest telecommunications groups on February 17, 2016.

Integration and testing of AirPocket on the partner's network is largely complete and this means we can announce the identity of our first strategic partner in Latin America in the coming days.

This partnership is transformational for our Company, and I am not only talking from a revenue opportunity perspective. This deal puts our emerging technology company on the global stage and cements our position as a first mover in providing a blockchain application of commercial scale.

What's more, there are a number of other significant partnership updates with industry leaders that we will be announcing over the coming months.

On this note, I would like to take this opportunity to thank you, our shareholders, for the support you have given the Company over the past several months. We could not have made it this far without you and your support will be key to us kicking the next set of goals for DigitalX.

Yours sincerely,

Alex Karis
Chief Executive Officer
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About DigitalX Limited

DigitalX is a Blockchain-based software solutions group disrupting the payments industry. Its products allow consumers to make secure and cost-effective money transfers worldwide. Partners can use DigitalX's technology to offer new financial products. DigitalX is based in Boston and has offices in New Jersey and Australia.