

DigitalX Limited
ACN 009 575 035

OFFER DOCUMENT

For a pro rata non-renounceable Rights Issue to Eligible Shareholders on the basis of 1 New Share for every 8 Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.047 per New Share to raise approximately \$5.09 million (before costs) (**Offer**).

The Offer opens on 31 December 2024 and closes at 5:00pm (WST) on 24 January 2025 (unless it is lawfully extended). Applications must be received before that time.

Applications for New Shares by Eligible Shareholders can only be made by using or following the instructions on an Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out the Eligible Shareholders' Entitlement to participate in the Offer.

Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form.

This Offer Document is not a prospectus and does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this Offer Document.

The New Shares offered by this Offer Document should be considered as speculative.

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1. IMPORTANT INFORMATION

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

1.1 This document is not a prospectus

This Offer Document is dated 19 December 2024, has been prepared by DigitalX Limited and is for a rights issue of continuously quoted securities (as defined in the Corporations Act) of the Company. This Offer Document is not a prospectus under the Corporations Act and has not been lodged with the ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares offered by this Offer Document.

This Offer Document including each of the documents attached to it and which form part of this Offer Document are important and should be read in their entirety prior to making an investment decision. In particular, Shareholders should refer to the risk factors set out in Section 5. If you do not fully understand this Offer Document or are in any doubt as to how to deal with it, you should consult your professional adviser.

1.2 Section 708AA of the Corporations Act

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act and applicable ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84 (**ASIC Instrument 2016/84**). In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than the level of disclosure required in, and what you would expect in, a prospectus. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding to accept the Offer.

1.3 Eligibility

Applications for Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

1.4 Overseas Shareholders

This Offer Document does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document.

The Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia and New Zealand. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

United States Shareholders

This Offer does not constitute an offer in the United States of America, nor does it constitute an offer to a person who is a US Person or someone who is acting on behalf of a US Person.

The Shares have not been, and will not be, registered under the US Securities Act 1933 (**US Securities Act**) and may not be offered or sold in the United States of America, or to, or for the account or benefit of, US Persons (as defined in Rule 902 under the US Securities Act) except under an available exemption from registration under the US Securities Act. These Shares may only be resold or transferred if registered under the US Securities Act or pursuant to an exemption from registration under the US Securities Act and in compliance with state securities laws. The Company is under no obligation and has no intention to register the Shares in the United States of America.

Further detail in relation to foreign jurisdictions is set out in this Offer Document.

New Zealand Shareholders

The Offer is being made in New Zealand pursuant to the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.5 Notice to nominees and custodians

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.6 Privacy Act

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application.

2. CORPORATE DIRECTORY

Directors

Toby Hicks

Non-Executive Chair

Greg Dooley

Executive Director and Interim Chief

Executive Officer

Peter Rubinstein

Non-Executive Director

Davide Bosio

Non-Executive Director

Share Registry*

Automic Group

5/191 St Georges Terrace

PERTH WA 6000

Telephone: 1300 288 664

Facsimile: +61 2 8583 3040

Company Secretary

Mark Licciardo

Legal Advisers

Steinepreis Paganin

Level 14, QV1 Building

250 St Georges Terrace

PERTH WA 6000

Registered Office

Level 4

66 Kings Park Road

West Perth WA 6005

Lead Manager

Plutus Capital Advisory

46 Teak Street

CAUFIELD SOUTH VIC 3162

Email: infor@digitalx.com

Website: www.digitalx.com

ASX Code

DCC

Auditor*

BDO Audit Pty Ltd

Level 9

Mia Yellagonga Tower 2

5 Spring Street

PERTH WA 6000

*These parties have been included for information purposes only. They have not been involved in the preparation of this Offer Document.

3. DETAILS OF THE OFFER

3.1 The Offer

The Offer is being made as a pro rata non-renounceable Rights Issue of 1 New Share for every 8 Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.47 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as set out in Section 3.8 of this Offer Document, a maximum of approximately 108,300,503 Shares will be issued pursuant to this Offer to raise up to approximately \$5.09 million.

As at the date of this Offer Document, the Company has on issue 25,655,094 Options which may be exercised and 2,500,000 Performance Rights which may be converted prior to the Record Date in order to participate in the Offer. Please refer to section 3.8 of this Offer Document for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Offer Document will rank equally with the Shares on issue at the date of this Offer Document.

The Directors may at any time decide to withdraw this Offer Document and the offer of Shares made under this Offer Document in which case the Company will return all Application monies (without interest) within 28 days of giving such notice of withdrawal.

3.2 Use of Funds

Completion of the Offer will result in an increase in cash in hand of up to approximately \$5.09 million (before the payment of costs associated with the Offer). Funds raised under the Offer are intended to be combined with the \$10.3 million raised under the Placement announced on 18 December 2024 and applied as follows:

Items of Expenditure	\$	%
Expansion of digital asset staking and validation services including acquisition of digital assets and engagement of services	12,060,000	78.4
Working capital ¹	3,000,000	19.5
Expenses of the Offer	330,000	2.1
Total	15,390,000	100

Note:

1. Funds allocated to working capital are generally used for meeting expenses such as salaries, leasing expenses, director's fees and other costs associated with running the business where revenues are insufficient to cover those costs.

The above table is a statement of the Board's current intentions as at the date of this Offer Document. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

3.3 Indicative Timetable

Announcement of Placement, Rights Issue and Appendix 3B	18 December 2024
Lodgement of s708AA Cleansing Notice with ASX and Offer Document (prior to the commencement of trading)	19 December 2024
Ex date	23 December 2024
Record Date for determining Entitlements	24 December 2024
Settlement and issue of Placement Shares and issue of Appendix 2A for Placement Shares	30 December 2024
Offer Document dispatched to Shareholders & Company announces this has been completed Offer Opening Date	31 December 2024
Last day to extend Closing Date	21 January 2025
Closing Date of Rights Issue	24 January 2025
Shares quoted on a deferred settlement basis from market open	28 January 2025
Announcement of results of issue	3 February 2025
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares (before noon Sydney time)	3 February 2025
Quotation of Shares issued under the Offer	4 February 2025

* Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

** These dates are indicative only and are subject to change.

3.4 Lead Manager

The Lead Manager has been appointed as lead manager and book runner to the Placement and the Offer. Under the lead manager mandate, the Lead Manager will receive a transaction fee of \$300,000 in total payable in cash or Shares (subject to Shareholder approval) for acting as lead manager and book runner to the Placement and the Offer.

3.5 Entitlements and acceptance

Details of how to apply under the Offer are set out in Section 4.1 of this Offer Document.

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Document.

You can also apply for Additional Shares under the Shortfall Offer in addition to your Entitlement by following the instructions set out in Section 4.6. The Shortfall Offer is described in Section 4.6 below.

3.6 No rights trading

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse.

3.7 Pro-forma balance sheet

The audited balance sheet as at 30 June 2024 and the unaudited pro-forma balance sheet as at 30 November 2024 shown on the following page have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet on the following page has been prepared assuming that the Company has received all funds under the Placement, all Entitlements are accepted, no Options are exercised or Performance Rights converted prior to the Record Date and including expenses of the Offer. It shows adjustments to the audited 30 June balance sheet that have occurred over the period from 30 June 2024 to 30 November 2024, and then been prepared on the basis of receipt of funds from the Placement, as well as the Offer (assuming Shareholder's approve the issue of 13 million Shares to the Directors at or around the time of the close of the Offer).

The pro-forma balance sheet on the following page has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

		Audited 30 June 2024	Subsequent Events to 30 Nov 2024	Placement (T1)	Placement T2 + Entitlement Offer	Unaudited Pro-forma Balance Sheet 30 Nov 24
		\$	\$	\$	\$	\$
Current assets						
Cash and cash equivalents		6,054,713	(2,853,666)	9,689,000	5,371,124	18,261,171
Trade and other receivables		515,922	(331,083)	-	-	184,840
Digital assets		48,874,582	22,743,564	-	-	71,618,146
Other current assets		255,393	170,607	-	-	426,000
Other current investments		497,720	773,186	-	-	1,270,906
Total current assets		56,198,330	20,502,609	9,689,000	5,371,124	91,761,062
Non-current assets						
Property, plant and equipment		29,315	-	-	-	29,315
Right of Use asset		287,513	-	-	-	287,513
Intangibles		2,098,677	-	-	-	2,098,677
Total non-current assets		2,415,505	-	-	-	2,415,505
Total assets		58,613,835	20,502,609	9,689,000	5,371,124	94,176,567
Current liabilities						
Trade and other payables		1,063,223	(275,047)	-	-	788,176
Lease liability		65,878	-	-	-	65,878
Net assets attributable to unit holders		14,482,863	4,279,169	-	-	18,762,032
Total current liabilities		15,611,964	4,004,121	-	-	19,616,085
Non-current liabilities						
Lease liability		243,174	-	-	-	243,174
Deferred tax		5,730,424	5,685,891	-	-	11,416,315
Total non-current liabilities		5,973,598	5,685,891	-	-	11,659,489
Total liabilities		21,585,562	9,690,013	-	-	31,275,575
Net assets		37,028,273	10,812,596	9,689,000	5,371,124	62,900,993
Equity						
Contributed equity	1	65,675,698	-	9,689,000	5,371,124	80,735,822
Reserves		19,661,336	12,778,505	-	-	32,439,841
Accumulated losses		(48,308,761)	(1,965,909)	-	-	(50,274,670)
Total equity		37,028,273	10,812,596	9,689,000	5,371,124	62,900,993

Notes: The figures do not include accounting adjustments. The audited figures may differ based on the adjustments made.

1. The following pro forma transactions are yet to occur, but are proposed to occur immediately before or following completion of the Rights Issue:
 - (a) the issue of 206,601,007 Shares at \$0.047 per Share to be issued under the Company's Listing Rule 7.1 and 7.1A capacity to unrelated sophisticated investors to raise \$9,689,000, and the payment of associated fees under Placement (T1);
 - (b) the issue of 13,000,000 Shares at \$0.047 per Share subject to shareholder approval to unrelated sophisticated investors to raise \$611,000, and the payment of associated fees under Placement (T2);
 - (c) the issue of 108,300,503 Shares at \$0.047 per Share pursuant to the Rights Issue; and
 - (d) the payment of cash costs related to the Rights Issue and the Placement.

3.8 Capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, is set out below.

Shares	Number
Shares currently on issue	866,404,031
Shares to be issued under the Placement ¹	219,601,007
New Shares offered pursuant to the Offer ²	108,300,503
Total Shares on issue after completion of the Offer¹	1,194,305,541

Notes:

1. As announced on 18 December 2024, 13,000,000 Shares are subject to the approval of Shareholders at a meeting to be held in late January 2025. If Shareholders do not approve the issue of these Shares, the number of Shares on issue will be reduced by the same amount.
2. This number may vary due to rounding of Entitlements and may increase as a result of the rounding up of New Shares offered under the Offer.

Options ¹	Number
Options currently on issue:	
Unquoted exercisable at \$0.112 on or before 29 August 2025	5,240,000
Unquoted exercisable at \$0.091 on or before 11 August 2027	1,415,094
Unquoted exercisable at \$0.10 on or before 12 May 2027	9,000,000
Unquoted exercisable at \$0.10 on or before 3 December 2029	10,000,000
Options offered pursuant to the Offer	Nil
Total Option on issue after completion of the Offer	25,655,094

Notes:

1. In addition, the Company will be seeking Shareholder approval for the issue of 57,000,000 Options (exercisable at \$0.10 on or before the date that is 2 years from issue) at a Shareholder meeting in January 2025.

Performance Rights	Number
Shares currently on issue	2,500,000
New Shares offered pursuant to the Offer	Nil
Total Shares on issue after completion of the Offer	2,500,000

The capital structure on a fully diluted basis as at the date of this Offer Document would be 894,559,125 Shares and on completion of the Offer (assuming all Shares under the Placement have been issued, all Entitlements are accepted and no Options are exercised and no Performance Rights convert prior to the Record Date) would be 1,222,460,635 Shares.

As at the date of this Offer Document, no Shares, Options or Performance Rights on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.9 Dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 11.11% (as compared to their holdings and number of Shares on issue as at the date of this Offer Document).

Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	Approximate % at Record Date ¹	Entitlements under the Offer	Holdings if Offer not taken Up	Approximate % post Offer
Shareholder 1	50,000,000	1.15%	1,250,000	50,000,000	1.03%
Shareholder 2	25,000,000	0.58%	625,000	25,000,000	0.51%
Shareholder 3	10,000,000	0.17%	187,000	10,000,000	0.15%
Shareholder 4	1,000,000	0.05%	50,000	1,000,000	0.04%
Shareholder 5	100,000	0.01%	6,250	100,000	0.01%

Notes:

1. This is based on a share capital of 866,404,031 Shares at the date of this Offer Document.

3.10 Directors Interests and Participation

Each Director's relevant interest in the securities of the Company at the date of this Offer Document and their Entitlement is set out in the table below.

Director	Shares	Voting Power (%)	Entitlement	\$
Toby Hicks	9,002,965	1.04%	1,125,371	\$52,892
Greg Dooley	1,773,601	0.20%	221,700	\$10,420
Peter Rubinstein	37,847,777	4.37%	4,730,972	\$222,356
Davide Bosio	Nil	Nil	Nil	Nil

3.11 Effect of the Offer on control and voting power in the Company

As at the date of this Offer Document, the Company does not have any Shareholder who holds a voting power in the Company equal to or greater than 5%.

The potential effect that the issue of the Shares under the Offer will have on the control of the Company is as follows:

- (a) if all Eligible Shareholders take up their Entitlements under the Offer, the issue of Shares under the Offer will have no effect on the control of the Company and all Shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible Shareholders being unable to participate in the Offer;
- (b) in the more likely event that there is a Shortfall, Eligible Shareholders who do not subscribe for their full Entitlement of Shares under the Offer and ineligible Shareholders unable to participate in the Offer will be diluted relative to those Shareholders who subscribe for some or all of their Entitlement as shown by the table in section 3.9; and
- (c) in respect of any Shortfall, Eligible Shareholders will be entitled to top-up their shareholding, by subscribing for Additional Shares to be issued from the shortfall pool (**Shortfall Offer**). However, the Company will only issue such Shares pursuant to an application received where the Directors are satisfied, in their discretion, that the issue of the Shares will not increase the applicant's voting power above 19.90%. Having regard to the number of Shares to be issued under the Offer, even if a substantial shortfall eventuated, a participant in the Shortfall Offer would not be in a position to exercise any substantive control in the Company.

3.12 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of release of this Offer Document and the respective dates of those sales were:

	(\$)	Date
Highest	0.072	12 November 2024
Lowest	0.0335	4 October 2024
Last	0.055	18 December 2024

3.13 Opening and Closing Dates

The Offer opens on the Opening Date, being 31 December 2024, and closes on the Closing Date, being 5:00pm (WST) on 24 January 2025 (or such other dates as the Directors in their discretion shall determine subject to the ASX Listing Rules). The Company will accept Entitlement and Acceptance Forms until the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the ASX Listing Rules.

3.14 Issue and dispatch

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and the indicative timetable set out in Section 3.3 of this Offer Document. Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis.

Pending the issue of the Shares or payment of refunds pursuant to this Offer Document, all Application monies will be held by the share registry in trust for the Applicants in a separate bank account as required by the Corporations Act. The

Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest by completing and returning the Entitlement and Acceptance Form.

The expected dates for issue of New Shares offered by this Offer Document and dispatch of holding statements is expected to occur on the dates specified in the Timetable set out in Section 3.3 of this Offer Document.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

3.15 ASX listing

Application for official quotation by ASX of the New Shares offered pursuant to this Offer Document will be made.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

3.16 CHESS

The Company is a participant in Clearing House Electronic Sub-Register System (**CHESS**), for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.17 Risk Factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are non-exhaustive. Please refer to Section 5 of this Offer Document for further details.

3.18 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

3.19 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX and, as such, the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price of value of its securities.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for Shares under the Offer. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from its website www.digitalx.com or the ASX www.asx.com.au.

Additionally, the Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. These reports are released to ASX and published on the Company's and the ASX websites.

This Offer Document (including the Entitlement and Acceptance Form) and the contracts that arise from acceptance of the Applications are governed by the laws applicable in Western Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of Western Australia.

3.20 Enquiries concerning Offer Document

Enquiries relating to this Offer Document should be directed to the Company at info@digitalx.com.

4. ACTION REQUIRED BY SHAREHOLDERS

4.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document. You may participate in the Offer as follows:

Option	Key Considerations	For more information
Take up all of your Entitlement	Should you wish to accept all of your Entitlement, then your application for Shares under this Offer Document must be made by following the instructions on the personalised Entitlement and Acceptance Form which accompanies this Offer Document. Please read the instructions carefully. Payment can be made by the methods set out in Sections 4.2 and 4.3. As set out in Section 4.5, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.	Sections 4.2, 4.3 and 4.5.
Take up a proportion of your Entitlement and allow the balance to lapse	If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which accompanies this Offer Document for the number of Shares you wish to take up and making payment using the methods set out in Sections 4.2 and 4.3 below. As set out in Section 4.5, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.	Sections 4.2, 4.3 and 4.5
Allow all or part of your Entitlement to lapse	If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Offer to you will lapse.	N/A

The Offer is non-renounceable. Accordingly, a holder of Shares may not sell or transfer all or part of their Entitlement.

4.2 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and

- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 2:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

4.3 Payment by Electronic Funds Transfer (overseas applicants)

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies.

4.4 No payment by Cheque

Payment by cheque or cash will not be accepted.

4.5 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Offer Document and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the Application may not be varied or withdrawn except as required by law.

4.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Offer Document and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.047 being the price at which Shares have been offered under the Offer.

No Applicant under the Shortfall Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shortfall Shares by Directors in consultation with the Lead Manager will be influenced by the following factors:

- (a) number of shares bid for by particular Applicants;
- (b) the timeliness of the bid by particular Applicants;
- (c) the size and type of funds under management of particular Applicants;
- (d) overall anticipated level of demand under the Offer;
- (e) the likelihood that particular Applicants will:
 - (i) be long-term Shareholders;
 - (ii) support the Company's share price post the Offer by purchasing Shares on-market;
 - (iii) support future funding rounds if and when required; and
- (f) any factors other than those described above that the Company and its brokers consider appropriate.

Allocations under the Shortfall Offer will also be managed to ensure that no Shareholder goes above the 20% threshold imposed by section 606 of the Corporations Act.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for. Similarly, no Shares will be issued via the Shortfall Offer to any related parties of the Company.

5. RISK FACTORS

5.1 Introduction

The Shares offered under this Offer Document should be considered speculative because of the nature of the Company's business.

There are numerous risk factors involved with the Company's business. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade.

The following is a summary of the more material matters to be considered. However, this summary is not exhaustive and potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisors before deciding whether to apply for the New Shares.

5.2 Key investment risks

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. Prospective investors should read this Offer Document in its entirety before deciding whether to apply for Shares under this Offer Document.

These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Offer Document.

(a) Price risk of digital assets

The Company and its subsidiaries hold digital assets as a balance sheet asset and manages digital assets on behalf of clients through the funds management business. Price volatility of digital assets may cause impact to the Company's performance. Price volatility is inherent to the digital asset markets. The Company's position has been as a long-term holder of Bitcoin but as the market has begun to mature the Company has started to diversify into other digital asset holdings such as Ethereum and Solana. The Company will, during periods of heightened volatility, review its core positions from an acquisition or divestment perspective.

In addition to this, the Company's funds managers will review the holdings monthly as part of the investment committee process and limits exposure to any one asset to 40% in line with the investment memorandum.

(b) Safeguarding of digital assets

Due to the emerging nature of digital assets, there is a heightened risk around the security and management of access to digital assets. The Company and the funds both utilise a best-in-class custodian (Bitgo) to manage the security and management of digital assets with the objective to maximise the amount held in cold storage.

The custodian also maintains its own insurance policy over digital asset balances which proportionally covers digital assets held in cold storage.

(c) **Blockchain technology**

Blockchain technology is a new and nascent technology that continues to evolve from a technological perspective. The Company's funds and product development business both utilise blockchain technology. The Company mitigates this risk through a number of different mechanisms such as, hiring staff experienced in digital assets and blockchain technology and supporting ongoing training and development, rigorous deployment processes for products and due diligence and testing on new blockchain technology service providers such as custodians, wallets, exchanges and smart contracting languages.

(d) **Regulatory regime around digital assets**

Where applicable, the Company maintains an Australian Financial Services Licence authorisations for dealing in digital assets and has done so since 2018. The Company continues to monitor ongoing changes in legislation for impacts on the business. Most recently, the Company responded to the Treasury Consultation paper on Crypto Asset Secondary Service Providers.

During the prior year, as part of the ongoing evolution and uplift in risk practices, the Company also implemented a fortnightly financial service compliance meeting, in addition to its quarterly review, and appointed a Chief Risk Officer.

(e) **Impact of climate**

The Company's current environmental impact is primarily through its physical office locations, travel and technology infrastructure and has limited exposure to physical assets such as plant, machinery and equipment. However, the environmental impact of digital assets continues to be a complex and evolving matter.

(f) **Business continuity and cyber**

As a technology business focussed on digital assets business continuity with respect to cyber and IT are an increasing risk in the current environment with the ongoing adoption of remote working and adoption of software as a service for key business applications.

The Company seeks to adopt appropriate cyber risk policies, utilise best available cyber security measures for a company of its nature and ensure that staff have appropriate training to avoid cyber security incidents.

5.3 General Risks

(a) **Additional requirements for capital**

The funds raised under the Offer are considered sufficient to meet the current proposed objectives of the Company. Additional funding may be required in the event future costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

The Company may seek to raise further funds through equity or debt financing, joint ventures or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of its research and development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(b) **General economic conditions**

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.

(c) **Equity market conditions**

Securities listed on the stock market can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally (particularly Australian, United States of America and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(d) **Change in government policy and legislation**

Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Company, and consequent returns to investors. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

(e) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(f) **Economic conditions and other global and national issues**

General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.

General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.

5.4 Investment Speculative

The above list of risk factors should not be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Offer Document. Therefore, the Shares to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Offer Document.

6. DEFINED TERMS

\$ or A\$ means an Australian dollar.

Additional Shares means those New Shares not issued under the Offer.

Applicant refers to a person who submits an Entitlement and Acceptance Form, or submits a payment of subscription monies in respect of the Offer.

Application refers to the submission of an Entitlement and Acceptance Form.

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the Listing Rules of the ASX.

Closing Date means the closing date set out in Section 3.3 or such other date as may be determined by the Directors.

Company means DigitalX Limited (ACN 009 575 035).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date whose registered address is in Australia or New Zealand.

Entitlement means the entitlement to subscribe for 1 New Share for every 8 Shares held by an Eligible Shareholder on the Record Date.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

Lead Manager means Plutus Capital Advisory, an authorised representative of Cove Capital Pty Ltd (AFSR 001294968).

New Share means a new Share proposed to be issued pursuant to this Offer.

Offer or **Rights Issue** means the pro rata non-renounceable offer of New Shares at an issue price of \$0.047 each on the basis of 1 New Share for every 8 Shares held on the Record Date subscribed for pursuant to this Offer Document.

Offer Document means this Offer Document.

Opening Date means the opening date set out in Section 3.3 of this Offer Document.

Placement means the placement of up to 219,148,936 Shares at \$0.047 per Share to raise approximately \$10.3 million (before costs) as announced by the Company on 18 December 2024.

Performance Rights means a performance right that can convert into Shares subject to satisfaction of the vesting conditions.

Record Date means the record date set out in Section 3.3 of this Offer Document.

Section means a section of this Offer Document.

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall means those Shares under the Offer not applied for by Shareholders under their Entitlement.

Shortfall Offer means as defined in Section 4.6 of this Offer Document.

US Person means a person who receives the Offer when they are located in the United States of America.