

**ASX ANNOUNCEMENT 13 NOVEMBER 2023**

## **DIGITALX CREATES STRATEGIC PARTNERSHIP WITH 3IQ AND K2AM AIMING FOR ASX-LISTED SPOT BITCOIN ETF**

DigitalX Limited (ASX: DCC, OTCQB: DGGXF) (“DigitalX”, “the Company”) is pleased to announce it has entered into a strategic partnership in the form of a non-binding Memorandum of Understanding (“MoU”) with Canadian-regulated digital asset fund manager 3iQ to work on the distribution of its digital asset investments products and to investigate and undertake the work to launch a spot Bitcoin ETF on the ASX.

DigitalX is also working alongside ASX-listed K2 Asset Management (“K2AM”) to act as the Responsible Entity for the ETF, leveraging its many years of experience in managing ASX-listed ETFs, compliance systems and Australian financial services licence requirements.

Following ongoing discussions, DigitalX and 3iQ have identified the desire to work together to develop and distribute their digital asset investment solutions in Australia and internationally. The first collaborative project planned is a Bitcoin-based ETF, with the intention that this would be listed on the ASX. Noting that the MOU is non-binding and may not result in any binding agreement and relationships between the parties, the MoU is the result of a substantive level of discussion and goodwill generated between the parties seeking to deliver this exciting opportunity. DigitalX notes that no application has been made to ASX for the listing of the ETF, and ASX has not indicated its approval of any such product, however, entry into the MoU enables DigitalX and 3iQ, together with K2AM to combine their relative expertise to work on this new product offering. In addition, the MOU enables DigitalX and 3iQ to leverage each other's digital asset investment expertise and global distribution networks for its existing products, as well as collaborate on future fund product development.

### **Why a Bitcoin ETF?**

A Bitcoin ETF will provide a simple, liquid and regulated structure for investors to gain exposure to the emerging digital asset sector without the requirement of a digital wallet. The Bitcoin ETF utilises a trusted, traditional fund structure, allowing investors to safely gain digital asset exposure for their diversified investment portfolios.

In the United States, applications for spot Bitcoin ETFs have been lodged recently by BlackRock, Fidelity and several other traditional financial institutions. The anticipated approval of one or more of these products has helped to drive renewed investor interest in Bitcoin, which has been a top-performing asset class over the past decade.

## About the parties

3iQ is a global leader in digital asset investment with a track record for innovation and was one of the first native digital asset managers globally. Founded by investment industry veteran Fred Pye in 2012, the firm established the first publicly traded Bitcoin fund in North America on the Toronto Stock Exchange (TSX) in 2020, and more recently, introduced the world's first Ether staking ETF in October 2023.

K2 Asset Management is an Australian diversified financial services firm with three core pillars: funds management; responsible entity and trustee service; and exchange-traded funds (ETFs). Established in 1992, K2 is the main operating subsidiary of K2 Asset Management Holdings Pty Ltd, which is listed on the Australian Securities Exchange (ASX: KAM) with almost \$4 billion of assets under management.

**DigitalX CEO Lisa Wade** said: *“In relative terms, digital asset markets are still in their infancy. The emergence of products such as the spot Bitcoin ETFs proposed for the US and the one that we are seeking to launch on the ASX with 3iQ and K2 is an important evolutionary step and will ensure that it is easier for investors to gain exposure to digital assets via traditional investment channels with traditional compliance and regulatory oversight. Like DigitalX, 3iQ has a proud record as a pioneer in digital asset investment in its country of origin, which makes it an ideal partner in this venture. Partnering with 3iQ gives us essential global reach while we focus on expanding our local presence in Australia. K2 are experts at ETF structures and are a logical fit for us to develop this market further in Australia with their regulatory expertise.”*

**3iQ Executive Chairman Fred Pye** said: *“We are very excited to announce our partnership with DigitalX to bring digital asset solutions to the Australian market, starting with a Bitcoin ETF targeted to list on the ASX. With its many years of digital asset fund management experience in Australia, DigitalX is an excellent strategic partner for us in expanding our retail and institutional digital asset solutions in Australia.”*

## Memorandum of Understanding

The MoU is a non-binding collaboration between DigitalX and 3iQ to launch ASX-listed digital asset ETFs, targeting Bitcoin as the first fund product.

Under the terms of the MoU, parties will work collaboratively to leverage digital asset investment and operational expertise as well as joint marketing and distribution initiatives. Under the shared value revenue model, management fees (after expenses and rebates) would be split evenly between the two parties.

Other than a non-binding acknowledgement of proposed revenue splits, there are no financial metrics outlined in the MoU and there is presently no confirmed revenues outlined in the MoU. Revenues for DigitalX would come not from 3iQ but from the fees associated with an increase in the funds under DigitalX's management from its fund products and any final revenues agreed in any binding agreement with 3iQ.

-ENDS-

*Authorised by the Board of DigitalX Limited.*

**For further information, please contact:**

**Investor Enquiries**

DigitalX Limited  
Lisa Wade  
Chief Executive Officer

E: [investors@digitalx.com](mailto:investors@digitalx.com)

**Media Enquiries**

GRA Partners  
Luke Forrestal  
Director, Financial Communications  
T: +61 411 479 144

E: [Luke.forrestal@grapartners.com.au](mailto:Luke.forrestal@grapartners.com.au)

---

**About DigitalX Limited (ASX:DCC)**

DigitalX is a technology and investment company focused on growing the blockchain economy through its digital asset funds management business, digital fintech and regtech products, and blockchain ventures.

DigitalX's product team designs and develops blockchain technology applications for business and enterprise organisations.

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 which is supporting listed companies to better manage 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](http://www.digitalx.com) | [www.digitalx.fund](http://www.digitalx.fund) | [www.opendrawbridge.io](http://www.opendrawbridge.io) | [www.sellmyshares.com.au](http://www.sellmyshares.com.au)