

ASX ANNOUNCEMENT

5 September 2016

Placement

DigitalX Limited (ASX: DCC and ‘the Company’) is pleased to advise it has received firm commitments for a capital raising through the issue of 10,580,303 ordinary fully paid shares at \$0.05 per share to raise \$529,015 before costs. This capital raising has been arranged through Merchant Capital Markets Pty Ltd and the entire issue will be purchased by the Merchant Opportunities Fund.

On 25 August 2016 the Company announced that it intended to buy-back a portion of the shares held by entities associated with previous Director, Zhenya Tsvetnenko, for \$0.03 per share with that buy-back to be conditional upon:

- (a) shareholders approving the buy-back; and
- (b) Mr Tsvetnenko’s entities disposing of the remainder of their shares in the Company.

So the transaction does not impact the Company’s working capital, payment for the buy-back was not to occur until the Company had completed a capital raising. DCC will have access to the funding until the buy-back has been approved.

Mr Tsvetnenko’s entities have now disposed of the remainder of the shares they held (see Form 604 lodged by Lydian Enterprises dated 25 August 2016), and the Company is in the process of preparing the documentation for the shareholder meeting, with the meeting expected to be held around 31 October 2016.

The funds raised under this capital raising now mean that, should shareholders approve the buy-back, the Company has raised the funds for the close out of the transaction.

Managing Director, Alex Karis, stated: “We are pleased to have Merchant Capital Markets Pty Ltd assist with this capital raising in such short time and for taking a substantial stake in the Company. It means we can remove any uncertainty about the Company’s need for this capital raising, and ensures that we can completely close out the buy-back in quick time should it be approved, so that the Company can look forward and focus on the ongoing development and roll-out of our products in a timely fashion. Importantly, the capital raising has been completed at a price above the buy-back price, which is a positive for all remaining shareholders.”

Completion of the placement and the issue of the shares is expected to occur early this week. Merchant Capital Markets Pty Ltd will be paid a fee of 5% of the funds raised.

-ENDS-

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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.