

9 December 2016

Dear Shareholder,

Invitation to Participate in Share Purchase Plan

On 28 November 2016, DigitalX Ltd (ACN 009 575 035) (**DCC or the Company**) announced that it had received commitments to raise approximately \$1.622 million under a placement through the issue of 32,440,000 Shares at \$0.05 per Share (**Placement**) together with an intention to undertake a share purchase plan to raise up to another \$1 million at the same price and on the same terms as the Placement. Director Leigh Travers has committed, subject to shareholder approval, to participate in the Placement up to \$25,000. The Placement was substantially completed on 8 December 2016.

DCC is now pleased to provide details of its Share Purchase Plan (**Plan**). Under the Plan, DCC is giving Eligible Shareholders the opportunity to purchase up to \$15,000 worth of fully paid ordinary shares in the Company at the same price as the Placement, being \$0.05, irrespective of the size of their shareholding, without incurring brokerage or transaction costs.

The offer under the Plan (**Offer**) will raise up to \$1 million on the terms and conditions (**Terms and Conditions**) contained in this letter (**Announcement**). In conjunction with the Placement, this will provide the Company with additional funds of approximately \$2.62 million (assuming Shareholders approve the participation in the Placement of the above-mentioned Director). The Company is in the process of negotiating with various parties to underwrite the Offer and will make any disclosure regarding the underwriting if and when able.

Shareholders Eligible to Participate in the Plan

The right to participate under the Plan is optional and is available exclusively to shareholders who were registered as holders of Shares on the Record Date of 25 November 2016 and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Share Purchase Plan

The Plan entitles Eligible Shareholders, irrespective of the size of their shareholding, to purchase up to \$15,000 worth of Shares priced at a discount of 17.31% to the volume weighted average market price (**VWAP**) for the Shares over the last 5 days on which sales in the shares were recorded before the day on which the issue was announced (**Price**). This Price is the same price as Shares were offered to sophisticated and professional investors under the Placement.

The VWAP of Shares traded on the ASX during the 5 trading days immediately prior to the announcement date of the Offer was \$0.06.

Whilst DCC intends to raise \$1 million, DCC may accept additional applications subject to shareholder demand. However, the maximum number of Shares to be issued is limited by the Australian Securities Exchange (**ASX**) Listing Rules to a maximum of 66,443,965 Shares, being 30% of DCC's share capital.

DCC may, in its absolute discretion, undertake a scaleback so that not more than 30% of that number of Shares already on issue, are issued under the Plan. Scaleback decisions are made by the Board and are final.

An outline of the Plan is set out in this letter and the enclosed Terms and Conditions. An application form for the Plan (**Application Form**) and reply paid envelope are included in this package.

Entitlement to Participate in Option Issue

As set out in the announcement on 28 November 2016, the Company intends to seek the approval of Shareholders for the issue of Options, exercisable at \$0.08 on or before the date that is 12 months from issue to participants in the Placement.

The Company also intends to seek approval to enable Eligible Shareholders who participate in the SPP to also receive Options on the same terms as those Options being issued under the Placement.

The issue of these Options will occur after the closing of the SPP and only after Shareholder approval is received for the issue of those Options.

Current Activities

Details of DCC's current activities are set out in the announcements made by DCC to the ASX and are available from the ASX, or DCC's website at www.digitalx.com.

The funds raised under the Plan (and the Placement) will be used to:

- continue the Company's marketing activities through its partner network and targeted online channels;
- continue the integration of AirPocket with the Company's partnered money transfer partners; and
- meet the Company's general working capital requirements.

How much can you invest?

Eligible Shareholders may each apply for a maximum of \$15,000 worth of Shares under the Plan.

Subscription and Application Procedure

If you would like to participate in the Offer, you can either:

- complete the enclosed Application Form and send it together with your payment by cheque made payable to "DigitalX Ltd" and drawn in Australian currency for the correct amount, to the Company's share registry at:

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001

to be received by the share registry no later than 4.00pm (Western Standard Time) on the **Closing Date of 23 December 2016**. No late applications will be accepted; or

- make a BPAY^{®1} payment from your cheque or savings account by using the Biller Code and Reference Number shown on your Application Form which is required to identify your holding. If you have multiple holdings you will have multiple BPAY Reference Numbers. To ensure you receive your Shares under the Offer in respect of that holding you must use the specific Biller Code and Reference Number shown on each personalised Application Form when paying for any Shares that you may wish to apply for in respect of that holding.

If you inadvertently use the same Reference Number for more than one of your applications, you will be deemed to have applied only for that application to which that Reference Number applies and any excess amount will be refunded. **If you make your payment using BPAY[®] you do not need to return your Application Form.** New Zealand holders will not be able to make a payment using BPAY[®]. Payments made by BPAY[®] received after 4.00pm (Western Standard Time) on 23 December 2016 will not be accepted. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY does not exceed your limit.

Applicants should not forward cash and direct bank transfers are not permitted.

Eligible Shareholders may participate by selecting only one of the following offers to purchase Shares under the Plan:

	Total amount payable	Number of Shares which may be purchased
Offer A	\$15,000	300,000
Offer B	\$10,000	200,000
Offer C	\$5,000	100,000
Offer D	\$2,500	50,000
Offer E	\$1,000	20,000

Once an application has been made it cannot be revoked. All valid applications shall be deemed accepted if received before the **Closing Date of 23 December 2016**. If the exact amount of money is not tendered with your application, DCC reserves the right to either:

- return your Application Form and/or payment and not allot any Shares to you; or
- allot to you the number of Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you by cheque as soon as possible, without interest.

The maximum investment any shareholder may apply for will remain \$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account). It is the responsibility of the applicant to ensure that the aggregate of the application price paid for the Shares the subject of the application and any other shares and interests in the class

¹ [®] Registered to BPAY Pty Ltd, ABN 69 079 137 518

applied for by you under the Plan or any similar arrangement in the 12 months prior to the date of submission does not exceed \$15,000.

Custodians and Nominees

Eligible Shareholders who hold Shares as Custodian or Nominee (**Custodian**) for one or more persons on the Record Date (**Beneficiary**) may apply for up to a maximum amount of A\$15,000 worth of Shares in respect of each Beneficiary who is resident in Australia or New Zealand, subject to providing a Custodian Certificate to DCC, as described in the Terms and Conditions enclosed with this letter. Please refer to the Terms and Conditions for more details.

Acceptance of Risk Factors

On the last trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on ASX was \$0.06. The market price of Shares in DCC may rise and fall between the date of the Offer and the date that any Shares are issued to you as a result of your application under this Offer.

By making an application under this Offer and applying for Shares under the Plan, each Eligible Shareholder will be acknowledging that although the purchase Price is at a discount, Shares are a speculative investment and the price of Shares on ASX may change between the date of DCC announcing its intention to make an Offer and the date of issue of Shares under that Offer and that the value of the Shares received under the Plan may rise or fall accordingly.

The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in DCC prior to making an application under this Offer.

Additional Information and Important Dates

The offer of Shares under the Plan is made in accordance with ASIC Class Order 09/425 and therefore does not require a prospectus for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth).

The Offer cannot be transferred and the Directors of DCC reserve the right in their absolute discretion to reject, or scale back, on an equitable basis, any application. Shares allotted under the Plan will be issued no later than 10 business days after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The maximum amount proposed to be raised under the Offer is \$1 million. DCC, however, reserves absolute discretion regarding the final amount raised under the Plan, subject to the ASX Listing Rules.

In the event of oversubscription by the Closing Date the Directors may, in their absolute discretion, scale-back applications on an equitable basis. Scale-back for Shares held by Custodians will be applied at the level of the underlying Beneficiary. Directors may also, in their absolute discretion, decide to increase acceptances in the event of oversubscriptions.

If DCC rejects or scales-back an application or purported application, DCC will promptly return to the shareholder the relevant application monies, without interest.

Foreign offer restrictions

This document may not be released or distributed in any country other than Australia and New Zealand. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

New Zealand Shareholders

The Shares offered under the Plan are not being offered or sold to the public within New Zealand other than to existing shareholders of DCC with registered addresses in New Zealand and to whom the Offer is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Shortfall Placement

In the event that less than \$1,000,000 is applied for, the full amount of the shortfall may be placed at the discretion of the Board subject to compliance with the necessary legal requirements.

Indicative Timetable

Record Date for Share Purchase Plan	25 November 2016
Announce Share Purchase Plan	28 November 2016
Section 708A "Cleansing Notice" lodged with ASX	8 December 2016
Dispatch Share Purchase Plan booklet to shareholders and release Offer Letter on the ASX	12 December 2016
Share Purchase Plan Opens	12 December 2016
Closing date for Share Purchase Plan	23 December 2016
Lodge Appendix 3B, Issue of new shares under the Share Purchase Plan	5 January 2017
Quotation on ASX of new shares under the Share Purchase Plan	5 January 2017

These dates are indicative only. DCC may vary the dates and times of the Offer without notice. Accordingly, shareholders are encouraged to submit their Entitlement and Acceptance Forms as early as possible.

Should you wish to discuss any information contained in this letter further, do not hesitate to contact DCC's CEO, Leigh Travers at leigh@digitalx.com or by phone on 0439 376 847.

Yours faithfully

A handwritten signature in black ink, consisting of the letters 'LDT' followed by a large, sweeping flourish that loops back under the letters.

Leigh Travers
Managing Director and CEO
DigitalX Ltd

DIGITALX LTD**ACN 009 575 035****Shareholder Share Purchase Plan - Terms and Conditions****Purpose**

The purpose of the Shareholder Share Purchase Plan (**the Plan**), which will be conducted in conjunction with the Placement, is to offer shareholders of DigitalX Ltd (**DCC or the Company**) the opportunity to acquire additional fully paid ordinary shares in DCC (**DCC Shares**) up to a maximum of \$15,000 (when combined with any shares issued under any share purchase plan in the 12 months preceding the date of the Plan). The issue price under the Plan will be at a discount of 17.31% to the volume weighted average market price for DCC Shares over the last 5 days on which sales in the shares were recorded on the financial market operated by ASX Limited (**ASX**) before the day on which the issue was announced. DCC Shares will also be issued without the need to pay brokerage costs and without the need for DCC to issue a Prospectus. The Plan is governed upon such terms and conditions as the Board of Directors of DCC, in its absolute discretion, sees fit.

Shareholders Eligible to Participate

Holders of DCC's Shares that are registered with an Australian or New Zealand address at the relevant record date are eligible shareholders (**Eligible Shareholders**) and may participate in the Plan, unless such registered shareholder holds shares on behalf of another person who resides outside Australia or New Zealand. Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these Terms and Conditions. Offers made under the Plan are non-renounceable (i.e. Eligible Shareholders may not transfer their rights to any DCC Shares offered under the Plan). Eligible Shareholders who wish to take up DCC Shares issued under the Plan agree to be bound by DCC's constitution in respect of DCC Shares issued under the Plan.

An offer may, at the discretion of the directors of DCC (**Directors**), be made under the Plan once a year. The maximum amount which any shareholder may subscribe for in any consecutive 12 month period is \$15,000. The Directors may also determine in their discretion the minimum amount for participation, the multiple of Company Shares to be offered under the Plan and the period the offer is available to Eligible Shareholders.

Custodians, trustees and nominees

If you are an Eligible Shareholder and hold DCC Shares as a custodian (as defined in ASIC Class Order [CO 09/425] (refer below) (**Custodian**) or in any more specific ASIC relief granted to DCC in relation to the Plan), you may apply for up to the maximum of new Shares for each beneficiary for whom you act as custodian provided you annexe to your Application Form a certificate to DCC (**Custodian Certificate**) with the following information:

- that you held DCC Shares on behalf of one or more other persons who are resident in Australia or New Zealand (each a **Participating Beneficiary**) at 25 November 2016 who have subsequently instructed you to apply for Shares under the Plan on their behalf;
- the number of Participating Beneficiaries and their names and addresses;

- the number of Shares that you hold on behalf of each Participating Beneficiary;
- the dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another custodian, to apply for on their behalf;
- that the application price for Shares applied under the Offer for each Participating Beneficiary for whom you act plus the application price for any other DCC Shares issued to you as custodian for that Participating Beneficiary under any arrangement similar to the Plan in the prior 12 months does not exceed \$15,000;
- that a copy of the written offer document was given to each beneficiary; and
- where you hold shares on behalf of a beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed custodian.

For the purposes of ASIC Class Order [CO 09/425] you are a 'custodian' if you are a registered holder that:

- holds an Australian financial services licence that allows you to perform custodian or depositary services or operate IDPS accounts;
- is exempt under:
 - (i) paragraph 7.6.01(1)(k) of the *Corporations Regulations 2001* (the **Regulations**); or
 - (ia) paragraph 7.6.01(1)(na) of the Regulations; or
 - (ii) ASIC Class Order CO 14/1000 or ASIC Class Order CO 14/1001; or
 - (iia) ASIC Class Orders CO 03/1099, CO 03/1100, CO 03/1101, CO 03/1102, CO 04/829 or CO 04/1313; or
 - (iib) an individual instrument of relief granted by ASIC to the person in terms similar to one of the class orders referred to in subparagraph (xx); or
 - (iii) paragraph 911A(2)(h) of the Act;

from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service; or

- is a trustee of a self managed superannuation fund;
- is a trustee of superannuation master trusts;
- is a responsible entity of IDPS like schemes; or
- is noted on DCC's register of members as holding the shares on account of another person.

If you hold DCC Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate and if you would like further information on how to apply, you should contact Computershare Investor Services Pty Limited at any time from 8.30am to 5.00pm (Perth time) Monday to Friday during the Offer period.

DCC reserves the right to reject any application for DCC Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. DCC reserves the right to reject applications in accordance with these Terms and Conditions.

Price of DCC Shares

The price of DCC Shares to be issued under the Plan will be at a discount of 17.31% of the volume weighted average market price for the shares over the last 5 days on which sales in the shares were recorded before the day on which the issue was announced.

Applications and Notices

At the discretion of the Directors, DCC will send Eligible Shareholders a letter of offer and acceptance procedures, inviting them to subscribe for DCC Shares under the Plan, and accompanied by these Terms and Conditions of the Plan and an Application Form. Applications will not be accepted after the closing date of the offer. Over subscriptions to an offer may be refunded without interest.

Notices and statements made by DCC to participants may be given in any manner prescribed by its Constitution.

Placement of Shortfall

Any shortfall from the Offer may be placed at the discretion of the Directors.

Issue of DCC Shares

DCC Shares to be issued under the Plan will be issued as soon as reasonably practicable after the Closing Date specified by the Directors of DCC in the relevant offer.

DCC Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in DCC from the date of issue.

Shareholding statements or CHESS notification will be issued in respect of all DCC Shares issued under the Plan. DCC will, promptly after the issue of DCC Shares under the Plan, make application for those DCC Shares to be listed for quotation on the official list of ASX.

Modification and Termination of the Plan

DCC may modify or terminate the Plan at any time. DCC will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, DCC may issue to any person fewer Company Shares than the person applied for under the Plan if the issue of DCC Shares applied for would contravene any applicable law or the Listing Rules of ASX.

Raising Amount and Scale back

DCC seeks to raise approximately \$1 million. However the maximum number of Shares that can be issued is 66,443,965 and DCC reserves absolute discretion regarding the final amount raised under the Plan.

In the event of an oversubscription by the closing date the Directors may, in their absolute discretion, scale-back all applications on an equitable basis. If DCC rejects or scales-back

an application or purported application, DCC will promptly return to the shareholder the relevant application monies, without interest.

Dispute Resolution

DCC may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or DCC Shares. The decision of DCC in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

DCC reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of DCC under these conditions may be exercised by the Directors of DCC or any delegate of the Directors of DCC.

Questions and Contact Details

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser.

digital



Digitalx Ltd
ABN 59 009 575 035

For all enquiries:

Phone:




DigitalX Ltd +61 8 9322 1587
+61 439 376 847

Make your payment:



See overleaf for details of the Offer and how to make your payment

Share Purchase Plan Application Form

 **Your payment must be received by 4:00pm (WST) Friday 23 December 2016**

This is an important document that requires your immediate attention.

It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

By making payment you agree to be bound by the Constitution of DigitalX Ltd and that the submission of this payment constitutes an irrevocable offer by you to subscribe for DigitalX Ltd shares on the terms of the Share Purchase Plan (SPP).

In addition, by making payment you certify that the aggregate of the application price paid by you for:

- the New Shares the subject of the payment slip overleaf; and
- any other shares and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of the payment, does not exceed \$15,000.

DigitalX Ltd may make determinations in any manner it thinks fit, in relation to any difficulties which may arise in connection with the SPP whether generally or in relation to any participant or application.

Any determinations by DigitalX Ltd will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. DigitalX Ltd reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions or to suspend or terminate the SPP at any time. Any such amendment, suspension or termination will be binding on all Eligible Shareholders even where DigitalX Ltd does not notify you of that event.

Step 1: Registration Name & Offer Details

Details of the shareholding and the Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

Your payment must correspond to one of the options detailed overleaf. You may choose one option only. Note that the amount chosen may be subject to scale back in accordance with the terms of the SPP.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "DigitalX Ltd" and cross "Not Negotiable". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

DigitalX Ltd Share Purchase Plan Application Form
Payment must be received by 4:00pm (WST) Friday 23 December 2016


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Turn over for details of the Offer →

Share Purchase Plan Application Form

STEP 1

Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name:

Entitlement No:

Offer Details:

Record date:

25 November 2016

Minimum value
available to purchase:

\$1,000

Maximum value
available to purchase:

\$15,000

STEP 2

Make Your Payment



Bill Code: 344028
Ref No:

Pay by Mail:



Make your cheque, bank draft or money order payable to "DigitalX Ltd" and cross "Not Negotiable".

Return your cheque with the below payment slip to:

Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Contact your financial institution to make your payment from your cheque or savings account.

Lodgement of Acceptance

If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 4:00pm (WST) Friday 23 December 2016. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor DigitalX Ltd accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 4:00pm (WST) Friday 23 December 2016. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor DigitalX Ltd accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here

Purchase Details for DigitalX Ltd (choose one option)

- \$15,000 worth of securities OR \$10,000 worth of securities OR \$5,000 worth of securities
 \$2,500 worth of securities OR \$1,000 worth of securities

Entitlement No:

Payment must be received by

Contact Details

Contact
Name

Daytime

Telephone

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$