

ASX ANNOUNCEMENT

12 December 2017

DigitalX to provide digital currency liquidity

Perth, 12 December, 2017: DigitalX Ltd (ASX:DCC) is pleased to announce that it is returning to the cryptocurrency market place as a market maker on approved cryptocurrency exchanges.

DigitalX is now extremely well capitalised to re-ignite this business arm, with more than AUD\$18m in liquid assets comprised of over \$5m cash at bank, over \$10m in Bitcoin and approximately \$2m in Ether, Power Ledger (POWR) and Etherparty (FUEL). DigitalX announced on 31 October 2017, in the September 2017 Quarterly Report, holdings of approximately AUD\$4.3m comprised of \$1.5m cash and \$2.8m in Bitcoin and Ether.

The Board of DigitalX has initially approved the use of up to AUD\$1 million for the provision of market making services. DCC has begun a risk assessment of potential cryptocurrency exchanges, with a particular focus on the Australian marketplace in which to conduct its activities. The Company will also utilise arbitrage trading to take advantage of mispricing across the approved exchanges. On an initial basis, the AUD\$1m allocated is considered sufficient to make markets on digital currency exchanges.

Market making will involve providing liquidity to both sides of the cryptocurrency market while maintaining a small new open position in the asset being traded. DigitalX will maintain bid and ask limit orders below and above the spot price. These orders are regularly cancelled and updated as the spot price changes. This strategy is expected to produce best results for DigitalX when price volatility is high. DigitalX does not require an Australian Financial Services License (AFSL) to buy and sell the Company's digital currency on digital currency exchanges under the current regime.

DigitalX's market making operations will be overseen by the key management involved in prior trading operations and with the relevant expertise including Leigh Travers, Neel Krishnan and Mike Segal with biographies listed at www.digitalx.com/team.

"DigitalX has a strong track record dating back to 2014 as one of the leading liquidity providers in the Bitcoin marketplace, supplying wholesale Bitcoin liquidity to exchanges, commercial operators and institutions" said DigitalX CEO Leigh Travers.

"We wound down our trading desk last year due to a lack of funding, however, our strong financial position, together with the appreciation in the value of Bitcoin, has allowed us to reignite this service," said Mr Travers.

In relation to Australian cryptocurrency exchanges, DigitalX is pleased to see the further legitimacy of the Bitcoin and cryptocurrency industry with the *Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2017 (Cth)*, also known as Australia's "Bitcoin bill", being successfully passed through both Houses of Parliament. This new regulation will see these businesses operating with a similar compliance model to banks. DigitalX is pleased to be at the forefront of this development and expects further positive developments in the marketplace including stable, commercial relationships with banks and strong consumer protections for customers of digital currency businesses, which will include DigitalX.

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About DigitalX

DigitalX is positioned as the leading publicly listed ICO corporate advisory firm globally. DigitalX is based out of Perth and New York and provides ICO advisory services, Blockchain consulting services and software development. DigitalX's partners can use DigitalX's Blockchain technology expertise to deliver innovative products to global markets.