



DigitalCC Limited

Innovative Digital Currency Solutions

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ASX Code: DCC

Trading as digitalBTC

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ASX & MEDIA ANNOUNCEMENT

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digitalBTC Market Update – Bitcoin Mining and Trading Operations

Digital CC Limited (trading as digitalBTC) (ASX: DCC) (the “Company”), is pleased to provide an update on the recent business activities of the Company in its Bitcoin mining and trading operations to the end of 31 May 2014.

Highlights

- **digitalBTC mining operations have earned in excess of 2,600 bitcoins in May**
- **Total bitcoins earned from mining now exceeds 5,100**
- **Bitcoin price rallied strongly during May from US\$430 to now trading at ~US\$640 per bitcoin on major international exchanges**
- **Bitcoins routinely converted into US Dollars and Australian Dollars**
- **Second instalment of state of the art BitFury Group mining hardware commenced operations mid-May resulting in a 4x increase in mining capacity**
- **Trading desk operations generated a return of 34% from funds invested up to 31 May 2014**
- **digitalBTC continues development of Bitcoin retail consumer product line, as Apple Inc opens up App Store to approved virtual currencies**
- **Company expects to be relisted on ASX in coming days**

Overview

Bitcoin mining is the term used to describe the process of earning new bitcoins, which can then be converted to any major currency. The process involves using powerful, cutting edge computer technology to provide a service to the Bitcoin network of verifying Bitcoin transactions. New bitcoins are created and assigned by the Bitcoin network to the providers of verification services, such as digitalBTC. With digitalBTC now one of the largest Bitcoin miners, revenue from these activities has been strong.

As well as staying at the forefront of technology, through partnerships with suppliers such as BitFury (refer ASX announcement 3 April 2014), digitalBTC continues to liquidate a portion of its hardware with those proceeds funding the purchase of new advanced bitcoin mining hardware. The technology used in bitcoin mining is rapidly evolving and digitalBTC’s business model is to ensure we stay at the forefront of mining technology and utilise the most advanced hardware.

digitalBTC’s trading desk trades digital currencies such as Bitcoin, through major internationally recognised exchanges using specialised strategies which include arbitrage, buying long positions, selling short positions, futures contracts and market making.

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The current Bitcoin market price is approximately US\$640 for 1 bitcoin (ref. Coin Desk Bitcoin Price Index at www.coindesk.com/price).

Positive Returns Continue From Bitcoin Operations

As previously announced, the implementation of the first two instalments of BitFury Bitcoin mining hardware enabled digitalBTC to substantially increase Bitcoin mining operations. digitalBTC's mining operations to date have earned in excess of 5,100 bitcoins following the first deployment of BitFury mining hardware on 20 March 2014.

The second instalment of BitFury mining hardware has quadrupled the dedicated Bitcoin mining capacity of digitalBTC, which is now one of the largest Bitcoin miners in the world.

When bitcoins are earned from the mining operations, digitalBTC's trading desk regularly liquidates bitcoins into traditional currency in the form of US dollars across major digital currency exchanges. In addition, the trading desk also engages in specialised strategies which include arbitrage, buying long positions, selling short positions, futures contracts and market making operations. This has generated additional positive returns on bitcoin operations of 34% up to 31 May 2014.

Application Development

digitalBTC's more significant value creation opportunity in the long term lies in the retail, mobile focussed products currently in development. These remain on track for launch in the second half of the year. digitalBTC will focus on both security and an "easy to use" approach for the applications, capitalising on the rapidly increasing demand for simple digital currency applications as they continue to grow.

Significantly on this front, Apple Inc. has recently revised its App Store review guidelines with Apps using certain approved virtual currencies now permitted within the store. This move will open up both the iPhone and iPad devices for digital currency applications, moving it on par with android based (e.g. Samsung Galaxy) devices.

digitalBTC's Executive Chairman, Mr Zhenya Tsvetnenko, said that the Bitcoin operational figures for May again showed good results.

"We are now one of the largest Bitcoin miners in the world, and benefiting greatly from our strong partnerships with our supplier BitFury. Our Bitcoin operations in general continue to provide excellent returns, and position us well to support our future development activities in the digital currency sector," said Mr Tsvetnenko.

"We are of course building towards the initial deployment of our consumer focussed applications, which form a major part of our company's future," said Mr Tsvetnenko.

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