

Chairman's Address to 2016 Annual General Meeting 30 November 2016

DigitalX listed on ASX in 2014 as the world's first publicly listed Bitcoin mining and trading company. Although Bitcoin mining was ultimately determined to be too expensive to be a viable business, the knowledge gained in understanding Bitcoin, other digital currencies and in particular the Blockchain enabled DigitalX to pivot towards developing world leading transfer technologies utilising the Blockchain, one of the most exciting opportunities in the digital world today.

Despite this excitement, the last 6 months have been a tumultuous period for the Company, commencing with the announcement of the immediate resignation of the Company's founding Chairman in late July and culminating with the announcement of the changes to the Board announced on Monday and the appointment of the Company's new CEO, Leigh Travers and appointment of new President heading the US operations, Neel Krishnan.

Perhaps the most frustrating element however to these events is that in the background, the Company has continued to develop and build a class leading product, its AirPocket mobile app, a world first international bill pay and cash transfer application utilising patent-pending Blockchain technology.

AirPocket has been available in the United States and Latin America for the past 5 months as a mobile 'top up' application, enabling users in the United States to pay their Latin American friends and family's prepaid phone accounts. However this is just the start of AirPocket's utility.

Your Company expects in early 2017 to release the update to AirPocket to enable users to transfer money across borders instantaneously and cheaper than existing banking systems allow. In areas that are traditionally 'under banked' this ability is very attractive. This remittance feature has underpinned the Company's recently announced partnership with Uniteller. Uniteller is a subsidiary of one of the largest financial groups in Mexico and Latin America with over 40,000 payout locations for international payment processing. Uniteller are already working on integrating AirPocket into their financial infrastructure, to enable money transfers from the USA into Latin America in the first quarter of 2017. Importantly, this launch will see DigitalX start to generate revenue from AirPocket.

In addition to this crucial highlight, milestones over this year include the Global Patent filing for 'AirID', a new method for creating and storing people's Digital ID and transactions on a Blockchain and just last week, DigitalX was named in the top 12 companies in the Deloitte Technology Fast 50 for Australia in 2016 recognising Australia's fastest growing technology companies.

The takeaway from these developments is that it is time for the focus to be on the product and not on matters of past management. In this regard, the appointment of Leigh Travers as CEO is an exciting move. Although young in age, Leigh has extensive industry experience with Blockchain technology, as Vice Chairman for the ADCA, Australia's industry body for Blockchain companies. He has also recently returned from 6 months of living in the US, where he was able to get to know, work with and learn from our highly talented development team. DigitalX is an Australian company, with a predominantly Australian shareholder base, and so having an Australian based CEO is seen as vitally important.

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However, no successful team is built on one individual. Neel Krishnan is referred to me as the genius behind AirPocket and has been a vital employee in the development of the Company's products. The combination of Leigh and Neel, together with a strong technical team provides what we believe is the right foundations to lead the Company in its push for the release of AirPocket.

Around these capable individuals, we are continuing to build a group of advisers and mentors with significant industry experience. Mr Faisal Khan was appointed as a non-executive Director just last month, and Mr Angel Lorente, a US based financial markets Executive with strong connections into Latin America has agreed to be an advisory board member. We continue to talk with other suitably qualified persons who we believe could add value and strengthen the leadership team moving forward, and will make announcements as and when able.

These changes should not be seen as completely jettisoning the past. We are seeing today the last of the founding Directors move on from DigitalX, with the recent resignation of Mr Alex Karis and the upcoming retirement after this Annual General Meeting of Bill Brindise. Both men have played a large role in the history of the Company to this point, Bill in relation to the Bitcoin trading business of the Company over the past two and half years, and Alex in his role as Chief Executive Officer. We thank both men for their contributions. We are pleased to be able to confirm that Alex Karis has agreed to remain engaged with the company for the next 6 months, to assist in the transition to the new management of the Company.

The time is right for DigitalX to progress forward with a stable management structure, surrounded by a group of qualified advisers, support from the Company's major shareholders and a product that is both exciting and revolutionary. No new technology is immune from bumps, and managing those setbacks in the context of being an ASX listed entity presents its challenges, but the solid belief in what our product can be and the means and relationships to implement that belief give solid reason to believe that the coming 12 months can be an exciting period for your Company, DigitalX.

Toby Hicks
Acting Chair