

CONFIDENTIAL PRIVATE PLACEMENT OFFERING MEMORANDUM

NON-U.S. PERSONS ONLY



DCX Tokens

December 15, 2018

DecentraX, a Wyoming corporation, (“**DCX**” or the “**Company**”) is in the process of building its own high-speed DecentraX blockchain (“**DCX Network**”) from the ground up by designing the proprietary hardware that runs the network around blockchain needs. Specifically, DCX’s custom “Minmaster Chips” are designed around processing hashing algorithms to effectively allow for increased Transactions Per Second (“**TPS**”). DCX seeks to provide a blockchain product based on hardware and software solutions specifically tailored to deliver high performance in a broad range of blockchain use cases. Among the goals of the DCX team will be to meet and exceed 1,000,000 TPS on the DCX Network, which we anticipate to grow with each new project that is adopted therein, starting with the DecentraX decentralized exchange (“**DCX Exchange**”) that will aim to resolve ease of use and liquidity problems seen with the options currently available to the market. DCX Tokens will act as the gas of the DCX Exchange, as every trade or “swap” that occurs will be paid for in DCX Tokens. The DecentraX team believes that decentralized trading is the future and will provide investors a viable alternative to centralized cryptocurrency exchanges.

This Confidential Private Placement Offering Memorandum (this “**Memorandum**”) has been prepared by DecentraX solely for use by prospective purchasers to whom DecentraX is offering (the “**Offering**”) the opportunity to purchase DCX Tokens, pursuant to a Token Purchase Agreement (the “**DCX Tokens**”), for use on the DCX Network and its associated applications (the DCX Network together with the DCX Exchange and any other such associated applications collectively referred to as the “**DCX Platform**”). Unless the context requires otherwise, in this Memorandum the terms “**we**,” “**us**,” and “**our**” also refer to any of DecentraX’s affiliates and/or subsidiaries, and all dollar (\$) amounts set forth herein refer to United States dollars. The DCX Token, upon full launch of the DCX Network and following a token swap, is anticipated to function as a utility token, and does not represent any ownership, equity, or economic interest in DecentraX, the DCX Platform, or its products or services. However, purchasers in this Offering will be entitled to one non-voting common equity share (each a “**Common Share**” or “**Token Class Share**”) of the Company for each DCX Token purchased.

The offering period will expire on the earlier to occur of: (i) the date on which the entirety of the 12,000,000 DCX Tokens allocated to the Presale and Public Sale has been sold or (ii) December 15, 2019.

Purchasing DCX Tokens may involve a high degree of risk. See “**Risk Factors**”.

Each recipient hereof acknowledges and agrees that the information herein constitutes proprietary and confidential information of DecentraX that may only be used to consider whether to purchase DCX Tokens.

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Memorandum constitute “forward-looking information” under applicable securities laws. In some cases, these forward-looking statements can be identified by words or phrases such as “may”, “will”, “expect”, “anticipate”, “aim”, “estimate”, “intend”, “plan”, “seek”, “believe”, “potential”, “continue”, “is/are likely to” or the negative of such terms, or other similar expressions intended to identify forward-looking statements. Forward-looking statements are provided to allow potential purchasers of the DCX Tokens (the DCX Tokens together with the Common Shares comprising the “Securities”) the opportunity to understand the Company’s beliefs and opinions in respect of the future, including forward-looking statements related to the Company’s proposed operating model. The forward-looking statements are not guarantees of future performance, and undue reliance should not be placed on them. Forward-looking statements are based on certain assumptions and analysis made by the Company in light of its experience and perception of historical trends, current conditions, and expected future developments and other factors it believes are appropriate. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual future results, performance, or achievements of funds, cryptocurrencies, or the Company to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These factors include, but are not limited to: (a) changes in political, social, economic, and cryptocurrency market conditions, and the regulatory environment in the jurisdictions in which the Company conducts its businesses and operations; (b) the risk that the Company may be unable or execute or implement its business strategies and future plans; (c) changes in exchange rates of fiat currencies and cryptocurrencies; (d) changes in the anticipated growth strategies and expected internal growth of the Company; (e) changes in the future capital needs of the Company and the availability of financing and capital to fund such needs; (f) war or acts of terrorism; (g) occurrences of catastrophic events, natural disasters, and acts of God that affect the businesses and operations of the Company; (h) other factors beyond the control of the Company; and (i) any risk and uncertainties associated with the Company and its business and operations, the Securities, and the underlying assets. Although forward-looking statements contained herein are based upon what the Company believes are reasonable assumptions, forward-looking statements may prove to be inaccurate, as actual results and future events may differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or the Company’s estimates or opinions should change, except as required by applicable laws.

We urge you to carefully review this Memorandum, particularly the section entitled “RISK FACTORS” herein for a more complete discussion of the risks of purchasing Securities. Although DecentraX believes that the expectations reflected in the forward-looking statements are reasonable, DecentraX cannot make guarantees with respect to the Securities, future investments, results and returns on investments, level of activity, performance or achievements. Many factors discussed in this Memorandum, some of which are beyond DecentraX’s control, will be important in determining the future performance of DecentraX, the Securities, as well as the DCX Platform. Consequently, actual results may differ materially from those that might be anticipated from forward-looking statements. In light of these and other uncertainties, you should not regard the inclusion of a forward-looking statement in this Memorandum as a representation by DecentraX that its plans and objectives will be achieved, and you should not place undue reliance on such forward-looking statements. DecentraX does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

THIS OFFERING IS LIMITED SOLELY TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (“**REGULATION S**” AND THE “**SECURITIES ACT**”)) WHO ARE NOT PURCHASING FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON. ONLY PERSONS OF ADEQUATE FINANCIAL MEANS WHO HAVE NO NEED FOR LIQUIDITY WITH RESPECT TO THIS INVESTMENT SHOULD CONSIDER PURCHASING THE SECURITIES OFFERED HEREBY.

CERTAIN IMPORTANT NOTICES & TRANSFER RESTRICTIONS

This Memorandum is furnished for the purpose of providing certain information about a prospective purchase of Securities. This Memorandum and the Token Purchase Agreement (available at www.decentrax.io), are to be used by the person to whom those have been delivered solely in connection with the consideration of the purchase of the Securities described herein. All recipients agree that they will use this Memorandum for the sole purpose of evaluating a possible purchase of Securities. Acceptance of the DCX Tokens by prospective purchasers constitutes an agreement to be bound by the terms of both this Memorandum and the Token Purchase Agreement.

This Memorandum contains a summary of the Securities and certain other documents referred to herein. However, these summaries do not purport to be complete and are subject to and qualified in their entirety by reference to the actual text of the relevant document (such as the Token Purchase Agreement and whitepaper), which are not incorporated herein by reference, and copies of which are available at www.decentrax.io. In the event that descriptions in or terms of this Memorandum are inconsistent with or contrary to the description in or terms of such other documents, such other documents shall control. DecentraX reserves the right to modify the terms of the DCX Token offering described in this Memorandum, and the Securities are offered subject to DecentraX's ability to reject any commitment in whole or in part.

This Memorandum is not a prospectus and does not purport in any manner to contain sufficient information a reasonable purchaser may require to form an investment decision. This Memorandum shall not be relied upon solely in relation to, and shall not be taken solely as the basis for, an investment decision.

Prior to purchasing Securities, a prospective purchaser should consult with its own legal, financial, tax, accounting, and other advisors regarding the applicable limitations on purchasers who are eligible to purchase it and that restrict its resale or other transfer; the income and other tax consequences of acquiring, holding and disposing of the Securities and the other potential consequences of acquiring them. Purchasers should carefully consider whether purchasing Securities is suitable in relation to their financial situation and goals.

No person has been authorized to make any statement concerning DecentraX or the sale of the DCX Tokens discussed herein other than as set forth in this Memorandum, and any such statements, if made, must not be relied upon. Purchasers should make their own investigations and evaluations of the Securities, including the merits and risks of a purchasing thereof.

DCX Token purchase amounts are denominated in \$USD and payable in Ethereum (“**Ether**” or “**ETH**”). Digital currencies such as ETH are subject to fluctuation in exchange valuations. Such fluctuations may have an adverse effect on the price or value of DCX Tokens.

THE SECURITIES WILL BE OFFERED AND SOLD TO QUALIFYING RECIPIENTS OF THIS MEMORANDUM PURSUANT TO THE EXEMPTION OR EXCLUSION FROM THE REGISTRATION REQUIREMENTS OF APPLICABLE SECURITIES LAWS. PURCHASERS SHALL INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS AND TAX CONSEQUENCES WITHIN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE, DOMICILE AND PLACE OF BUSINESS WITH RESPECT TO THE ACQUISITION, POSSESSION, OR DISPOSAL OF SECURITIES, AND ANY FOREIGN EXCHANGE RESTRICTIONS THAT MAY BE RELEVANT THERETO PRIOR TO THE PURCHASE OF ANY SECURITIES.

UNDER THIS MEMORANDUM, THE SECURITIES MAY ONLY BE OFFERED, SOLD, OR OTHERWISE TRANSFERRED TO U.S. NON-PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) IN AN OFFSHORE TRANSACTION (AS DEFINED IN

REGULATION S). ACCORDINGLY, THE OFFERING UNDER THIS MEMORANDUM IS NOT BEING MADE IN THE UNITED STATES OR TO U.S. PERSONS AND THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER, OR AN INVITATION TO APPLY FOR, OR AN OFFER OR INVITATION TO PURCHASE OR SUBSCRIBE FOR SECURITIES IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

NOTWITHSTANDING THE FOREGOING, CONCURRENTLY WITH THE OFFERING UNDER THIS MEMORANDUM, THE COMPANY IS ALSO CONDUCTING AN OFFERING TO U.S. PERSONS WHO ARE ACCREDITED INVESTORS (AS DEFINED IN RULE 501(A) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT) INSIDE OF THE UNITED STATES UNDER RULE 506(C) OF THE SECURITIES ACT.

ANY PERSON WHO PURCHASES OR ACQUIRES SECURITIES UNDER THIS OFFERING WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED, BY ACCEPTING DELIVERY OF THIS MEMORANDUM OR DELIVERY OF THE SECURITIES, THAT IT IS NOT A PERSON AND THAT IT IS SUBSCRIBING OR ACQUIRING THE SECURITIES IN COMPLIANCE WITH RULE 903 OF REGULATION S IN AN “OFFSHORE TRANSACTION” AS DEFINED IN REGULATION S. ANY PERSON IN THE UNITED STATES OR ANY U.S. PERSON WHO OBTAINS A COPY OF THIS MEMORANDUM IS REQUIRED TO DISREGARD IT.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR INVITATION TO PURCHASE ANY EQUITY OR OTHER DIRECT INTERESTS IN DECENTRAX. EACH DCX TOKEN DOES NOT REPRESENT OR QUALIFY AS EQUITY OR OTHER DIRECT INTERESTS IN DECENTRAX OR ITS AFFILIATES AND DOES NOT GRANT ANY EQUITY OR VOTING RIGHTS IN, OR CLAIMS AGAINST, DECENTRAX OR ITS AFFILIATES. FURTHERMORE, A DCX TOKEN IS NOT, AND DOES NOT REPRESENT OR QUALIFY AS, A FUND UNIT OR STRUCTURED PRODUCT.

YOU MUST MAKE YOUR OWN DECISION WHETHER THE SECURITIES MEET YOUR INVESTMENT OBJECTIVES AND RISK TOLERANCE LEVEL. NO GOVERNMENTAL AUTHORITY OF ANY COUNTRY HAS REVIEWED, APPROVED, DISAPPROVED, ENDORSED, OR RECOMMENDED THE OFFERING, SALE, OR ISSUANCE OF THE SECURITIES. THE SECURITIES HAVE NOT BEEN, AND SHALL NOT BE, REGISTERED WITH ANY GOVERNMENTAL AUTHORITY OF ANY COUNTRY. THE DCX TOKENS ARE BEING OFFERED AND SOLD ONLY IN JURISDICTIONS WHERE SUCH REGISTRATION OR QUALIFICATION IS NOT REQUIRED, INCLUDING PURSUANT TO APPLICABLE EXCEPTIONS OR EXEMPTIONS THAT GENERALLY LIMIT THE PURCHASERS WHO ARE ELIGIBLE TO PURCHASE THE SECURITIES AND THAT RESTRICT ITS RESALE. THE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER APPLICABLE SECURITIES LAWS.

YOU ARE REQUIRED TO INFORM YOURSELF ABOUT AND TO OBSERVE ANY AND ALL LEGAL RESTRICTIONS IN YOUR JURISDICTION RELATING TO THIS OFFERING OF SECURITIES AND ANY RELATED DOCUMENTS AND COMMUNICATIONS. YOU MUST COMPLY WITH ALL APPLICABLE LAWS IN CONNECTION WITH ANY OFFER, SALE, OR TRANSFER OF THE SECURITIES.

PROSPECTIVE PURCHASERS MUST BEAR IN MIND THAT PAST OR PROJECTED PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS, AND THERE CAN BE NO ASSURANCE THAT DECENTRAX WILL ACHIEVE DESIRABLE RESULTS OR THAT TARGETED RETURNS WILL BE MET. LOSSES WILL LIKELY OCCUR. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR INVITATION TO PURCHASE OR OTHERWISE SUBSCRIBE FOR INTERESTS IN DECENTRAX OR ITS PRODUCTS OR SERVICES.

COMPANY OVERVIEW

DecentraX is building the DCX Network from the ground up by designing the proprietary hardware that runs the network around blockchain needs. Overwhelmingly, blockchains have been built on top of existing hardware that was not necessarily designed to effectively serve the needs of a scaling blockchain environment. DCX's proprietary "Minmaster Chips" are designed with optimal blockchain performance in mind, with a particular focus on processing hashing algorithms to effectively allow for increased TPS. The goal for the DCX team will be to meet and exceed 1,000,000 TPS on the DCX Network. In sum, DecentraX aims to resolve scalability and network speed challenges by using custom made ASIC chips and hardware masternodes.

The DCX Platform will grow out with each new project that is adopted into the DCX Network, starting with the DCX Exchange that will aim to resolve ease-of-use and liquidity problems seen with the options currently available to the market. DCX Tokens will act as the gas of the exchange, as every swap that occurs will be paid for in DCX Tokens. The DecentraX team believes that decentralized trading is the future and will free projects and investors from the limitations and security risks observed in the context of centralized exchanges.

DCX Tokens will also act as the gas for the entire DCX Network as it scales out. Node runners will be required to stake a specific amount of DCX Tokens. New networks that want to transition on the DCX Network will need to stake DCX Tokens for each masternode they incorporate on their network. DCX Tokens will be essential for the participation in, and in the growth of, the DCX Network.

Looking to the future, DecentraX hopes to adopt projects and teams to add easy-to-use Decentralized Apps (DApps), secure storage, secure transmissions, immutable contracts, and content. DecentraX aims to resolve mass-adoption problems seen by every current blockchain project and create a network that allows everyone to participate even with the most basic understanding of blockchain technologies and use.

Summary of Problems the DCX Platform Seeks to Address

- Slow Transaction Speeds - In today's market, we have seen the limiting speeds of current networks with the addition of just one popular blockchain-based game or spike in transactions.
- Issues with Network Structure - While most networks run off of cloud servers, or existing hardware, they span out to allow nodes across the world. DCX believes this is not the best way to approach the problem of scaling.
- Issues with Centralized Exchanges - Centralized exchanges do not allow the users to own their assets during deposit or trade. Only after a withdrawal has processed does the user gain access back to their private keys. By creating a decentralized order book and utilizing atomic swaps, users will always maintain ownership of their assets.

Summary of Solutions DCX Proposes

- Compute and Logic - Creating a network of custom built ASIC hardware with Minmaster chips that are specifically designed around hashing transactions, servers that are capable of automated precise scheduling, allowing trusted and reliable users outside of the network to pool and validate transactions, DecentraX creates a scalable network that increases in speed as it increases in size.
- Atomic Swaps - By creating wallets for both mobile and desktop that will connect each user to a network order book, all tokens held in the DecentraX wallets can be swapped cross chain with each other. This means users can store multiple cryptocurrencies and trade them at any time without losing ownership of their private keys.

Summary of the DCX Products and Business Model

Overall, DecentraX aims to create a sustainable network for its users, investors, and developers through the implementation of the below listed planned offerings. In each case, the offering and products will also be providing utility for the DCX Token. DecentraX, among other things, seeks to provide the ability to create decentralized projects, similar to the Ethereum network, but will also allow for ERC20 based projects an easy and efficient way to move their existing and growing projects off the Ethereum network and on to the DCX Network.

- Decentralized Exchange and Wallet Services - Through the development of the DCX Exchange, DecentraX will provide exchange revenue for investors by network fees that are taken out of every atomic swap. Network fees are paid in DCX Tokens which are then converted into BTC or ETH on the open market.
- Hardware (Masternodes) - DecentraX will sell Masternodes to network node runners and BTC or other ASIC miners. The programmable boards, customizable for mining, staking, or both, will also allow other networks to switch from “Proof-of-Work” (POW) to “Proof-of-Stake” (POS), creating an affordable path for network upgrades. The sale and distribution of custom built Masternodes will allow for new networks to run off the DCX Network.
- Enterprise Blockchain Services - DecentraX will provide custom networks to large and small businesses. Smaller businesses can run their blockchain needs directly on the DCX Network while larger corporations can finance their own custom DecentraX blockchain. By offering them their own network and nodes, it is anticipated that blockchain services may be provided to a variety of sectors by such as automotive, transportation, IP, secure file storage, banking, ticketing, streaming, and many more.
- Mining - DecentraX anticipates that 50% of the DCX Network will be utilized for mining BTC and other SHA256 or ASIC compliant coins while the DCX Network is being established to help with funding and network growth. The custom hardware and programmable boards allow for over 500% more energy efficiency at 1000% the hashing power of industry standards like the S9.

DCX Token Economics

DecentraX plans to develop the detailed token economics over the next several months to make sure there is a necessary balance between supply and demand for DCX Tokens. No assurances can be given that we will be successful in achieving a balance between supply and demand for DCX Tokens.

Token Offering & Distribution

The current planned token sale and distribution is as follows:

DCX TOKEN PLANNED ALLOCATION		
Category	Tokens	Portion
Presale	1,000,000	4%
Public Sale (Main ICO)	11,000,000	44%
Development	6,000,000	24%
Staking Rewards	6,000,000	24%
Marketing	500,000	2%
Staff (existing & new)	500,000	2%
Total	25,000,000	100%

Public Sale (Main ICO)

The Public Sale is expected to last for a period approximately 4 months, and no event will the total duration be longer than 12 months from the date of commencement of the Public Sale. Upon commencement of the Public Sale, DCX Tokens will be initially be offered at \$1.00 per DCX Token in the first round until the supply of DCX Tokens allocated for such round has been completely sold out. Once the allocated number of DCX Tokens for a particular round of the Public Sale has been completely sold out, the subsequent round will immediately commence and DCX Tokens will be sold at the price associated with that round. The minimum amount for investment during the Public Sale will be set at \$1,000, subject to any subsequent changes at the sole discretion of the Company. There is no preset time limit for each round. The DCX Token Public Sale rounds will proceed as follows:

Round	DCX Tokens Available	Price* (\$USD per DCX Token)
One	1,250,000	\$1.00
Two	1,500,000	\$1.50
Three	1,750,000	\$1.75
Four	2,000,000	\$2.00
Five	2,000,000	\$2.25
Six	2,500,000	\$2.50

* Price represents the \$USD equivalent of Ether required to purchase 1 token.

KEY MANAGEMENT

Keith Son, Founder and CEO, ASIC Chip Engineer. Keith is an experienced and accomplished executive with long work history in the technical, business, and start-up worlds. He has spent over 25 years focusing on storage technology and has co-founded a couple of companies relating to archiving, including flash technologies.

Minesh Amin – CTO and Software Architect. Minesh holds a PhD in Computer Science from the University of Minnesota. He spent 8 years working at Synopsys, where he helped architect, prototype, implement, and deploy a number of parallel product versions (TetraMAX, TenX, and Primetime DMSA).

GP Singh – Chip Architect. GP has delivered 40+ successful tape outs with microprocessors, ASSP, SOC, and ASIC chips. He has extensive experience with leading engineering teams and has spearheaded the Real Silicon Valley organization. His varied work experience makes him adept at solving high speed and low power consumption semiconductor issues.

DecentraX plans to add a significant amount of executive, marketing and technical staff before the formal network launch.

TERM SHEET

The summary below describes the principal terms relating to the offering of the Securities. Certain of the terms and conditions described below are subject to important limitations and exceptions. Prospective purchasers should review the entirety of the Token Purchase Agreement, available at www.decentrax.io. The summary below does not purport to be complete and is qualified in its entirety by the provisions of the Company's Articles of Incorporation (and any amendments thereto) and by reference to the actual text of the Token Purchase Agreement. Capitalized terms not defined herein shall have the meaning ascribed to such term in the Token Purchase Agreement.

<i>Company:</i>	DecentraX is a corporation formed under the laws of Wyoming on August 23, 2018 (the "Company"). DecentraX is a for-profit U.S. company.
<i>Purchase Eligibility:</i>	To purchase Securities under this Memorandum, each Purchaser must be a non-U.S. Person in an offshore transaction who is not purchasing for the account or benefit of a U.S. Person (as defined under Regulation S under the Securities Act) and who is eligible to purchase Securities under the applicable laws of the Purchaser's jurisdiction.
<i>Concurrent Offering:</i>	DecentraX is also conducting an offering to U.S. persons who are accredited investors (as defined in Rule 501(a) of Regulation D promulgated under the Securities Act) inside of the United States under Rule 506(c) of the Securities Act.
<i>Purchase Price:</i>	In the Public Sale, DCX Tokens will be sold at a price ranging from \$1.00 to \$2.50 per token. The minimum purchase amount in the Public Sale is expected to be approximately \$1,000. The total number of DCX Tokens allocated for sale in this Offering is 12,000,000. We reserve the right to change this amount in our sole discretion.

<p><i>Common Shares to Accompany DCX Tokens:</i></p>	<p>Purchasers in this Offering will also receive Token Class Shares of the Company at a ratio of 1 Token Class Share per DCX Token purchased. The Company’s Token Class consists of 12,000,000 (par value of \$0.0001) shares, which represent the entirety of the Company’s equity allocated to this Offering. The Company has a total of 50,000,000 authorized shares. The remaining 38,000,000 Company shares are assigned a par value of \$0.001 per share. Each Token Class Share provides pro rata equity ownership representing 1/50,000,000 in equity ownership of the Company. The Token Class Shares are non-voting shares without dividends or liquidation rights. In the event of a sale of all or part of the Company, holders of Token Class Shares will be entitled to a pro rata portion of such sale proceeds, subject to the specific terms of such sale and resolutions of the Company’s board of directors. Each DCX purchaser’s interest in Token Class Shares are expected to be recorded in the Company’s internal stock ledger and will be represented in uncertificated form unless a physical certificate is requested, however, the Company reserves the right to alternatively have ownership in such shares represented in token form at any time. Entitlement to Token Class Shares is only applicable to those acquiring DCX Tokens through purchase in this Offering. Since the Token Class Shares are awarded and held separately from the DCX Tokens, any sale or transfer of DCX Tokens will not affect one’s ownership of Token Class Shares, which are subject to the same transfer and resale restrictions as are imposed upon DCX Tokens.</p>
<p><i>Form of Payment for DCX Tokens:</i></p>	<p>Ether, or such other currency or legal tender accepted by the Company, in its sole discretion. The value of the Purchase Amount shall be deemed in U.S. dollars even if the Purchaser pays in Ether, valued at the Applicable Exchange Rate for Ether. “Applicable Exchange Rate” means the applicable exchange rate as of earliest the time the Purchaser both became fully verified and paid for the DCX Tokens, sourced from Coinmarketcap.com or such other reputable reporting service as determined by the Company in its sole discretion, as of such time.</p>
<p><i>Atomic Swap upon DCX Network Launch</i></p>	<p>Shortly following the launch of the DCX Network, your ERC20 Ethereum based DCX Tokens will be swapped to the DCX Network via Atomic Swap technology. It is anticipated this event will occur towards the end of 2019.</p>

<i>Documentation:</i>	Purchase and sale of the DCX Tokens shall be on the terms and conditions set forth in the Token Purchase Agreement, which contains certain representations, warranties and covenants of DecentraX and the purchasers, and other provisions. A Purchaser's identity verification through the links provided on the DecentraX website shall, for purposes of purchasing DCX Tokens, subject the Purchaser to the terms and conditions found in this Memorandum and separate Token Purchase Agreement.
<i>Security Audit:</i>	A respectable provider has performed an independent cybersecurity audit.

RISK FACTORS

You should carefully consider the risks and uncertainties described below and the other information in this Memorandum before deciding whether to purchase DCX Tokens. Additional risks and uncertainties not presently known to DecentraX or that the Company currently deems immaterial may also impair business operations and your investment. If DecentraX fails to satisfactorily address any of the following risks, the Company's business, financial condition or operating results could be harmed.

Risks Related to Our Operations and the DCX Network

We are a pre-revenue, development stage company subject to all the risks and uncertainties of a technology business, including the risk that we may never successfully develop the DCX Network and related applications such as the DCX Exchange as currently envisioned or generate revenues.

We are a pre-revenue company, with limited operations, products, or revenue sources. Additionally, our primary sources of prospective revenue, the DCX Network and planned decentralized exchange, have not yet been completed. Successfully developing and marketing the DCX Network will require significant capital funding, and the expertise, time, and effort of our management and other key employees. We may not raise capital in this offering in amounts adequate to fund the development, maintenance and improvement of the DCX Network. Even if we raise adequate capital, we may not have (and may not be able to obtain) all the technical skills and expertise necessary to develop, maintain and improve the DCX Network. If that is the case, we may be unable to develop the DCX Network as currently envisioned, or at all.

Even if successfully developed, the DCX Network may not attract a sufficient number of potential users to achieve market acceptance to a degree sufficient in order to fund ongoing operations. Success in the marketplace will depend on many factors, including the speed and viability of the DCX Network, our marketing and advertising efforts, the time it takes to fully develop the DCX Network and related digital applications such as the DCX Exchange, the adoption rate of DecentraX technology among members of the blockchain community, the actions of competing platforms and other competitors, local and macroeconomic trends that impact both centralized and decentralized cryptocurrency exchanges generally, and other factors, many of which are beyond our control. If the DCX Network does not attract a sufficient number of users to achieve market acceptance, we may be unable to recoup all or any part of our investment in the DCX Network and you may lose your entire investment.

Additionally, we plan to offer certain capabilities of the DCX Network through mobile access and/or applications, and expect that this will be a significant driver for success of the DCX Network for the foreseeable future. As a result, we expect that we will need to drive adoption of, and user engagement on, our mobile capabilities, and failure to do so may significantly harm our business, financial condition, operations, and prospects.

The prospective success of the DCX Network also relies significantly upon the ability of the DCX team to manufacture the custom Minmaster hardware components. Factors such as delays, cost overruns, design flaws, labor strikes, and tariffs may adversely affect DCX's ability to obtain the final hardware product in a timely manner, and with both the quality and quantity required to launch the DCX Network.

Any of these factors—and others that we cannot currently predict or that are beyond our control—could significantly impact our ability to develop, maintain, and improve the DCX Network and our ability to attract users to the DCX Network and generate revenues.

Investments in startups—such as DecentraX—involve a high degree of risk.

Startup companies, including DecentraX, face significant financial and operating risks. The percentage of startups that ultimately survive and prosper is small. Startups often experience unexpected problems in the areas of product development, manufacturing and logistics, marketing, financing, and general management, among others, which frequently cannot be solved. As a result, you may lose your entire investment.

We do not have sufficient revenue, or cash on hand, to fund our operations and will need to raise additional capital.

We do not yet generate any cash flows from operations and are unable to meet the cash requirements of our proposed operations—including to fund the development of the DCX Network and the related custom hardware—without raising funds. We do not expect to generate enough cash from operations to meet our requirements in the near term. Proceeds raised from funding activities, including this offering of Securities, are required to provide us with funds to meet our business objectives for the foreseeable future. Our ability to successfully develop, launch, maintain, market, and improve the DCX Network and related efforts such as the development of the DCX Exchange will depend, in large part, on our ability to obtain supplemental financing (if necessary) and, ultimately, generate positive cash flow from operations, neither of which is certain. If we are unable to achieve these goals, our business would be jeopardized and we may not be able to continue operations.

Even if we ultimately develop and launch the DCX Network, and successfully bring to market the related custom Minmaster chip hardware, our ability to generate revenues will depend in large part on the number of users using the DCX Network, the viability of the DCX Exchange and the success and adoption rate of other related applications that will comprise the DCX Platform. If we are unable to generate sufficient revenue to cover ongoing operating expenses, we will be unprofitable. This would in turn likely force us to seek alternate methods of financing, which may not be available on reasonable terms or at all.

To the extent we use debt to finance our operations (if at all), we may become bound by significant covenants that could adversely affect our ability to operate our business, our liquidity, and our results of operations. Such covenants could restrict, among other things, our ability to raise additional financing, create liens or pledges on our assets, merger with or acquire other businesses, dispose of assets, or undertake other similar transactions.

We may be unable to successfully compete in the custom blockchain and decentralized exchanges spaces.

There are an increasing number of custom blockchain networks and decentralized exchanges, with the respective competitive landscapes rapidly changing, and we expect competition to intensify further in the future with the emergence of new technologies and market entrants. If we successfully develop the DCX Network, we expect to compete directly with numerous competitors expanding into the decentralized exchange arena, such as Binance. Notwithstanding that DecentraX may build a faster and more reliable product upon which to host a potentially superior decentralized exchange, existing centralized exchanges branching out into the decentralized exchange space having existing brand recognition and may monopolize the space and leave little room for DecentraX to grow its decentralized exchange product. Inevitably, new participants regularly enter the industry or combine with existing participants to expand market share. As DecentraX will be a new participant in the custom blockchain and decentralized exchange arenas, we expect to face significant competition from various companies, many of which are larger and better established, have greater financial, technical and other resources, possess a greater (and longer) market presence than we do, and enjoy existing user bases.

To compete effectively, we expect that we will need to constantly invest resources in product development to enhance user experience and engagement, as well as sales and marketing to expand our base of DCX Token users. However, there can be no assurance that we will be able to establish a critical mass of DCX Token users and/or Masternode runners, in which case the viability and prospective growth of the DCX Network may suffer and potentially devalue the DCX Token.

We are dependent upon key personnel, who have no obligation to stay with us.

Our success depends, in large part, upon the talents and skills of company management and other key ASIC chip development and manufacturing experts, software technicians, and developers. To the extent that any of our key personnel are unable to, or refuse to, continue employment, suitable replacements would need to be found. There can be no assurance that we would be able to find suitable replacements for all or any such personnel, or that suitable personnel could be obtained for an amount that we can afford. Additionally, if the DCX Network is ultimately developed and launched, we expect that we will need to hire additional qualified personnel to operate the business successfully. There can be no assurance that we will be able to attract employees of adequate qualification, or that we would be able to afford such personnel.

The DCX Network may be the target of malicious cyberattacks or may contain exploitable flaws in its underlying code, which may result in security breaches.

The structural foundation, open-source protocol, software application and other interfaces or applications expected to form part of the DCX Network are still under development and are unproven. As such, there can be no assurances that the DCX Network will be fully secure at launch or any other time. Any failure to prevent or mitigate security breaches could expose us to the risk of loss or misuse of digital assets, which could result in potential liability and litigation.

Computer viruses, break-ins, malware, social engineering (including spear phishing attacks), attempts to overload servers with denial-of-service or other attacks, and similar disruptions from unauthorized use of computer systems have affected online and blockchain based enterprises. We expect that such attacks may occur on our systems, potentially before we have successfully developed and launched the DCX Network. User accounts and information could also be hacked, hijacked, altered or otherwise claimed or controlled by unauthorized persons. A security breach will likely result in negative publicity, damage our reputation, and other losses.

Cyberattacks will continue to evolve in sophistication and volume, and inherently may be difficult to detect for long periods of time. The techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently, often are not recognized until launched against a target or long after, and may originate from less regulated and more remote areas around the world. As a result, any preventative measures we adopt may prove inadequate. Even if we experience no significant shutdown or no critical data is lost, obtained or misused in connection with an attack, the occurrence of such attack, or the perception that we are vulnerable to such attacks, may harm our reputation.

Any or all of these issues could negatively impact our ability to attract new users, deter current users from returning to our platform, cause existing or potential advertisers to cancel their contracts or subject us to third-party lawsuits or other liabilities.

Failure to protect or enforce our intellectual property rights could harm our business and results of operations.

Protection of our trade secrets, copyrights, trademarks, patent rights, and domain names will be

very important to our success. To be successful, we must build, maintain, protect, and enhance the “DecentraX” brand. We have sought, or intend to seek, registration of our domain names, trademarks, and service marks in the United States and intend to do so in the future in certain jurisdictions abroad. Although we may pursue patent applications in the future, we currently have no patent or copyright protection for the DCX Network or other aspects of our business, which may make it more difficult to assert intellectual property rights. Instead, we will largely seek to protect our intellectual property rights by relying on federal, state and common law rights, as well as contractual restrictions. Although we may from time to time enter into confidentiality and invention assignment agreements with our employees and contractors, as well as confidentiality agreements with parties with whom we conduct business in order to limit access to, and disclosure and use of, our proprietary information, such contractual arrangements and other steps taken to protect our intellectual property may not prevent the misappropriation or disclosure of proprietary information or deter independent development of similar technologies by others.

Effective trade secret, copyright, trademark, patent, and domain name protection is expensive to develop and maintain, both in terms of initial and ongoing registration requirements and expenses and the costs of defending our rights. Seeking protection for our intellectual property, and in particular any patent rights with respect to our Minmaster chip and related technology, is an expensive process and may not be successful, and we may not do so in every location in which we operate.

The process of obtaining patent protection is expensive and time consuming, and, even if we seek such protection in the future, we may not be able to prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. Even if issued, there can be no assurance that patents we seek (if any) will adequately protect our intellectual property, as the legal standards relating to the validity, enforceability and scope of protection of patent and other intellectual property rights are uncertain. Litigation may become necessary to enforce our patent or other intellectual property rights, protect our trade secrets or determine the validity and scope of proprietary rights claimed by others. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could adversely affect our business and operating results.

The DCX Exchange will rely significantly on the continued viability of Atomic Swap technology.

Though not essential to the DCX Network itself, the functionality of the DCX Exchange will rely significantly on the Atomic Swap technology. Atomic Swap is a unique cryptographic smart contract technology facilitating the exchange of one cryptocurrency for another without the use of centralized exchanges. Atomic swaps can take place directly between blockchains of different cryptocurrencies or they can be conducted off the main blockchain.

In order for the DCX Exchange product to function as currently planned, with users being able to trade various cryptocurrencies among one another on a purely peer-to-peer basis without the use of a centralized intermediary, Atomic Swap technology must remain viable. Further, the continued success of the DCX Exchange product rests on the assumption that Atomic Swap technology will scale along with any corresponding increase in the activity and overall use of the DCX Exchange. To the extent that Atomic Swap technology becomes vulnerable to cyberattacks or other threats, or otherwise becomes subject to other events resulting in adverse consequences affecting the performance, security or continued viability of Atomic Swap technology, the DCX Exchange and its users would likely also be adversely affected.

Risks associated with the Ethereum protocol prior to the DCX Network launch.

Until such time as the DCX Network is launched, the DCX Tokens will exist on the Ethereum network. Our ability to use the Ethereum network for purposes of pre-DCX Network launch activities relating to the DCX Tokens will depend on the availability of the Ethereum network. Any malfunction,

breakdown or abandonment of the Ethereum protocol may result in the loss of or inability to transfer DCX Tokens should any such malfunction occur prior to the DCX Network launch and eventual Atomic Swap of DCX Tokens to the DCX Network. The Ethereum network is prone to periodic congestion during which transactions could be delayed or lost. Individuals may also intentionally spam the Ethereum network in an attempt to gain an advantage in purchasing cryptographic tokens. That may result in a situation where block producers may not include an investor's transaction at the time such investor expects, or an investor's transaction may not be included at all. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks by undermining or vitiating the cryptographic consensus mechanism that underpins the Ethereum protocol. Also, legislatures and regulatory agencies could prohibit the use of current and/or future cryptographic protocols which could adversely impact the ability to transfer DCX Tokens, resulting in a significant loss of value of DCX Tokens.

The Ethereum blockchain is susceptible to mining attacks, including double-spend attacks, majority mining power attacks, "selfish-mining" attacks, and race condition attacks, as well as other new forms of attack that may be created. Any successful attacks present a risk to DCX Tokens, expected proper execution and sequencing of DCX Tokens, and expected proper execution and sequencing of Ethereum contract computations in general. Mining attacks may also target other blockchain networks with which DCX Tokens interact, which may consequently significantly impact DCX Tokens. No person, business, governmental authority or other entity or authority has any obligation to provide financial, technical or other support to the continued operation or development of blockchain technology. Consequently, if the Ethereum network becomes unavailable (or its current form and functionality changes in a way that limits our ability to use the network to support the Ethereum platform), we would need to see out a different network, which may adversely affect our reputation, business and operations.

Changes in the political, social, regulatory, and economic environment in the United States affecting companies relying on blockchain technology or cryptocurrency markets may adversely impact our business and operations.

For the short-to-medium term, we expect that the majority of our operations will be conducted in the United States. As such, our ability to develop, plan and operate the DCX Network will depend in large part on the political, social, regulatory, and economic environment in the United States, particularly as it impacts companies relying on blockchain technology or cryptocurrency markets. Each of these are subject to change—which may be significant—due to factors beyond our control. Such changes may happen rapidly and may have an adverse effect on our business and operations.

Risks Related to an Investment in the Securities

The Securities are restricted, and there is not yet a market for such securities.

An investment in the Securities is a long-term investment. Investors who do not wish, or who are not financially able, to hold the Securities a significant and indefinite period of time should not purchase Securities. Specifically, the Securities may not be transferred without prior consent of the Company, which consent we may withhold or grant in our sole discretion for any reason, or no reason at all. Additionally, the Securities currently constitute "restricted securities" (as defined under Rule 144 of the Securities Act of 1933) and may not be transferred absent registration under the Securities Act and the securities laws of any applicable state or foreign jurisdiction or pursuant to a valid exemption from such registration (such as Rule 144 and Rule 904 under the Securities Act). We have no obligation to register transfers of Securities absent our receipt of a legal opinion confirming the availability of registration exemptions under all applicable federal, state and foreign securities laws. No immediate market exists for the Securities and, as a result of the above factors and other matters, such market will likely take time to develop.

The investment returns you realize, if any, will depend on various factors, many of which are outside of the Company's control.

The Securities are highly speculative and any return on an investment in the Securities is contingent upon numerous circumstances, many of which (including legal and regulatory conditions) are beyond our control. The difference in investment return you realize, if any, may be significantly different depending on whether you receive a discount on your DCX Tokens and the eventual price at which you sell.

Our management may have broad discretion over the use of the net proceeds from this offering.

At present, the net proceeds of the DCX Token sale are expected to be used for general corporate purposes, including the development, maintenance and ongoing improvement of the DCX Network, marketing to expand use of the DCX Network by potential users, and related legal, accounting and other professional expenses. The failure by our management to apply these funds effectively could have a material adverse effect on the Company, the DCX Platform and the value of the DCX Tokens.

There are risks and uncertainties related to the tax and accounting treatment of DCX Tokens.

The tax characterization of the DCX Tokens is uncertain, and each purchaser must seek their own tax advice in connection with an investment in the DCX Tokens. An investment in the DCX Tokens may result in adverse U.S. federal and other tax consequences to purchasers, including withholding taxes, income taxes and tax reporting requirements associated with your purchase of the DCX Tokens. See "Certain United States Federal Income Tax Consequences," herein. Each purchaser should consult with, and must rely upon the advice of their own professional tax advisors with respect to, the U.S. and non-U.S. tax treatment of an investment in the DCX Tokens.

The tax characterization of the DCX Tokens also affects the Company's tax liability in connection with the offering. In addition, the accounting consequences are uncertain, and there is a possibility that the proceeds of the offering might be treated as a liability rather than assets for accounting purposes, which would reduce our net book value compared to asset treatment.

Because of the shifting regulatory environment, it is uncertain what tax and accounting treatment or classification DCX Tokens will have in various jurisdictions. For example, DecentraX does not intend that DCX Tokens be swapped to the DCX Network until such time as DCX Tokens have adequate utility on the DCX Network such that they are not deemed to be securities, but there is no clear guidance as to when that moment will exist. If such conversion is determined to result in the issuance of securities (rather than DecentraX assets), our securities, tax, accounting and other positions may be incorrect. This uncertainty may, for example, impact our ability to obtain financial audits, or result in unanticipated tax liabilities to us when we transact in DCX Tokens in our inventory or when to you when you transact in DCX Tokens. Each potential user, purchaser, and holder of DCX Tokens is urged to consult with, and must rely solely upon the advice of, its own legal and financial and tax advisors with respect to DCX Tokens.

In the event that assets used to purchase Securities are to be returned to investors, we will not be liable for any loss of value of such assets due to exchange rate movements or other factors.

Upon completion of all investor verification and accreditation procedures (as may be required) and submission of investment assets for purchase of Securities, each investor will be deemed to have made an irrevocable offer to purchase such Securities, which we may accept or reject in our absolute discretion. By purchasing Securities, each investor acknowledges and agrees that (a) the Company

will not be liable for any change in exchange rates (whether involving U.S. dollars, Bitcoin, Ethereum or otherwise) between the date investment assets are received and date any such assets may be returned and (b) investors will not have any right to receive interest or any other gain in respect of such investment assets (if any) earned between the date they are received by the Company and the date such investment assets may be returned.

As such, you will bear the entire risk that the value of any cryptocurrency used to purchase Securities (compared to U.S. dollars or other fiat currencies) decreases between the date investment assets are received and the date such investment assets may be returned.

Our decision to accept investments in cryptocurrency, such as Bitcoin and/or Ethereum, may subject us to exchange risk and additional tax and regulatory requirements.

We are accepting investments primarily in Ethereum, subject of course to the appropriate requirements described elsewhere in this Memorandum. No cryptocurrencies are considered legal tender or backed by any government, and cryptocurrencies have experienced price volatility, technological glitches and various law enforcement and regulatory interventions. The use of cryptocurrency has been prohibited or effectively prohibited in some countries.

If we fail to comply with regulations or prohibitions applicable to us in connection with holding cryptocurrency, we could face regulatory or other enforcement actions and potential fines and other consequences (including adverse tax consequences). Additionally, accepting investment assets in the form of Ethereum or other cryptocurrencies exposes us to exchange rate risk on the amounts we hold as well as the risks that regulatory or other developments may adversely affect the value of the cryptocurrencies we hold. We may choose not to hedge or may be unable to fully hedge our exposure to cryptocurrencies and may at times be unable to convert cryptocurrencies to U.S. dollars.

The Purchase Price for the DCX Tokens may be far in excess of their market value. Some investors may pay a lower Purchase Price for DCX Tokens than other investors.

The Purchase Price for the DCX Tokens, which may be subject to discounts during the Public Sale, has been determined by us in our discretion and should not be regarded as an indication of any future market value of the DCX Tokens. There is no direct relationship between contemplated earnings, book value, or other objective standards of worth and the Purchase Price. The factors our management team considered in establishing DCX Token prices in this offering include our immediate capital requirements, the prospects for our planned services and products, an assessment of our business plan, management and future earnings prospects, as well as consideration of the market for restricted securities at the time of this offering. As such, the average price you may pay for DCX Tokens may be far in excess of the amount you could receive upon the sale of the DCX Tokens, whether now or in the future.

An investor who receives a discount will receive more DCX Tokens than those who receive no discount or who receive a smaller discount. This will have a number of important consequences, including that investors who receive a discount may obtain a higher investment return than those who receive no discount or who receive a smaller discount.

This Offering may result in a requirement that DecentraX register its Securities as securities under the Securities Exchange Act of 1934, as amended, depending on its level of assets, its number of holders, and whether the DCX Tokens are considered equity securities.

Companies with total assets above \$10 million and more than 2,000 holders of record of its equity securities, or 500 holders of record of its equity securities who are not accredited investors, as of the last day of their fiscal year must register that class of equity securities with the SEC under the Securities

Exchange Act of 1934, as amended (the “*Exchange Act*”). With the capital raised from this Offering, DecentraX may surpass \$10 million in assets as it builds out the DCX Network. Furthermore, there is the possibility that this Offering or future transactions in Securities may result in more than 2,000 holders of record of Securities and/or 500 or more holders of Securities who are not accredited investors. Since each purchaser in this Offering will be acquiring Common Shares along with each DCX Token purchase, reaching either of these thresholds is a distinct possibility - any requirement that DecentraX register a class of equity securities with the SEC, including but not limited to the Common Shares that will accompany each purchase of DCX Tokens, would require significant time and expense.

DCX Tokens may be valueless.

It is possible that, upon launch of the DCX Network, DCX Tokens will not be used by a large number of individuals, businesses, and other organizations and that there will be limited public interest in the creation and development of its functionalities. Further, the DCX Network may never be completed, released, or become operational. These or other unforeseen factors may significantly decrease or eliminate any value of DCX Tokens. DecentraX does not guarantee any specific value for the DCX Tokens and cautions purchasers of DCX Tokens that there is a significant likelihood their value may decrease.

Purchasers may lack information for monitoring their investment.

The DCX Tokens do not have any information rights attached to them (other than any rights to information about the Company afforded to investors under Wyoming law as may relate to purchasers’ receipt of Common Shares under the terms of this Offering), and investors may not be able to obtain all the information they would want regarding the Company or the DCX Tokens. In particular, investors may not be able to receive information regarding the financial performance of the Company (other than as may be required by law with respect to holders of Common Shares) or the status of the DCX Network or decentralized exchange project. The Company is not currently registered with the SEC and currently has no periodic reporting requirements. As a result, an investor may not have accurate or accessible information about the Company or the DCX Tokens.

There are numerous risks involved in the development, maintenance and operation of DecentraX’s business and the DCX Network, many of which are beyond the control of DecentraX. You are urged to consider carefully the risks described herein, in addition to other information publicly available regarding the risks generally associated with digital assets and blockchain technologies, before deciding to use, purchase, or hold Securities.

Issuance of Securities May Constitute the Issuance of “Securities” under Federal Securities Laws in the United States.

On December 11, 2017, the SEC Chairman Jay Clayton issued a Statement on Cryptocurrencies and Initial Coin Offerings (the “*SEC Statement*”) cautioning investors to make informed investments and opining that “By and large, the structures of initial coin offerings that I have seen promoted involve the offer and sale of securities and directly implicate the securities registration requirements and other investor protection provisions of its federal securities laws.” Purchasers can read the entire SEC Statement at the SEC website: <https://www.sec.gov/news/public-statement/statement-clayton-2017-12-11>. The SEC Statement or any other opinions referred to herein are not incorporated by reference.

In the last several months, the SEC has sent subpoenas to firms and individuals behind multiple initial coin offerings (“ICOs”), demanding details about the structure of sales of ICOs. The few ICOs that have been sanctioned were fraudulent.

The SEC Statement, along with other regulatory actions, indicate that tokens issued via ICOs, such as DCX Tokens will very likely be considered securities and thus be subject to federal or state securities laws.

The application of U.S. federal and state securities laws with regard to the DCX Tokens is unclear in many respects. Because of the differences between the DCX Tokens and traditional investment securities, there is a risk that issues that might easily be resolved by existing law if traditional securities were involved may not be easily resolved for the DCX Tokens. In addition, because of the novel risks posed by the DCX Tokens, it is possible that securities regulators may interpret laws in a manner that adversely affects the value of the DCX Tokens. For example, if applicable securities laws restrict the ability for DCX Tokens to be transferred following the launch of the DCX Network and the anticipated Atomic Swap of DCX Tokens onto the DCX Network, this would have a material adverse effect on the value of the DCX tokens. The occurrence of any such legal or regulatory issues or disputes, or uncertainty about the legal and regulatory framework applicable to the DCX Tokens, could have a material adverse effect on the holders of DCX Tokens. Subsequent to the DCX Network launch, the DCX Tokens will serve as the gas of the decentralized network and therefore bear a critical utility function on the network, similar to how Ether, which is not currently viewed by the SEC as a security, is used on the Ethereum Network. Nonetheless, we are currently unable to provide certainty regarding the regulatory treatment of the DCX Tokens following the Atomic Swap onto the launched DCX Network.

The potential application of U.S. money transfer laws.

The Company may be deemed governed by the Bank Secrecy Act (the “BSA”) which is enforced by the United States Department of Treasury Financial Crimes Enforcement Network (“FINCEN”), the mission of which is to safeguard the United States financial system from illicit use and combat money laundering and promote national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities. FINCEN recently indicated that virtual currency exchangers and administrators are likely subject to the BSA. In 2013, FINCEN released guidance that virtual currency exchangers and administrators are money transmitters, which FINCEN indicated includes a person that sells convertible virtual currency. While DCX does not believe that its current or proposed activities are governed by the BSA, if the laws are interpreted to encompass the DCX’s activities, DCX may be required to obtain a license, and/or may be the subject of an enforcement action for violation of the BSA.

DCX Tokens and/or ICOs may be considered securities in other jurisdictions as well or be banned altogether.

Digital tokens, and their related issuances, are being closely scrutinized by various regulatory bodies around the world. There is a substantial risk that in numerous jurisdictions, the DCX Tokens may be deemed to be a security. For example, applicable securities laws may limit the ability to hold more than certain amounts of the DCX Tokens, restrict the ability to transfer the DCX Tokens, require disclosure or other conditions in connection with any sale of the DCX Tokens, and may restrict the businesses that facilitate exchanges or effect transfers of the DCX Tokens. Every user, purchaser, and holder of the DCX Tokens is required to make diligent inquiry to determine if the acquisition, possession and transfer of the DCX Tokens are legal in its jurisdiction and to comply with all applicable laws.

Jurisdictions such as China and South Korea have banned ICOs altogether, while countries in the European Union, Russia, and India are considering moderate to heavy regulation. Each prospective DCX Token purchaser has the sole responsibility to be informed of, and comply with, the applicable laws and rules in its jurisdiction.

The legal ability of DecentraX to offer, sell and issue the DCX Tokens and the DCX Network in

some jurisdictions may be eliminated by future regulation or legal actions. In response to such action, DecentraX may take actions that adversely impact purchaser and the DCX Tokens, including: (a) ceasing operations or restricting access in certain jurisdictions, (b) adjusting DCX Tokens and the DCX Network in a way to comply with applicable rules and regulations, or (c) cease operations entirely.

The Commodity Futures Trading Commission and its Regulation.

The Commodity Futures Trading Commission (“CFTC”) has broad jurisdiction over (i) retail commodity transactions under the Commodity Exchange Act 1936, as amended (“CEA”), (ii) contracts of sale of a commodity for future delivery, and (iii) transactions subject to regulation under the CEA. The CFTC also has jurisdiction over swaps pursuant to the Dodd Frank Wall Street Reform Act (“Dodd-Frank Act”) as well as enforcement powers for fraud or manipulation in connection with swaps, contracts of sale of any commodity in interstate commerce or for future delivery on or subject to the rules of any registered entity.

In 2015, the CFTC has made it clear that virtual currencies fall within its jurisdiction and has declared that virtual and cryptocurrencies are “commodities” subject to the CEA and applicable CFTC regulations. The CFTC has pursued and is currently pursuing a number of enforcement actions involving the trading and issuance of cryptocurrencies, which includes tokens. The CFTC’s regulatory position with respect to cryptocurrencies continues to evolve and it is unclear at this time the extent to which the CFTC intends to regulate cryptocurrencies, which regulations will apply and what, if any, exemptions from regulation may be available.

The CFTC has oversight authority over retail commodity transactions. Given the nature and structure of token issuances it is possible that the CFTC’s authority to regulate retail commodity transactions will apply, at least in part, to issuances similar to that proposed herein. The CFTC’s regulatory authority applies to any agreement, contract or transaction in any commodity that is entered into with a person that does not meet certain eligibility criteria and is therefore classified as retail. It is likely that at least some of the purchasers would be classified as retail purchasers under CFTC regulations. Any retail commodity transaction falling within the scope of CFTC jurisdiction is subject to certain CEA provisions including that such transaction be traded on an exchange registered with the CFTC. If it is determined that the proposed structure constitutes a retail commodity transaction, DecentraX or its affiliates would need to comply with applicable regulations unless an exemption is available.

Pursuant to the Dodd-Frank Act, the CFTC has promulgated a range of new regulatory requirements that may affect the pricing, terms and compliance costs associated with the entry into any derivatives transaction, including with respect to cryptocurrencies by DecentraX. Some or all of the derivatives transactions that DecentraX may enter into may be affected by (i) the requirement that certain swaps be centrally cleared and in some cases traded on a designated contract market or swap execution facility, (ii) initial and variation margin requirements of any central clearing organization (with respect to cleared swaps) or initial or variation requirements as may otherwise be required with respect to uncleared swaps, and (iii) swap reporting and recordkeeping obligations, and other matters. These new requirements may significantly increase the cost of entering into derivatives transactions and may have unforeseen legal consequences.

The Company’s ability to enter into derivatives transactions may also cause the DecentraX to be a “commodity pool” as defined in the CEA. If an entity is determined to be a commodity pool, the commodity pool operator (“CPO”), which is typically identified as the entity’s general partner or manager, must register with the CFTC unless an exemption from registration is available. Regulation of an entity as a commodity pool and/or registration of the entity’s CPO may trigger extensive compliance and reporting requirements that would involve material costs.

Blockchain technologies may be subject to unfavorable regulatory actions.

Blockchain technologies have been the subject of intense scrutiny by various regulatory bodies around the world. The functioning of the Ethereum network, associated blockchain networks, and DCX Tokens may be adversely impacted by regulatory actions, including restrictions or prohibitions on their use, purchase, or possession. For example, some U.S. jurisdictions regulate providers of prepaid access or money transmission services who create a medium of exchange or a method by which value is transferred from one person to another person or location. The implications of triggering such requirements may include registration with a federal agency, FinCEN, and implementing an anti-money laundering/know-your-customer compliance program that meets federal standards, including transaction monitoring, designation of a compliance officer, employee training, and periodic auditing and testing. At the state-level, there are various compliance obligations, including the need for a license, meeting minimum net worth requirements, bonding, biographical and financial approval of officers and directors, and other ongoing compliance, examination, and reporting obligations. The application of these regulatory regimes to DCX Tokens is unclear, but if DCX Tokens implicate these requirements we will need to expend time and resources to comply with them or face adverse regulatory action. In addition, DCX Tokens are expected to be based on the Ethereum blockchain, and DCX Tokens are subject to risks related to regulatory inquiries or actions taken with regard to the Ethereum blockchain.

DCX Tokens may be subject to malfunction or function in an unexpected or unintended manner.

DCX Tokens, and any network with which DCX Tokens are interacting, may malfunction or function in an unexpected or unintended manner. This may be caused by the DCX Token itself, the Ethereum protocol, other networks, or a number of other causes, some of which are unforeseeable. Any malfunction or unintended function could result in the complete loss of DCX Tokens.

Loss of private keys may render DCX Tokens worthless.

If a private key is lost, destroyed or otherwise compromised and no backup of the private key is accessible, you will not be able to access the blockchain asset associated with the corresponding address, and the DCX Network and/or DecentraX will not be capable of restoring the private key. Any loss of private keys relating to digital wallets used to store blockchain assets could have an adverse effect on you, DCX Tokens, and DecentraX.

Your DCX Tokens will be held in a digital wallet. Your digital wallet stores your private key and public keys. Public keys allow outside parties to transmit cryptocurrencies into your digital wallet. A private key allows you to receive, hold, access and use or transfer DCX Tokens. If your digital wallet credentials are lost or stolen, your DCX Tokens will be unrecoverable and will be permanently lost. A private key, or a combination of private keys, is necessary to control and dispose of DCX Tokens stored in your digital wallet. Accordingly, loss of requisite private key(s) associated with your digital wallet will result in loss of such DCX Tokens. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a hosted wallet service you use, may be able to misappropriate your DCX Tokens. Any errors or malfunctions caused by or otherwise related to the digital wallet you choose to receive and store DCX Tokens, including your own failure to properly maintain or use such digital wallet, may also result in the loss of your DCX Tokens.

A lack of a central regulatory authority and structure and the global nature of digital assets and blockchain technologies limit legal remedies and recourses.

Because there is a lack of a central regulatory authority and structure and due to the global nature of digital assets and blockchain technologies, you may have no legal remedies or recourse against DecentraX, other users, holders, purchasers or sellers of DCX Tokens, and any other person or entity that may interfere with DecentraX, DCX Tokens, or your digital wallet.

There is a high risk of volatility of digital assets.

Digital assets are extremely volatile, and DCX Tokens may suffer from such volatility. Further, DCX Tokens may be significantly influenced by microeconomic and macroeconomic market factors.

DCX Tokens and the DCX Network, as may be developed, may not meet your expectations.

The DCX Network is currently under development and may undergo significant changes before release. Your expectations and market expectations regarding the form and functionality of the DCX Network and DCX Tokens may not be met upon the deployment, if at all. If the DCX Platform does not meet market expectations then the value of the DCX Tokens could be adversely affected.

DecentraX, DCX Tokens, and the DCX Network may be subject to security weaknesses, hackers and theft.

Hackers or other groups or organizations may attempt to interfere with DecentraX, DCX Tokens, the DCX Network and your digital and/or hardware wallet in any number of ways, including but not limited to denial of service attacks, Sybil attacks, spoofing, smurfing, malware attacks, or consensus-based attacks. There is a risk that DCX Tokens and the DCX Network and technology infrastructure may include security weaknesses or bugs, which may interfere with the use, or cause the complete loss, of DCX Tokens. Advances in cryptography may present risks to cryptocurrencies, digital tokens, Ethereum, DCX Tokens, the DCX Network and DecentraX's technology infrastructure, which may result in the theft or complete loss of DCX Tokens.

DCX Tokens will be entirely uninsured.

DCX Tokens are not like bank accounts or other similar accounts. DCX Tokens are entirely uninsured and any value they may hold at any time may decrease or be eliminated in the future.

DecentraX is subject to privacy and data security laws.

Due to the wide-ranging possibilities and use cases, it is possible that the DCX Network may receive, transmit and store a large volume of personally identifiable information and other sensitive data. Federal, state, and foreign laws regulate the storing, sharing, use, disclosure and protection of such data. Any violations of these laws and regulations may require DecentraX to change its business practices or operational structure, address legal claims, and sustain monetary penalties and other harms to its business.

Security breaches or unauthorized access to personal information may also expose DecentraX to liability related to the loss of the information, time-consuming and expensive litigation, and negative publicity. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until after they are launched against a target, DecentraX may be unable to anticipate, detect, or adequately address them. In addition, certain jurisdictions have laws requiring companies to notify individuals of data security breaches involving their personal data. These mandatory disclosures are costly to implement and often lead to widespread negative publicity.

Smart contracts are subject to limitations.

Smart contract technology is still in its early stages of development, and its application is experimental in nature. This carries significant operational, technological, regulatory, reputational, and financial risks. Smart contracts may not be fit for the purpose(s) intended by DecentraX and may contain

flaws, vulnerabilities, or other issues, which may cause technical problems or the complete loss of DCX Tokens.

DecentraX may be required to disclose information about DCX Token users, purchasers, and holders.

DecentraX may be required by law, subpoena, or court order to disclose personal information received from DCX Token holders to law enforcement, government officials, and other third parties. Any such disclosure could have an adverse effect on the reputation or valuation of DecentraX.

DecentraX has limited operating history in an evolving industry.

DecentraX has limited operating history in an evolving industry that may not develop as expected. Assessing its business and future prospects is challenging in light of the risks and difficulties it may encounter. These risks and difficulties include DecentraX's ability to:

- navigate complex and evolving regulatory and competitive environments;
- obtain and retain customers and a broad enough user base;
- successfully maintain and evolve internal controls to manage compliance with an evolving and complex regulatory environment;
- increase the effectiveness of its ability to identify market trends;
- successfully develop and deploy the DCX Network and application thereon;
- successfully maintain its funding strategy;
- favorably compete with other companies;
- successfully navigate economic conditions and fluctuations in the market;
- effectively manage the growth of its business;
- successfully expand its business;
- continue to develop, maintain and scale the DCX Network;
- effectively use limited personnel and technology resources;
- protect and/or enforce its intellectual property rights;
- successfully manufacture its custom hardware upon which the DCX Network will reside;
- effectively maintain and scale its financial and risk management controls and procedures;
- maintain the security of its technology infrastructure and the confidentiality of the information provided and utilized across its technology infrastructure; and
- attract, integrate, and retain qualified employees and contractors.

In its limited history DecentraX has operated at a loss, and it may never be profitable.

There is and will be limited information related to the business of DecentraX, DCX Tokens, and the development of the DCX Network.

You may not be able to obtain all information you may want regarding DecentraX, DCX Tokens, or the DCX Network, on a timely basis or at all. It is possible that you may not be aware on a timely basis of material adverse changes that have occurred with respect to certain of the Company's investments. While DecentraX has made efforts to use open-source development for tokens, this information may be highly technical by nature. DecentraX is not obliged, and does not intend, to keep users, purchasers, and holders of DCX Tokens updated on its business and the development of the DCX Network (including progress and expected milestones). As a result of these difficulties, as well as other uncertainties, you may not have accurate or accessible information about the DCX Network, except as may be required by law with respect to holders of Common Shares.

You will have no control of DecentraX and the DCX Network, and DecentraX may only have limited control of the DCX Network if its launch occurs.

DecentraX will be comprised of open-source technologies that depend on a network of proprietary hardware devices to run certain software programs to process transactions. Because of this decentralized model, DecentraX will have limited control over DCX Tokens and the DCX Network once launched. If you are a purchaser of DCX Tokens eligible to receive Common Shares, you will be deemed a holder of capital stock in the Company. However, holders of Common Shares are not, and will not be, entitled to vote or receive dividends nor vote for the election of directors or upon any matter submitted to voting stockholders at any meeting thereof, or to give or withhold consent to any corporate action or to receive notice of meetings, or to receive subscription rights or otherwise unless expressly specified. Unlike the Common Shares, the DCX Tokens neither constitute nor represent an equity interest of any kind in DecentraX.

Alternative decentralized networks may be established that compete with or are more widely used than the DCX Network.

It is possible that alternative decentralized networks could be established that utilize the same or similar open source code and protocol underlying the DCX Network, or even produce and/or utilize comparable or superior hardware, and attempt to facilitate services that are materially similar to the DCX Network's services. The DCX Network may compete with these alternative networks, which could negatively impact the DCX Network and the DCX Tokens.

Intellectual property rights claims may impede DecentraX's business.

Third parties may assert intellectual property claims against DecentraX. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in DecentraX's long-term viability may adversely affect the value of the DCX Tokens.

At issuance, there may be no immediate trading market for DCX Tokens, and a trading market may never develop.

Following your purchase of DCX Tokens pursuant to this Offering, there may be no immediately available trading market available for DCX Tokens, and further, DCX Token transfers are subject to numerous regulatory restrictions as described in this Memorandum. As a result of recent regulatory developments, many conventional crypto exchanges are currently unwilling to list securities tokens, such as DCX Tokens. As a result, notwithstanding that a purchaser's DCX Tokens become transferable due to the expiration of a regulatory transfer restriction or otherwise, DCX Tokens may only be traded on very limited range of venues, including U.S. registered exchanges or regulated alternative trading systems for which a Form ATS has been properly submitted to the SEC. Currently, DecentraX is unaware of any operational ATS or exchange capable of supporting secondary trading in DCX Tokens. As a result, purchasers should be prepared to hold their DCX Tokens indefinitely. Moreover, even if a trading market for DCX Tokens develops prior to the DCX Network launch, the Company may rely on technology and third-party solutions, including but not limited to smart contracts, to implement certain restrictions on transferability in accordance with U.S. federal securities laws. There can be no assurance that such technology will function properly, which could result in technological limitations on transferability and expose DecentraX to legal and regulatory issues. In the event that DCX Tokens remain untradeable for a significant period of time or indefinitely, the value of DCX Tokens would be materially adversely affected.

The Company Has Not Received Any Authorization from Regulators in the United States or Any Other Jurisdiction.

DecentraX has not received any authorization or approval from U.S. federal or state regulators or the regulators of any other jurisdiction. Any failure to obtain prior regulatory authorization in a jurisdiction where it operates, or the refusal of a regulator to grant such authorization in a jurisdiction where DecentraX operates or may wish to operate, could prevent the Company from maintaining or expanding its business and have a material adverse effect on the development, launch and/or operations of the DCX Network and/or DCX Exchange and the development of the DCX Tokens.

Additional Risks Related to the Development of the DCX Exchange

It is possible that the DCX Exchange, if developed and commercially launched, will not be used by a large number of issuers or holders of security tokens or that there will be limited public interest in the creation and development of the DCX Exchange. In addition, it is possible that the Company may be unable to structure agreements with third party trading platforms that permits the Company to integrate trading across a sufficient number, or any, of such third-party platforms, and to obtain trading data from such platforms, which could impact the number of users the Company is able to obtain and decrease projected revenues.

The development and operation of the DCX Exchange and the Company's other technologies will likely require technology and intellectual property rights. The ability of the Company to develop and operate the DCX Exchange may depend on technology and intellectual property rights that the Company may license from unaffiliated third parties. If for any reason the Company were to fail to comply with its obligations under any applicable license agreement, or were unable to provide or were to fail to provide the technology and intellectual property that the DCX Exchange requires, the Company would be unable to operate the DCX Exchange, which would have a material adverse effect on the Company's operations and financial conditions.

Regulatory authorities may never permit the DCX Exchange to become operational. Assuming that DecentraX is able to develop the DCX Exchange, numerous regulatory authorities, including FINRA and the SEC in the United States, and parallel regulatory bodies in other jurisdictions in which the Company intends to launch the DCX Exchange, would need to permit the DCX Exchange to become operational in the applicable jurisdiction. If FINRA, the SEC or any other regulatory authority objected to the DCX Exchange or to aspects thereof, such regulatory authorities could prevent the DCX Exchange from ever becoming operational in their respective jurisdictions. The regulatory landscape that the Company expects to navigate in order to achieve an operational DCX Exchange is complex, and DCX may never be able to do so successfully. Any such regulatory issues would have a material adverse impact on the Company's business.

ESTIMATED USE OF PROCEEDS

Generally, DecentraX expects that a substantial amount of all of the proceeds of the Offering will be used by DecentraX to progress the development of the DCX Platform. Notwithstanding the below table presenting our current estimated use of proceeds from the Offering, our actual use of such proceeds is subject to substantial and material change in our sole discretion, may be allocated in our sole discretion in furtherance of the DCX Platform. In addition to, or in connection with, the below referenced activities DCX may use the proceeds for activities including but not limited to: engaging in U.S. domestic and international operations; research and development; hardware production and manufacturing; licensing; hiring employees and arranging for employee benefits; computer hardware and software purchase and development; domestic and international marketing; and securing office space and or acquisition of real estate. We may also utilize the proceeds of the Offering for any other business-related expenses including, but not limited to, Offering expenses, legal, accounting, due diligence, overhead, marketing expenses, retirement of debt, settlements, interest payments, redemptions, etc.

As discussed, the following estimated use of Offering proceeds is illustrative and is subject to change:

Anticipated Use	Estimated Allocation
Development of the Minmaster Chip	25%
DCX Exchange software development	20%
Masternode/network software development for performance, scale and security	20%
Blockchain appliance and system software development	10%
Development of mining appliance hardware and software	10%
Deployment of systems for DCX Exchange / miscellaneous	15%

PLAN OF DISTRIBUTION

We are directly selling DCX Tokens to purchasers. We may, but do not currently have plans to, also sell DCX Tokens through agents or other distribution channels in our discretion. We determined the pricing structure for the DCX Token crowdsale, and the discount applied in the pre-sale, based on a number of factors, including the pricing and other terms of similar transactions, our view of the price at which purchasers might be willing to participate in the Offering, our view of the value and prospects of the DCX Network and our business, the cost of capital from other sources, and our financing needs. We reserve the right to apply variations to the currently anticipated discounts in the crowdsale if we determine that it is strategic to do so in our sole discretion.

Purchaser Qualifications

This Offering is limited solely to purchasers who are not “U.S. persons,” as defined in Regulation S, in offshore transactions.

Only persons of adequate financial means who have no need for present liquidity should consider purchasing the Securities offered hereby because: (i) purchasing Securities involves a number of significant risks (see “**Risk Factors**”); and (ii) no market exists for the Securities, and none is likely to develop in the reasonably foreseeable future. This Offering is intended to be a private offering that is exempt from registration under the Securities Act, applicable state securities laws, or the laws of any foreign jurisdictions.

Purchaser Suitability & Eligibility Requirements

Each purchaser who is a Non-U.S. Person (as defined below) must represent (by way of the third-party KYC process required for DCX Token purchase) that he, she, or it has satisfied and is in full observance of the laws of such purchaser’s jurisdiction in connection with any invitation to purchase Securities, including (i) the legal requirements within such purchaser’s jurisdiction for the purchase of Securities, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any governmental or other consents that may need to be obtained, and (iv) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale or transfer of the Securities. The purchaser’s subscription and payment for, and the purchaser’s continued beneficial ownership of, the Securities will not violate any applicable securities or other laws of such purchaser’s jurisdiction.

To be eligible to participate in the Offering under this Memorandum, you will be required to represent to DecentraX (by way of the third-party KYC process required for DCX Token purchases) that you are (1) a non-U.S. person under Regulation S purchasing in an offshore transaction; (2) at the time the investor is offered (or makes an offer) to purchase the Securities and at the time the investor executes and delivers his or her subscription to purchase the Securities, the investor is outside of the United States; and (3) the investor will not engage in hedging transactions with respect to the Securities unless in compliance with the Securities Act. In addition, you must also represent in writing that you are purchasing the Securities for your own account and not for the account of others and not with a view to reselling or DCX distributing Tokens.

The term “**Non-U.S. Person**” (as defined in Rule 902(k)(2) of the Securities Act) means:

- A discretionary account or similar account (other than an estate or trust) held for the benefit or account of a Non-U.S. person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States;
- A estate of which any professional fiduciary acting as executor or administrator is a U.S. Person if:

- An executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate; and
- The estate is governed by foreign law;
- Any trust of which any professional fiduciary acting as trustee is a U.S. Person, if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person;
- An employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
- An agency or branch of a U.S. Person located outside the United States if:
 - The agency or branch operates for valid business reasons; and
 - The agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located;
- The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

Other Purchaser Eligibility Requirements

The USA PATRIOT Act	What is money laundering?	How big is the problem and why is it important?
<p>The USA PATRIOT Act is designed to detect, deter and punish terrorists in the United States and abroad. The Act imposes anti-money laundering requirements on brokerage firms and financial institutions. Since April 24, 2002, all United States brokerage firms have been required to have comprehensive anti-money laundering programs in effect. To help you understand these efforts, DecentraX wants to provide you with some information about money laundering and DecentraX's efforts to help implement the USA PATRIOT Act.</p>	<p>Money laundering is the process of disguising illegally obtained money so that the funds appear to come from legitimate sources or activities. Money laundering occurs in connection with a wide variety of crimes, including illegal arms sales, drug trafficking, robbery, fraud, racketeering and terrorism.</p>	<p>The use of the United States financial system by criminals to facilitate terrorism or other crimes could taint our financial markets. According to the United States State Department, one recent estimate puts the amount of worldwide money laundering activity at \$1 trillion a year.</p>

You should check the Office of Foreign Assets Control (the “OFAC”) website at <http://www.treas.gov/ofac> before making the following representations: You represent that the amounts invested by you in this Offering were not and are not directly or indirectly derived from any activities that contravene Federal, state or international laws and regulations, including anti-money laundering laws and regulations. Federal regulations and Executive Orders administered by the OFAC prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. The lists of the OFAC-prohibited countries, territories, individuals and entities can be found on the OFAC website at <http://www.treas.gov/ofac>. In addition, the programs administered by the OFAC (the “**OFAC Programs**”) prohibit dealing with individuals³ or entities in certain countries, regardless of whether such individuals or entities appear on any OFAC list:

- (i) you represent and warrant that none of: (1) you; (2) any person controlling or controlled by you; (3) if you are a privately-held entity, any person having a beneficial interest in you; or (4) any person for whom you are acting as agent or nominee in connection with purchasing Securities is a country, territory, entity or individual named on an OFAC list, or a person or entity prohibited under the OFAC Programs. Please be advised that DecentraX may not accept any subscription amounts from a prospective purchaser if the purchaser cannot make the representation set forth in the preceding sentence. You agree to promptly notify DecentraX should you become aware of any change in the information set forth in any of these representations. You are advised that, by law, DecentraX may be obligated to “freeze the account” of any purchaser, either by prohibiting additional subscriptions from it, declining any redemption requests and/or segregating the assets in the account in compliance with governmental regulations, and that DecentraX may also be required to report such action and to disclose such purchaser’s identity to the OFAC;
- (ii) you represent and warrant that none of: (1) you; (2) any person controlling or controlled by you; (3) if you are a privately-held entity, any person having a beneficial interest in you; or (4) any person for whom you are acting as agent or nominee in connection with this Offering is a senior foreign political figure⁴, or any immediate family⁵ member or close associate⁶ of a senior foreign political figure, as such terms are defined in the footnotes below; and
- (iii) if you are affiliated with a non-U.S. banking institution (a “**Foreign Bank**”), or if you receive deposits from, make payments on behalf of, or handle other financial transactions related to a Foreign Bank, you represent and warrant to DecentraX that: (1) the Foreign Bank has a fixed address, and not solely an electronic address, in a country in which the Foreign Bank is authorized to conduct banking activities; (2) the Foreign Bank maintains operating records related to its banking activities; (3) the Foreign Bank is subject to inspection by the banking authority that licensed the Foreign Bank to conduct its banking activities; and (4) the Foreign Bank does not provide banking services to any other Foreign Bank that does not have a physical presence in any country and that is not a regulated affiliate.

³ These individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs.

⁴ A “**senior foreign political figure**” is defined as a senior official in the executive, legislative, administrative, military or judicial branch of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a “**senior foreign political figure**” includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure.

⁵ “**Immediate family**” of a senior foreign political figure typically includes such figure’s parents, siblings, spouse, children and in-laws.

⁶ A “**close associate**” of a senior foreign political figure is a person who is widely and publicly known to maintain an unusually close relationship with such senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of such senior foreign political figure.

DecentraX is entitled to rely upon the accuracy of your representations as made either directly to the Company or through a third-party agent. DecentraX may, but under no circumstances shall it be obligated to, require additional evidence that a prospective purchaser meets the standards set forth above at any time prior to its acceptance of a prospective purchaser's subscription. You are not obligated to supply any information so requested by DecentraX, but DecentraX may reject a subscription from you or any person who fails to supply such information.

HOW TO PURCHASE DCX TOKENS

To participate in the Offering under this Memorandum, purchasers will need to first register on our website (www.decentrax.io) which is not incorporated by reference. This process requires purchasers, including non-U.S. Persons, will need to provide entity information such as address and social security number or tax ID number to pass a KYC (Know Your Customer) and AML (Anti Money Laundering) checks.

Once KYC/AML steps are complete, purchasers will follow the remaining prompts on our website, which is not incorporated by reference to specify their purchase amount, confirm their purchase, and make payment to finalize the transaction. A third party agent will be conducting KYC and accreditation status verification activities in connecting with this Offering.

NOTICES TO PURCHASERS GENERALLY

PURCHASERS MUST MAKE THEIR OWN DECISION WHETHER THE SECURITIES MEET THEIR INVESTMENT OBJECTIVES AND RISK TOLERANCE LEVEL. NO GOVERNMENTAL AUTHORITY OF ANY COUNTRY HAS REVIEWED, APPROVED, DISAPPROVED, ENDORSED, OR RECOMMENDED THE OFFERING, SALE, OR ISSUANCE OF SECURITIES. THE SECURITIES HAVE NOT BEEN, AND SHALL NOT BE, REGISTERED WITH ANY GOVERNMENTAL AUTHORITY OF ANY COUNTRY. THE DCX TOKENS ARE BEING OFFERED AND SOLD ONLY IN JURISDICTIONS WHERE SUCH REGISTRATION OR QUALIFICATION IS NOT REQUIRED, INCLUDING PURSUANT TO APPLICABLE EXEMPTIONS THAT GENERALLY LIMIT THE PURCHASERS WHO ARE ELIGIBLE TO PURCHASE THE SECURITIES AND THAT RESTRICT RESALE. THE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER APPLICABLE SECURITIES LAWS.

PURCHASERS ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE ANY RESTRICTIONS RELATING TO, THE SECURITIES AND ANY RELATED DOCUMENTS OR COMMUNICATIONS IN THEIR JURISDICTION. THE SECURITIES ARE SUBJECT TO TRANSFER RESTRICTIONS. PURCHASER MUST COMPLY WITH ALL APPLICABLE LAWS IN CONNECTION WITH ANY OFFER, SALE, OR TRANSFER OF THE SECURITIES.

NO INDEPENDENT PERSON HAS CONFIRMED THE ACCURACY, TRUTHFULNESS, OR ADEQUACY OF THIS DISCLOSURE, NOR WHETHER IT IS COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS ILLEGAL.

TERMS DEFINED WITHIN A SECTION FOR A PARTICULAR JURISDICTION APPLIES TO THE NOTICE FOR THAT JURISDICTION ONLY. IN THE LEGENDS BELOW, “OR” SHALL MEAN BOTH TERMS NOT EXCLUSIVE OF THE OTHER WHERE APPLICABLE.

Notice to Residents of the United States of America

The offer and sale of the Securities have not been registered under the Securities Act or under the securities laws of certain states and is only to be offered and sold to verified “accredited investors.” The Securities may not be offered, sold or otherwise transferred, pledged or hypothecated except as permitted under the Securities Act and applicable securities laws pursuant to an effective registration statement or an exemption therefrom. Under this Memorandum, the Securities may only be offered, sold, resold or otherwise transferred to Non-U.S. persons (as defined in Regulation S under the Securities Act) in an offshore transaction (as defined in Regulation S) and may only be offered, sold, resold or otherwise transferred in full compliance with all applicable foreign laws.

Notice to Residents of Argentina

The Securities have not been and will not be issued and placed in accordance with Law No. 26,831 on Capital Markets, Decree No. 1023/2013 implementing the Capital Markets Law and the rules of the Comisión Nacional de Valores (the “*CNV*”) approved by General Resolution No. 622/13, as amended and supplemented (collectively, the “*Argentine Securities Legal Framework*”). The Securities may not be offered or sold within the Republic of Argentina unless previous public offering

authorization has been granted by the CNV or the relevant transaction does not qualify as a public offering of securities under the Argentine Securities Legal Framework.

Notice to Residents of Belarus

Belarus legislation on securities, securitization, requirements for licensing of professional and stock-exchange activities in securities do not apply to such operations according to para. 3.3 of Decree of the President No. 8 dated 21 December 2017.

Notice to Residents in Brazil

The Securities have not been and will not be issued nor placed, distributed, offered or negotiated in the Brazilian capital markets. The issuance of the Securities have not been or will not be registered with the Brazilian Securities and Exchange Commission (“*CVM*”). DecentraX has represented and agreed that it has not offered or sold, and will not offer or sell, the Securities in Brazil, except in circumstances which do not constitute a public offering, placement, distribution or negotiation of securities in the Brazilian capital markets regulated by Brazilian legislation.

Notice to Residents in the British Virgin Islands

This Offering is not an offer to the public in the British Virgin Islands (“*BVI*”). No action has been taken to permit an offer in the BVI and this Memorandum is not a registered prospectus within the meaning of Section 25 of the Securities and Investment Business Act 2010 (“*SIBA*”). The Securities will not be offered and accepted from any person in the BVI unless: (a) that person is a qualified investor as defined in Schedule 4 of SIBA and, to the extent that person is a professional investor for the purposes of Schedule 4 of SIBA, it declares that (i) its ordinary business involves, whether for its own account or the account of others, the acquisition or disposal of property of the same kind as the interests; or (ii) it has net worth in excess of 1 million U.S. dollars or its equivalent in any other currency and that it consents to being treated as a professional investor within the meaning of Section 40 of SIBA; or (b) that person is a BVI business company and neither this Memorandum nor any other document relating to this offer has been received by that person at an address in the BVI other than its registered office in the BVI; or (c) that person has a close connection (within the meaning of Section 2(3) of SIBA) with the issuer; or (d) that person is the government of the British Virgin Islands.

Notice to Residents of Bulgaria

The Securities do not constitute securities, electronic money and/or any other type of payment instrument in accordance with the laws applicable in Bulgaria. The Memorandum, as per which the Securities are issued, do not constitute a prospectus or offering document of any sort and is not intended to constitute an offer of securities or a solicitation for investment in securities in any jurisdiction.

Notice to Residents of Canada

The Securities may only be offered and sold to purchasers purchasing as principal that are both “accredited investors” as defined in National Instrument 45-106 Prospectus and Registration Exemptions and “Permitted Clients” as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Securities must be made in accordance with an exemption from the prospectus requirements and in compliance with the registration requirements of applicable securities laws.

Notice to Residents of Cayman Islands

This Memorandum does not constitute a public offer of the Securities, whether by way of sale or subscription, in the Cayman Islands. The Securities have not been offered or sold, and will not be offered or sold, directly or indirectly, in the Cayman Islands, except as may be permitted by law.

Notice to Residents of Costa Rica

These Securities have not been, and will not be, registered for public offering with the Costa Rican Securities Regulator (Superintendencia General de Valores or “*SUGEVAL*”). Therefore, the Securities are not authorized for public offering in Costa Rica and may not be offered, placed, distributed, commercialized and/or negotiated to the public in Costa Rica.

Notice to Residents of Croatia

The Securities are not envisaged to be securities or any other financial instrument within the meaning of the Croatian Capital Markets Act (official gazette no. 88/2008, 146/2008, 74/2009, 54/2013, 159/2013, 18/2015, 110/2015, 123/2016). The Securities have not been registered with, approved by, or in any other way supervised or regulated by Croatian Financial Services Supervisory Agency (“*CFSSA*”) or any other regulatory authority in Croatia.

Notice to Residents of El Salvador

The Securities have not been registered nor reviewed or approved by the Superintendence of the Financial System of El Salvador (Superintendencia Del Sistema Financiero de EL Salvador), the Salvadorian Public Securities Registry (Registro Publico Bursatil), nor the Salvadoran Stock Exchange (Bolsa de Valores de EL Salvador, S.A. de C.V.). Accordingly, (i) the Securities cannot be publicly offered or sold in El Salvador; (ii) this offering and its document are not subject to the supervision of the Superintendence of the Financial System of El Salvador.

Notice to Residents of Estonia

The Securities offered shall not be qualified as securities under the Estonian Securities Market Act (“*ESMA*”) Section 2 (1), this Memorandum shall not be deemed as a prospectus under Section 141 of the ESMA and is not registered with the Estonian Financial Supervisory Authority under Section 16 of the ESMA.

Notice to Residents of the European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), the Securities and any related documents are being distributed only to, and directed only at (and any related investment activity will be engaged only with): (a) a legal entity that is a qualified investor as defined in the Prospectus Directive, (b) fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the representative for any such offer; or (c) person the sales to whom would be in any other circumstance falling within article 3(2) of the Prospectus Directive; provided that no such transaction may result in a requirement for the Publication by issuer of a prospectus pursuant to Article 3 of the Prospectus Directive. The expression “Prospectus Directive” means Directive 2003/71/EC (as amended), including by directive 2010/73/EU, and includes any relevant implementing measure in the relevant member state. This European Economic Area restriction is in addition to any other applicable restrictions set out herein.

Notice to Residents of Finland

The Securities shall not constitute an offer to the public in Finland. The Securities cannot be offered or sold in Finland by means of any document to other than “Qualified Investors” as defined by the Finnish Securities Markets Act (arvopaperimarkkinalaki or “*FSMA*”), 26.5.1898/495, as amended, or to 100 or more nonqualified investors if the denomination per token or minimum commitment amounts to less than €50,000 or if the total consideration of the tokens calculated for twelve (12) months period exceeds €100,000. No action has been taken to permit an offering of Securities to the public in Finland and the distribution of the Securities are not authorized by the Financial Supervision Authority in Finland. The Securities are strictly for private use by its holder and may not be passed on to third parties or otherwise distributed publicly. Subscriptions will not be accepted from any persons other than the person to whom the Securities have been delivered by the issuer. The Securities or this Memorandum may not include all the information that would be required to be included in the prospectus in connection with offering to the public.

Notice to Residents of France

The Securities are not being offered to the public in France. Distribution of this Memorandum and the issuance of the Securities may be restricted in certain jurisdictions. It is the responsibility of any person in possession of the Securities or related documents and any person wishing to purchase Securities to inform themselves of and observe all applicable laws and regulations of any relevant jurisdictions. No action has been taken that would, or is intended to, permit a public offer of the Securities in any country or jurisdiction where any such action for that purpose is required. Accordingly, the Securities may not be offered or sold, directly or indirectly, and neither this document nor any other information, for of application, advertisement or other document may be distributed or published in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The company is not making any representation or warranty to any prospective purchase regarding the legality of an investment in the Securities by such person under appropriate securities or similar laws. Investing in the tokens involves certain risks. In particular, each prospective investor in the Securities should proceed on the assumption that a subscriber of the Securities must bear economic risks of such an investment. Prospective purchasers should not treat the content of these documents as advice relating to legal, taxation or investment matters and are advised to consult their own professional advisers concerning the subscription of the Securities or both and consequences thereof. Accordingly, prospective purchasers should inform themselves as to (a) the possible tax consequences, (b) the legal requirements, and (c) any foreign exchange restrictions or exchange control requirements, which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, holding or disposal of tokens.

Notice to Residents of Guatemala

The Securities, as they may be considered, have not been registered nor reviewed nor approved by the Guatemalan Superintendence of Banks (Superintendencia de Bancos de Guatemala), the Guatemalan Securities and Commodities Market Registry (Registro del Mercado de Valores y Mercancias), nor the Guatemalan Stock Exchange (Bolsa de Valores Nacional, S.A.), in accordance with the terms and provisions of the Securities and Commodities Market Law (decree 34-96) (ley del Mercado de Valores y Mercancias) and its regulation (governmental accord 557-97). Accordingly, (i) the Securities, as they may be considered, are not registered for public offering in Guatemala; and (ii) are not subject to the supervision of the Guatemalan Superintendence of Banks.

Notice to Residents of Honduras

The Securities have not been, and will not be, registered for public offering at the Honduran Public Registry of the Securities Market (Registro Publico Del Mercado De Valores) or the National Banking and Insurance Commission (Commissions Nacional de Bancos y Seguros) in accordance with the Honduran Securities Market Law, Legislative Decree No. 8-2001 (ley del Mercado de Valores).

Therefore, the Securities are not authorized for public offering in the republic of Honduras and may not be offered, place, distributed, commercialized and/or negotiated to the public in Honduras.

Notice to Residents of Hong Kong

The Securities may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (“*Companies Ordinance*”) or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (“*Securities and Futures Ordinance*”), or (ii) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance, and no advertisement, invitation or document relating to the Securities may be issued or may be in the possession of any person for the purpose of issuance (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to instruments which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. Purchasers are advised to exercise caution in relation to this Offering. If purchaser is in any doubt about the contents of this Memorandum, purchaser should obtain independent professional advice.

Notice to Residents of Hungary

This Memorandum does not constitute a public offer of the Securities, whether by way of sale or subscription, in Hungary. The Securities have not been offered or sold, and will not be offered or sold, directly or indirectly, in Hungary, except as may be permitted by law.

Notice to Residents of India

The Securities and any documents used in connection therewith and any related documents do not constitute an offer to sell to or an offer to buy interest from any person other than the person to whom this document has been sent by DecentraX or its authorized agents. The Securities and any documents used in connection therewith should not be construed as a prospectus. The Securities and any documents used in connection therewith are not being offered for sale or subscription but are being privately placed with a limited number of sophisticated investors, and prospective investors must obtain legal advice that they are entitled to subscribe for these instruments and must comply with all relevant Indian laws in this respect.

Notice to Residents of Ireland

The Securities have not been prepared in accordance with Directive 2003/71/EC on prospectuses or any measures made under that directive or the laws of Ireland or of any EU member state or EEA treaty adherent state that implement that directive or those measures; have not been reviewed, prior to its being issued, by any regulatory authority in Ireland or in any other EU member state or EEA treaty adherent state; and therefore may not contain all the information required where a document is prepared pursuant to that directive or those laws.

Notice to Residents of Isle of Man

The Securities are available, and is and may be made, in or from within the Isle of Man and this Memorandum is being provided in or from within the Isle of Man only: (i) by persons licensed to do so under the Isle of Man Financial Services Act 2008; or (ii) to persons: (a) licensed under Isle of Man

Financial Services Act 2008; or (b) falling within Exclusion 2(r) of the Isle of Man Regulated Activities Order 2011 (as amended); or (c) whose ordinary business activities involve them in acquiring, holding, managing or disposing of shares or debentures (as principal or agent), for the purposes of their business. The Securities are not available in or from within the Isle of Man other than in accordance with paragraphs (i) and (ii) above and must not be relied upon by any person unless made or received in accordance with such paragraphs.

Notice to Residents of Israel

This Memorandum does not constitute a prospectus under the Israeli Securities Law, 5728-1968 (“*Israeli Securities Law*”), and has not been filed with or approved by the Israel Securities Authority. In the state of Israel, this Memorandum is being distributed only to, and is directed only at, and any offer of the securities is directed only at, investors listed in the First Addendum (“*Addendum*”), to the Israeli Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv stock exchange, underwriters, venture capital funds, entities with equity in excess of NIS 50 million and “qualified individuals”, each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). The Securities may also be offered to such number of non-qualified investors who, together with purchasers in other offerings by the same offeror within the twelve (12) months prior to this Offering, is not greater than thirty-five (35) (not counting the same investors twice). Qualified investors will be required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it.

Notice to Residents of Italy

The Securities may be subscribed by institutional investors pursuant to Article 31, Paragraph 2 of the Consob Regulation No. 11522 of 1 July 1998, as subsequently amended and integrated only. Securities or this Memorandum does not constitute an offer to sell or a solicitation of any offer to buy any of Securities in the Italian jurisdiction towards private investors. Accordingly, the Securities or Memorandum are for information purposes only, where directed to a private investor which is an Italian resident. Pursuant to this Memorandum, Securities will only be offered to, and subscriptions will only be accepted from, Italian institutional investors as defined above. The Securities to be offered pursuant to this Memorandum have not been or will not be registered under the relevant securities laws of Italy to be offered to, and to be subscribed by private investors.

Notice to Residents of Jamaica

DecentraX is offering the Securities by way of private placement only to investors eligible to purchase securities in an exempt distribution made under the Guidelines for Exempt Distributions (Guidelines SR-guid-08/05-0016). There is no public market for the Securities, and there will not be a public market as a result of this Offering. The Securities have not been and will not be registered in Jamaica under Section 26 of the Securities Act (as amended) and are being offered and sold in reliance on exemptions from registration requirements of that Act. The Financial Services Commission has neither approved nor passed upon the merits of this private placement of the Securities or documents related to such or the accuracy or adequacy thereof. The Securities may only be transferred in accordance with the restrictions more particularly described herein. This Offering does not constitute an offer or solicitation to anyone in any jurisdiction in which an offer or solicitation is not authorized or may not lawfully be made. This Memorandum has been prepared for the exclusive use of assisting prospective investors in identifying, investigating and evaluating the merits and risks as well as the possible consequences of investing in Securities. This document constitutes an invitation to treat and only to the person named on the front thereof.

Notice to Residents of Japan

The Securities are being offered to a limited number of qualified institutional investors (Tekikaku Kikan Toshiba, as defined in the Securities Exchange Law of Japan (Law No. 25 of 1948, as amended)) and/or a small number of investors, in all cases under circumstances that will fall within the private placement exemption from the registration requirements of the Securities Exchange Law and other relevant laws and regulations of Japan. As such, the Securities have not been registered and will not be registered under the Securities Exchange Law of Japan. The purchaser of the Securities agrees not to re-transfer or re-assign the Securities to anyone other than Non-Residents of Japan except pursuant to a private placement exemption from the registration requirements of, and otherwise in compliance with, the Securities Exchange Law and other relevant laws and regulations of Japan.

Notice to Residents of Latvia

The Securities may only be offered in the Republic of Latvia in accordance with the Financial Instruments Market Law (“*FILM*”) and any other laws and regulations applicable in the Republic of Latvia governing the offer of securities in the Republic of Latvia. The Securities are not registered with the Financial and Capital Market Commission (“*FCMC*”) under the FILM. The Securities will not be offered in the Republic of Latvia by way of a public offer, except to qualified investors in the meaning of Article 1, Part 1, Point 38 of the FILM, and any tender instructions received from or on behalf of any other person shall be ineffective and void. No offer of the Securities will require DecentraX or any selling agent to receive a permission of the FCMC or publish a prospectus pursuant to Articles 14—24 of the FILM. Neither the Securities nor any other offering or marketing material relating to the them constitutes an issue prospectus within the meaning of Article 1, Part 1, Point 14 and Article 17 of FILM.

Notice to Residents of Lithuania

This Memorandum does not constitute a public offer of the Securities, whether by way of sale or subscription, in Lithuania. The Securities have not been offered or sold, and will not be offered or sold, directly or indirectly, in Lithuania, except as may be permitted by law.

Notice to Residents of Luxembourg

An offer to the public of the Securities has not been made, and may not be made within the territory of the grand duchy of Luxembourg unless: (a) a prospectus has been duly approved by the Commission de Surveillance du Secteur Financier (“*CSSF*”) pursuant to Part II of the Luxembourg Law dated 10 July 2005 on Prospectuses for Securities, as amended (“*Luxembourg Prospectus Law*”) and implementing the prospectus directive if Luxembourg is the home member state as defined under the Luxembourg prospectus law; or (b) if Luxembourg is not the home member state, the CSSF has been notified by the competent authority in the home member state that a prospectus in relation to the Securities has been duly approved in accordance with the prospectus directive; or (c) the offer of the Securities benefit from an exemption to or constitutes a transaction not subject to, the requirement to publish a prospectus pursuant to the Luxembourg prospectus law.

Notice to Residents of Moldova

This Memorandum does not constitute a public offer of the Securities, whether by way of sale or subscription, in Moldova. The Securities have not been offered or sold, and will not be offered or sold, directly or indirectly, in Moldova, except as may be permitted by law.

Notice to Residents of New Zealand

The Securities offered or sold to investor in New Zealand are only available to, and may only be accepted by, a wholesale investor pursuant to Clause 3(2) and 3(3) of Schedule 1 of the New Zealand

Financial Markets Conduct Act of 2013 who has completed a wholesale investor certificate. Purchaser acknowledges and agrees that purchaser has not offered or sold, and will not offer or sell, directly or indirectly, any Securities; purchaser has not distributed and will not distribute, directly or indirectly, this Memorandum or any other offering materials or advertisements in relation to any offer of any Securities; in each case in New Zealand other than to a person who is a wholesale investor; and purchaser will notify issuer if purchaser ceases to be a wholesale investor.

Notice to Residents of Nicaragua

These Securities have not been, and will not be, registered for public offering with the Nicaragua Securities Regulator (Superintendencia de Bancos y de Otras Instituciones Financieras or “*SIBOIF*”) and have not been registered with the Nicaraguan Exchange Market (Bolsa de Valores de Nicaragua). Therefore, Securities are not authorized for public offering in Nicaragua and may not be offered, placed, distributed, commercialized and/or negotiated to the public in Nicaragua.

Notice to Residents to Paraguay

The Securities are a private offering and, as such, can only be accepted by the addressee of this offer. The Securities have not been and will not be registered with the Paraguayan Securities Exchange Commission. Accordingly, the Securities may not be and will not be offered to the public in Paraguay under circumstances which are deemed to be a public offer under Law 5810/2017 on securities market.

Notice to Residents of Portugal

No warranties: all the information provided herein is provided “as-is” and with no representations or warranties. No express or implied representations or warranties of any type are made with respect to the information provided herein, notably in what concerns appropriateness, accuracy or completeness of any information or content in this Memorandum, or on information being updated.

Use at your own risk: by accepting the Securities, including but not limited to the transferring of assets, the user confirms that he/she/it understands and undertakes all the possible risks that directly, indirectly, consequentially or incidentally may arise from the activity connected with user’s participation in the Securities.

Disclaimer of liability: DecentraX specifically disclaim liability for special, direct, indirect, consequential, incidental, exemplary or punitive damages and assume and undertake no responsibility or liability for any loss or damage suffered by any person as a result of the use, misuse of, or reliance on, any of the information or content in this Memorandum or on other platforms. In no event shall DecentraX be liable to the user for any special, direct, indirect, consequential, incidental, exemplary or punitive damages (including lost or anticipated revenues or profits and failure to realize expected savings) whether such claim is based on representation, warranty, contract, agreement, arrangement, negotiation, contact, tort (including gross or light negligence, strict or objective liability or liability for risk) or otherwise, or likelihood of the same.

Warning: purchasers purchasing Securities can be considered involved in high-risk trading; participation in such may result in significant losses or even in a total loss of all funds transferred. No information provided should be interpreted as investment advice, and it does not constitute an offer or invitation to any user to buy or to sell securities or make any investment. Purchaser guarantees that he/she/it is a legally capable entity and complies with legal rules and applicable laws of the jurisdiction where the user lives. Purchaser represents that he/she/it has read, understood and agreed with all terms and conditions of the Securities, as well as all restrictions set forth above.

Notice to Residents in Romania

The Securities sold or offered is available only to, and may only be accepted by, a qualified investor

pursuant to Article 2 Paragraph 1 Point 21 of Law No. 24/2017 regarding issuers of financial instruments and market operations. Purchaser acknowledges and agrees that purchaser has not offered or sold, and will not offer or sell, directly or indirectly, any Securities; purchaser has not distributed and will not distribute, directly, or indirectly, this Memorandum or any other offering materials or advertisement in relation to any offer of any Securities in each case other than to a person who is a qualified investor; and purchaser will notify issuer if purchaser cease to be a qualified investor.

Each investor acknowledges and agrees that: (a) he, she or it has not offered or sold, and will not offer or sell, directly or indirectly, any Tokens; and (b) he, she or it has not distributed and will not distribute, directly or indirectly, this document or any other offering materials or advertisement in relation to any offer of any Tokens, in each case other than to a person who is a Qualified Investor (in terms of article 2 paragraph (1) point 21 of Law no 24/2017 regarding issuers of financial instruments and market operations); and (c) he, she or it will notify us if they cease to be a Qualified Investor (in terms of article 2 paragraph (1) point 21 of Law no 24/2017 regarding issuers of financial instruments and market operations).

Warning: The law normally requires people who offer financial instruments to give information to investors before they invest. This requires those offering financial instruments to have disclosed information that is important for investors to make an informed decision. The usual rules do not apply to this offer because there is an exclusion for offers where the offer is made to Qualified Investors (as defined in article 2 paragraph (1) point 21 of Law 24). As a result of this exclusion, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for this investment. Investments of this kind are not suitable for retail investors.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

Notice to Residents of Uganda

The Securities offered have not been approved or disapproved by the stock exchange/interim stock trading facility/Capital Markets Authority in Uganda. Prospective investors should carefully consider the matters set forth under the caption "Risk Factors".

Notice to Residents of Ukraine

The Securities have not been offered or sold, and will not be offered or sold, directly or indirectly, in the Ukraine, except as may be permitted by law.

Notice to Residents of Uruguay

The Securities have not been registered under the Uruguayan Securities Market Law, Act. 18.627 or recorded in the Uruguayan Central Bank ("**UCB**"). The Securities offered are not traded through a stock exchange. No Uruguayan regulatory authority has approved of this Offering. This offer is not being conducted in a manner that will constitute a public offering. The Purchaser expressly agrees that the Securities have not been approved by UCB.

Notice to Residents of United Arab Emirates

This Memorandum is not intended, and does not, constitute a financial promotion, an offer, sale or delivery of shares or other securities under the laws of the UAE. The Securities have not been and will not be registered under the laws of the United Arab Emirates ("**UAE**"). By receiving this Memorandum, the person or entity to whom it has been issued understands, acknowledges and agrees that none of the Securities or this Memorandum has been approved by or filed with the UAE Central Bank, the UAE Securities and Commodities Authority ("**SCA**") or any other federal or emirate-level authority in the UAE or the regulatory authorities in any of the free zones established in the UAE, nor has DecentraX received

authorization or licensing from the UAE Central Bank, the SCA or any other federal or emirate- level authority in the UAE or the regulatory authorities in any of the free zones established in the UAE to market or sell securities or other investments within the UAE. No marketing of any financial products or services has been or will be made from within the UAE other than in compliance with the laws of the UAE and no subscription to any securities or other investments may or will be consummated within the UAE. None of Securities may be offered or sold directly or indirectly to the public in the UAE. This Memorandum does not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 2 of 2015 (as amended) or otherwise.

Notice to Residents of the United Kingdom

The only categories of person in the United Kingdom to whom the Securities may be distributed are those persons who (i) have professional experience in matters relating to investments falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “*Financial Promotion Order*”), are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order, or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“*FSMA*”)) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons in (i)-(iii) above together being referred to as “*Relevant Persons*”). The Securities are directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which the Securities relate is available only to Relevant Persons and will be engaged in only with Relevant Persons. This Memorandum may only be provided to persons in the United Kingdom in circumstances where Section 21(1) of FSMA does not apply to DecentraX.

Notice to Residents of All Other Jurisdictions

No action has been taken to permit the offer, sale, possession or distribution of the Securities or any related documents in any jurisdiction where action for that purpose is required. Purchasers are required to inform themselves about, and to observe any restrictions relating to, the Securities, and any related documents in their jurisdiction. The Securities shall not be offered, sold, or otherwise transferred, except in full compliance with the transfer restriction, the transfer prerequisite, and all applicable laws, rules, and regulations of the transferor’s jurisdiction and the transferee’s jurisdiction. Each of the transferor and transferee are charged with the duty of complying with all applicable laws, rules, and regulations for any transfer of the Securities.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

Many significant aspects of the U.S. federal income tax treatment of virtual currencies, such as DCX Tokens, are uncertain, and the Company does not intend to request a ruling from the IRS on these issues. On March 25, 2014, the IRS released a notice (the “**Notice**”), which discusses certain aspects of the treatment of virtual currencies, such as Bitcoins, for U.S. federal income tax purposes. In the Notice, the IRS stated that, for U.S. federal income tax purposes, (i) Bitcoins are “property” that is not currency and (ii) Bitcoins may be held as capital assets. There can be no assurance, however, that the IRS will not alter its position with respect to Bitcoins and other virtual currencies, such as DCX Tokens, in the future or that a court would uphold the treatment set forth in the Notice. If DCX Tokens were properly treated as currency for U.S. federal income tax purposes, gain recognized on the disposition of DCX Tokens would constitute ordinary income, and losses recognized on the disposition of DCX Tokens could be subject to special reporting requirements applicable to “reportable transactions.” The remainder of this discussion assumes that DCX Tokens are properly treated for federal income tax purposes as property held for investment that is not currency.

Prospective investors are strongly urged to consult their tax advisers regarding the substantial uncertainty regarding the tax consequences of acquiring, holding, and disposing of DCX Tokens.

The following discussion is a summary of certain U.S. federal income tax considerations relating to the purchase, ownership and disposition of the DCX Tokens. This summary is based on the Internal Revenue Code of 1986, as amended (the “**Code**”), existing and proposed Treasury Regulations thereunder, administrative rulings and pronouncements and judicial decisions, all as in effect on the date of this Memorandum and all of which are subject to change or differing interpretations, possibly with retroactive effect. This discussion is addressed only to beneficial owners of the DCX Tokens that purchase them for cash and/or Ether on original issuance, and to beneficial owners that hold the DCX Tokens as “capital assets” within the meaning of Section 1221 of the Code.

This discussion does not address all of the tax considerations that may be relevant to a purchaser of DCX Tokens in light of its particular circumstances or to purchasers that are subject to special rules. As used in this discussion, the term “non-U.S. Holder” means a beneficial owner of DCX Tokens (other than a partnership or other entity treated as a partnership or as a disregarded entity for U.S. federal income tax purposes) that is not a U.S. person.

The tax treatment of a partnership and each partner thereof will generally depend upon the status and activities of the partnership and such partner. A holder that is treated as a partnership for U.S. federal income tax purposes or a partner in such partnership should consult its own tax advisor regarding the U.S. federal income tax consequences applicable to it and its partners of the acquisition, ownership and disposition of the DCX Tokens.

Transactions involving DCX Tokens and similar instruments, as well as Initial Coin Offerings (“ICOs”) and token transactions, are relatively new and it is more than likely that the IRS will issue guidance, possibly with retroactive effect, impacting the taxation of purchasers of DCX Tokens, participants in an ICO, and holders of DCX Tokens. Future tax guidance from the IRS (or guidance resulting from future judicial decisions) could negatively impact purchasers of the DCX Tokens and holders of DCX Tokens.

Treatment of DCX Tokens

DecentraX intends to treat the sale of the DCX Tokens as the execution of a contract for the purchase of DCX Tokens. DecentraX intends to treat the DCX Tokens neither as an equity interest nor as a debt interest in DecentraX for U.S. federal income tax purposes. The amount paid by a purchaser upon entering into the DCX Tokens should be a nondeductible capital expense for U.S. federal income tax purposes.

The tax treatment of DCX Tokens is not entirely clear. It is possible that the IRS may challenge DecentraX's intended treatment of the DCX Tokens, for example, treating amounts paid by a purchaser upon entering into the DCX Tokens as a prepayment for services to be rendered, or treating the DCX Tokens as a form of equity interest in the assets of DecentraX, in which case the U.S. federal income tax consequences to a purchaser and DecentraX of the sale of DCX Tokens could differ from those described above.

Treatment of Token Sale

DecentraX will treat the issuance of DCX Tokens as a purchase of property by the purchaser. DecentraX intends to treat DCX Tokens neither as equity interests nor as debt interests in DecentraX for U.S. federal income tax purposes. A purchaser should generally have a tax basis for U.S. federal income tax purposes in the DCX Tokens it acquires from DecentraX equal to the amount of U.S. dollars such purchaser advanced under the DCX Tokens or, if such purchaser invested in DCX Tokens using Bitcoin or Ether, the value thereof in U.S. dollars at the Applicable Exchange Rate on the date of such exchange. The purchaser's holding period in the DCX Tokens should begin on the day the DCX Tokens are issued to the Purchaser. Under this treatment, DecentraX would have income upon issuance of the DCX Tokens to a Purchaser generally equal to the amount of U.S. dollars such Purchaser advanced under the DCX Tokens or, if such Purchaser invested in DCX Tokens using Bitcoin or Ether, the value thereof in U.S. dollars at the Applicable Exchange Rate on the date of such exchange.

While a purchase of property, such as DCX Tokens, generally is not taxable to the buyer (in this case, the Purchaser) for U.S. federal income tax purposes, a purchaser that uses Bitcoin or Ether as its form of payment for the DCX Tokens may have taxable gain or loss on such exchange to the extent the Purchaser's adjusted tax basis in Bitcoin or Ether used to purchase the DCX Tokens (expressed in U.S. dollars) is less than or greater than, respectively, the Applicable Exchange Rate for Bitcoin or Ether (expressed in U.S. dollars) upon the acquisition of DCX Tokens.

However, the tax treatment of DCX Tokens is not entirely clear. It is possible that the IRS may challenge DecentraX's intended treatment of the issuance of DCX Tokens, in which case the U.S. federal income tax consequences to a Purchaser and DecentraX of an issuance of DCX Tokens could differ from those described above. The remainder of this summary assumes that DecentraX's intended treatment of the DCX Tokens will be respected.

Disposition of DCX Tokens

A purchaser who sells, exchanges, or otherwise disposes of DCX Tokens for U.S. dollars or other property (including pursuant to an exchange of such DCX Tokens for other virtual currencies such as Bitcoin and Ether) should, pursuant to IRS Notice 2014-21, recognize capital gain or loss in an amount equal to the difference between the fair market value of the property received in exchange for such DCX Tokens and the purchaser's adjusted tax basis in the DCX Tokens, as described above. This capital gain

may be long-term if the purchaser has held its DCX Tokens for more than one year prior to disposition.

Non-U.S. Holders

Gain on Sale or Other Disposition of DCX Tokens

A non-U.S. Holder generally will not be required to pay U.S. federal income tax on any gain realized upon the sale or other taxable disposition of DCX Tokens unless (1) the gain is effectively connected with the conduct of a US trade or business by the non-U.S. Holder (and, if an income tax treaty applies, the gain is attributable to a permanent establishment or fixed base maintained in the United States), and (2) the non-U.S. Holder is an individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs and certain other conditions are met.

A non-U.S. Holder described in (1) above will generally be required to pay tax on the gain derived from the sale (net of certain deductions or credits) under regular graduated U.S. federal income tax rates generally applicable to persons in the U.S., and corporate non-U.S. Holders described in (1) above also may be subject to branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. An individual non-U.S. Holder described in (2) above will be required to pay a flat 30% tax on the gain derived from the sale, which tax may be offset by U.S. source capital losses for that year (even though the non-U.S. Holder is not considered a resident of the United States), provided that the non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses. A non-U.S. Holder should seek advice on any applicable income tax or other treaties that may provide for different rules.

Information Reporting and Backup Withholding Tax

Distributions (if any) made to holders and proceeds paid from the sale, exchange, redemption or disposal of DCX Tokens may be subject to information reporting to the IRS. Such payments may be subject to backup withholding taxes unless the holder (i) is a corporation or other exempt recipient or (ii) provides taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred. Holders that are not US persons generally are not subject to information reporting or backup withholding. However, such a holder may be required to provide a certification of its non-US status in connection with payments received within the United States or through a U.S.-related financial intermediary to establish that it is an exempt recipient. Backup withholding is not an additional tax; amounts withheld as backup withholding may be credited against a holder's U.S. federal income tax liability.

THE US FEDERAL INCOME TAX TREATMENT OF THE DCX TOKENS IS NOT CLEAR AND THE FOREGOING DISCUSSION DOES NOT ADDRESS ALL ASPECTS OF US FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER IN LIGHT OF ITS INDIVIDUAL CIRCUMSTANCES, NOR DOES SUCH DISCUSSION ADDRESS ANY ASPECTS OF STATE, LOCAL, OR FOREIGN TAX LAWS OR OF ANY US FEDERAL TAX LAWS OTHER THAN THE INCOME TAX LAWS. ACCORDINGLY, PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS AS TO THE US FEDERAL INCOME TAX CHARACTERIZATION OF THE DCX TOKENS, AS WELL AS THE OTHER TAX CONSEQUENCES OF ACQUISITION, OWNERSHIP AND DISPOSITION OF SHARES IN THEIR OWN PARTICULAR CIRCUMSTANCES.

**CONFIDENTIAL PRIVATE PLACEMENT OFFERING
MEMORANDUM**



DCX Tokens

**December 15,
2018**