

Form 51-102F3

MATERIAL CHANGE REPORT

Item 1: Name and Address of Reporting Issuer

The INX Digital Company, Inc. (the “Company”)
550 Burrard Street, Suite 2900
Vancouver, British Columbia
V6C 0A3

Item 2: Date of Material Change

August 18, 2023

Item 3: News Release

The news release announcing the material change was disseminated through Newswire on August, 2023 and filed on SEDAR+ at www.sedarplus.ca.

Item 4: Summary of Material Change

On August 18, 2023, the Company announced that it had closed its previously announced transaction with OpenDeal Inc. (dba Republic (“**Republic**”) pursuant to which Republic invested US\$5.25 million in INX at an approximate US\$50 million pre-money valuation (the “**Transaction**”).

Item 5: Full Description of Material Change

5.1 Full Description of Material Change

Pursuant to the terms of the Transaction, Republic subscribed for 22,048,406 common shares (the “**Common Shares**”) of the Company at a price of US\$0.2381 per Common Share, for an aggregate gross purchase price of approximately US\$5.25 million. The consideration paid by Republic was comprised of US\$2,625,000 in cash and 59,152 Preferred B Shares of Republic. Following completion of the Transaction, Republic holds approximately 9.5% of the issued and outstanding Common Shares.

The Company has engaged Weild Capital, LLC (“**WCL**”) to act as its financial advisor, including in connection with the Transaction. Pursuant to that engagement, WCL was paid a retainer fee of US\$90,000 and will be paid a cash fee of US\$288,750 (equal to 5.5% of the aggregate purchase price under the Transaction), and 661,452 Common Share purchase warrants (equal to 3.0% of the Common Shares issued under the Transaction). Each Common Share purchase warrant is exercisable into one Common Share at a price of US\$0.2381. David Weild, the principal of WCL, is the chairman of the INX board, and abstained from the approval by the Company’s board of the WCL engagement. The engagement of WCL is a “related party transaction” for purposes of Multilateral Instrument 61-101 – *Protection of Minority Interests in Special Transactions* (“**MI 61-101**”), but is exempt from the minority approval and formal valuation requirements under MI 61-101 pursuant to sections 5.5(a) and 5.7(a) thereof. This material change report is being filed less than 21 days prior to closing of the Transaction, which INX believes reasonable in the circumstances because the engagement of WCL is on arm’s length terms and was previously disclosed in the Company’s interim financial statements and interim MD&A for the periods ended March 31, 2023 and June 30, 2023.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6: Reliance on Subsection 7.1(2) of National Instrument 51-102–*Continuous Disclosure Obligations*

Not applicable.

Item 7: Omitted Information

Not applicable.

Item 8: Executive Officer

The name and business telephone number of an officer of the Company who can answer questions regarding this report are as follows:

Shy Datika, President and Chief Executive Officer
Telephone No.: 604 631-3131

Item 9: Date of Report

August 21, 2023