



June 7, 2020

PDX COIN PROVIDES MID-2020 INVESTOR UPDATE

We are pleased to provide a general update on the overall progress and near-term outlook for PDX Coin.

The comments and forecasts we made in our April update letter regarding the economy, the outlook for the lifting of various COVID19-related restrictions, including those related to travel, and energy prices have all been shown to have been fairly accurate assessments. We continue to see significant strengthening in the energy markets, and remain confident of an average WTI crude price in 2021 in the order of \$50 per barrel (versus a projected average production and lifting cost on net production, after royalties, of just over \$23 per barrel in the US domestic part of the energy portfolio that will underpin PDX).

We have recently quite substantially updated and extended the PDX Coin White Paper, which now for the first time gives a very detailed functional description of *PDXPay*, the working name of our upcoming mobile-enabled global payments app. A copy of the new white paper is attached with this letter, and we encourage you to review it, particularly the Banking and Payments section on pages 48 to 77. The new white paper is also being uploaded to our website this week, at www.pdxcoin.io. We look forward to hearing your thoughts and comments on the new white paper.

**375 Park Avenue
Suite 2607
New York, NY 10153
212.634.9962**

**Gubelstrasse 11
6300-Zug
Switzerland
41.41.711.1562**

www.pdxcoin.io

We made a decision to defer any further token offering price increases until the commencement of our upcoming Asia pre-sales, and in tandem with that we opened a new and final round of PDX Coin to accredited investors only. In this new round we are selling up to a maximum 1,000,000 new PDX tokens at US\$15 each, with a minimum goal of 400,000 tokens sold. Each token is automatically accompanied by a free option, entitling the holder to purchase an additional token at the same price, at any time up to 90 (ninety) days after we close our upcoming ICO. This current round will be the last opportunity for US investors to participate in PDX Coin, as they are prohibited from participating in the Asian sales and the ICO. The proceeds of the current round will be used to cover general working capital and corporate expenses; certain oil and gas related expenses; completion of our payments app development and testing program; miscellaneous technology-related expenses; the cost of our upcoming Asian roadshows; and all of the costs and expenses related to our banking related licenses. Funds raised in excess of the minimum will be allocated to new hiring expense, and to bringing forward our ICO marketing program. As to hiring, we need to soon hire a new Financial Controller, a new Head of Global Regulatory Affairs, and a Hong Kong-based compliance officer, among other roles.

We have firmed up the pricing for the upcoming private and institutional Asian pre-sales at \$45 per token, representing a fairly standard 40% discount to the now firmer ICO price of \$75 per token. No options to purchase additional tokens will be granted in the upcoming Asian round.

We have expanded our licensing strategy on the payments processing and virtual banking side to now also include applications in Hong Kong for a Money Service Operator (“MSO”) license, as issued by Hong Kong Customs and Excise, and for a Stored Value Facility (“SVF”) license, as issued by the Hong Kong Monetary Authority. We will prepare and file these applications upon completion of the minimum raise in the current token sales round. The MSO license will take from 3-5 months to obtain, and the SVF license will take at least 5 months, and up to 9 months, to obtain. These two licenses will enable us to operate as a full virtual bank in Hong Kong, and from there into the deeper China market, and neatly complement our upcoming Electronic Money Institution license in Lithuania (and automatically the entire EU by extension). The license portfolio and attendant banking capabilities dovetail perfectly with PDX Coin, our payments processing capability, and the future planned PDeX cryptocurrency exchange. Importantly, the licenses further facilitate the roll-out and functioning of the

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PDXPay global payments application and attendant wallet, which the holder can use to make payments to merchants using PDX Coin and any of several other approved widely-held cryptocurrencies such as Bitcoin, Ether, Stellar, Cardano, and Libra, as well as make payments with fiat currencies. We expect to also add a capability for app users to be able to *receive* payments as well, which is useful in respect to refunds, as well as regularly received payments such as salaries and wages, etc. The PDXPay app will function as an entire banking system on a user's phone or other electronic device.

We have identified, and will shortly be retaining, a highly-regarded Hong Kong corporate law firm with Asia-wide reach, in connection with the above-referenced MSO and SVF license applications, as well as to provide legal and regulatory assistance for the upcoming pre-sales and ICO vis a vis the China market in particular. Pursuant to the upcoming Asian road show series and the license applications in Hong Kong, our CEO will relocate to Hong Kong for an expected 6 months, promptly upon completion of the current US token sales round.

In line with strengthening markets across all tradeable asset classes and the continuing development and underlying attractiveness of our own business model, we have increased the target raise in the ICO; have identified several strategically important banking and fintech acquisition opportunities; and are firming up our global ICO marketing strategy and budgets.

Please direct all enquiries to ir@signalcapitalmanagement.co.

Sincerely,

The PDX team

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New York, NY 10153
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