

FENIX RISK DISCLOSURE

Participating in the Crowd Sale ITO, holding FENIX.CASH Tokens and using the FENIX platform (if and when developed) all involve risks, some of which are set out below.

These risks, and additional risks arising either now or in the future, could result in the failure of the Crowd Sale ITO, the destruction of FENIX.CASH Tokens or limitations in the utility of FENIX.CASH Tokens, and/or the termination of the development of the FENIX platform.

The entire Proceeds may be lost and as a result, you may lose your entire Payment or FENIX.CASH Tokens.

You must consider carefully whether the risks set out below, as well as all other applicable risks, are acceptable to you prior to purchasing any FENIX.CASH Tokens.

You must seek professional advice (legal, taxation, financial, technical or otherwise) regarding your particular situation before participating in the Crowd Sale ITO, holding any FENIX.CASH Tokens or using the FENIX platform.

1. Changes to the FENIX platform

During the first quarter of 2018, the FENIX platform will be launched with specific functionality and utility. However, the FENIX platform may undergo significant changes.

Various features of the FENIX platform, including its terms and conditions, fees, structure, purpose, consensus protocol, algorithm, source codes, infrastructure design and other technical specifications and parameters, may be updated and changed frequently without notice.

Further, the FENIX platform may encounter difficulties during development, including financial, resourcing and technical difficulties. These difficulties are unpredictable, and may be unresolvable.

Development of the FENIX platform may therefore fail, be terminated or delayed at any time for any reason.

Particular features of the FENIX platform, including certain features set out in the FENIX Whitepaper or other documentation associated with the Crowd Sale ITO may never be realised.

Any such failure, termination or delay may materially affect, and in the worst case may result in, any existing utility or value that FENIX.CASH Tokens hold.

2. Incomplete information regarding the FENIX platform

You will not have full access to all the information relevant to FENIX and/or the FENIX platform. FENIX is not required to update you on the progress of the FENIX platform and may in certain circumstances not do so in a timely manner or at all.

3. Lack of operating history of FENIX

FENIX is a newly formed entity, and has no operating history or track record that could be used (on its own) to evaluate its ability to deliver the FENIX platform.

4. No governance rights attaching to FENIX.CASH Tokens

FENIX.CASH Tokens confer no governance rights of any kind with respect to the FENIX platform or FENIX.

Accordingly, subject to other written arrangements to the contrary, all decisions involving the FENIX platform will be made by the FENIX team, including decisions to discontinue the FENIX platform. These decisions could materially adversely affect the FENIX platform and the value or utility of any FENIX.CASH Tokens that you hold.

5. No assets or property underlying FENIX.CASH Tokens

FENIX.CASH Tokens confer no ownership interest in any assets or property. Nothing underpins the value of FENIX.CASH Tokens other than the prospect of access to the FENIX platform.

6. Replication, modification or enhancement arising from the open source nature of the FENIX platform

The FENIX platform will be open source in nature. This could allow anyone to replicate, modify or enhance the technologies that underlie the FENIX platform, and readily create competitors for the FENIX platform.

These competitors may be more successful than the FENIX platform. In the event that any such competitor creates a more successful platform than FENIX, the value or utility of FENIX.CASH Tokens may be materially adversely affected.

7. Potential for misuse of the FENIX platform

Services which may be banned, restricted or deemed immoral in certain jurisdictions may potentially use the FENIX platform. As a result, governmental authorities or regulators may take action against the FENIX platform. This may deter users from using the FENIX platform, or may involve the complete shutdown of the FENIX platform.

8. Reliance on third-party contractors

Development of FENIX.CASH Tokens and the FENIX platform, and the operation of the Crowd Sale ITO, will require third party contractors with particular expertise in Quantum and blockchain technology.

The availability of such contractors is limited.

There may not be sufficient (or any) such contractors available on terms deemed acceptable by the FENIX team. The costs associated with any such contractors may be significantly greater than currently estimated. Further, the quality, reliability and timely delivery of services by such contractors may vary significantly.

9. Utility of FENIX.CASH Tokens depends on the FENIX platform

The utility of FENIX.CASH Tokens depends on the success of the FENIX platform, if developed. The FENIX platform may not be popular or widely used after launch.

In the long term, the FENIX platform may fail to attract a critical mass of users. The FENIX platform may be merged with other projects. Various circumstances, including technical advancement and competitors, may render the FENIX platform obsolete.

10. Speculation may drive demand for FENIX.CASH Tokens

FENIX.CASH Tokens are transferable only in accordance with the Terms and Conditions. Accordingly, demand for FENIX.CASH Tokens may be partially or wholly driven by speculation. Speculation may continue to drive demand for FENIX.CASH Tokens even after the launch of the FENIX platform.

11. Inflation in supply of FENIX.CASH Tokens

The total FENIX.CASH Token supply will be fixed. FENIX does not intend to issue or generate further FENIX.CASH Tokens, although this may change in the future.

12. Further Crowd Sale ITOs and development and sale of additional tokens

FENIX may, from time to time, and without prior notice or consultation, sell additional FENIX.CASH Tokens outside of the Crowd Sale ITO.

Further, FENIX may develop or otherwise raise funding for the FENIX platform through any other means it deems necessary. You will not necessarily receive notice of the sale of additional FENIX.CASH Tokens or of any other tokens or fundraising means.

13. Volatility of FENIX.CASH Tokens

The circulation of FENIX.CASH Tokens is not the responsibility of FENIX, and FENIX does not presently intend to support or otherwise facilitate the secondary trading of FENIX.CASH Tokens. As a result, FENIX.CASH Tokens may not circulate freely or widely, and may not be listed on any secondary markets.

Even if FENIX.CASH Tokens do circulate on secondary markets, the value of FENIX.CASH Tokens may be highly volatile.

Factors such as:

- Perceptions of FENIX, the FENIX team or the FENIX platform,
- Delays in the development of the FENIX platform,
- Fluctuations in comparable projects and Crowd Sale ITOs,
- Market dynamics,
- Regulatory actions and changes,
- Technical advancements, as well as
- Broader economic and political factors

may cause the value of FENIX.CASH Tokens to change significantly over a short period of time.

In addition, there may be insufficient liquidity to support an active market in FENIX.CASH Tokens, or the market in FENIX.CASH Tokens may become susceptible to market manipulation.

14. Volatility of BTC, ETH, QTUM, other cryptocurrencies and fiat currencies

Payments for FENIX.CASH Tokens may be made in BTC, ETH, QTUM or by special arrangements, fiat currencies.

FENIX may hold the Proceeds in BTC, ETH, QTUM, other cryptocurrencies or fiat currencies, or a combination of any of them. The value of these fiat currencies and cryptocurrencies may fluctuate significantly over a short period of time as a result of market dynamics, regulatory actions and changes, technical advancements, exchange availability and broader economic and political factors. This volatility is likely to impact the funding that is available for developing the FENIX platform and may materially affect the value and utility of FENIX.CASH Tokens.

15. Concentration of FENIX.CASH Token ownership

At any point in time, one or more persons may directly or indirectly control significant portions of the total supply of FENIX.CASH Tokens. Acting individually or in concert, these holders may have significant influence over the FENIX platform and may make decisions that are not in your best interest as a holder of FENIX.CASH Tokens.

16. Legal status of the FENIX.CASH Token, the Crowd Sale ITO and the FENIX platform is pending

FENIX is seeking legal advice on a number of matters relating to FENIX.CASH Tokens, the Crowd Sale ITO and the FENIX platform. Pending such advice, and FENIX's decisions in relation to each aspect of such advice, some or all of the Terms and Conditions may need to be varied.

Further, the laws of various jurisdictions may apply to FENIX.CASH Tokens, the Crowd Sale ITO and / or the FENIX platform. The application of these laws and regulations to FENIX.CASH Tokens, the Crowd Sale ITO and / or the FENIX platform is largely untested, and is subject to change without notice.

In particular, current governmental or regulatory tolerance of cryptographic tokens or cryptocurrencies can change rapidly, and FENIX.CASH Tokens may at any time be deemed to be a security, investment, asset or money by governmental authorities or regulators.

FENIX may receive formal or informal queries, notices, requests or warnings by governmental authorities and regulators. Action may be taken by governmental authorities and regulators against FENIX or the FENIX platform. As a result of such events, FENIX may be required to discontinue the Crowd Sale ITO and/or the FENIX platform.

You may also be subject to governmental or regulatory action by participating in the Crowd Sale ITO, holding FENIX.CASH Tokens and/or using the FENIX platform.

17. Tax treatment and accounting

FENIX, and transactions in relation to the FENIX.CASH Tokens and/or the FENIX platform, including the acquisition or disposal of FENIX.CASH Tokens by you in the Crowd Sale ITO or otherwise, may be subject to the tax laws and regulations in any applicable jurisdictions.

The tax treatment and accounting of transactions in relation to the FENIX.CASH Tokens and/or the FENIX platform are uncertain and a largely untested area of law and practice that is subject to prospective and retroactive changes without notice. Tax treatment of cryptographic tokens and cryptocurrencies may vary amongst jurisdictions.

Your participation in the Crowd Sale ITO and/or the use of the FENIX platform as a result of, or in connection with, any purchase, grant, delivery, exercise, vesting, distribution, activation, holding, use, appreciation, conversion, sale, exchange, redemption, assignment, transfer, disposal, may attract Taxes either now or in the future.

FENIX may receive formal or informal queries, notices, requests, or summons from tax **authorities** and as a result FENIX may be required to furnish certain information about the Crowd Sale ITO and/or the FENIX platform.

You must seek independent professional advice on the tax implications in relation to the Crowd Sale ITO, use of the FENIX platform and/or any other transactions for your particular situation.

18. Reliance on the internet

FENIX.CASH Tokens, the Crowd Sale ITO and the FENIX platform rely heavily on the internet. However, the public nature of the internet means that either parts of the internet or the entire internet may be unreliable or unavailable at any given time. Further, interruption, delay, corruption or loss of data, or the loss of confidentiality in the transmission of data, may occur when transmitting data via the internet.

19. Reliance on Quantum

FENIX.CASH Tokens, the Crowd Sale ITO and the FENIX platform rely on Quantum. Quantum is open source software that is built upon experimental technology, namely the blockchain.

Risks arising from this reliance on Quantum include (but are not limited to):

- The existence of technical flaws in Quantum;
- Targeting of Quantum by malicious persons;
- Changes in Quantum's consensus protocol or algorithms;
- Decreased community or miner support for Quantum;
- Rapid fluctuations in the value of QTUM;
- The existence or development of competing networks and platforms;
- The existence or development of forked versions of Quantum;
- Flaws in the scripting language of the Quantum protocol;
- Disputes between Quantum developers, miners and/or users;
- Technical obsolescence and /or changes in user preferences;and
- Regulatory action against Quantum developers, miners and/or users.

20. Cryptographic advancements

Developments in cryptographic technologies and techniques, including the advancement of artificial intelligence and/or quantum computing, pose security risks to all cryptography-based systems including FENIX.CASH Tokens and the FENIX platform. Applying these technologies and techniques to FENIX.CASH Tokens and/or the FENIX platform may result in theft, loss, disappearance, destruction, devaluation or other compromises of FENIX.CASH Tokens, the FENIX platform or your data.

21. Source code changes and flaws

The various source codes used in the Crowd Sale ITO and (if and when developed) the FENIX platform are subject to change and may at any time contain one or more defects, weaknesses, inconsistencies, errors or bugs.

22. No anonymity when using Quantum

Your participation in the Crowd Sale ITO, holding and transfer of FENIX Tokens and/or use of the FENIX platform (if and when developed) will not be anonymous.

Your address and such participation will be recorded on an unpermissioned blockchain, namely Quantum.

It is possible to match addresses to identities.

23. Inadequate computing resources

The Crowd Sale ITO and the FENIX platform will require intensive computing resources. The demand for these resources may exceed FENIX's estimates. Ultimately, FENIX's resources may prove inadequate to support the Crowd Sale ITO and/or develop the FENIX platform, which may affect the delivery and/or utility of FENIX.CASH Tokens.

24. Loss of private key is permanent and irreversible

You alone are responsible for securing your private key.

Losing control of your private key will permanently and irreversibly deny you access to your FENIX.CASH Tokens.

Neither FENIX nor any other person will be able to retrieve or protect your FENIX.CASH Tokens. Once lost, you will not be able to transfer your FENIX.CASH Tokens to any other address or wallet. You will not be able to realise any value or utility that the FENIX.CASH Token may hold now or in the future.

25. Targeting of FENIX.CASH Tokens, the Crowd Sale ITO, the FENIX platform and FENIX by malicious persons

FENIX.CASH Tokens, the Crowd Sale ITO, the FENIX platform (if and when developed) and FENIX may be targeted by malicious persons who may attempt to steal FENIX.CASH Tokens or the proceeds from the Crowd Sale ITO, or otherwise intervene in the Crowd Sale ITO, the FENIX platform or FENIX.

This includes (but is not limited to) interventions by way of:

- Distributed denial of service;
- Sybil Attacks;
- Phishing;
- Social engineering;
- Hacking;
- Smurfing;
- Malware;
- Double Spending;
- Majority-mining, consensus-based or other mining attacks;
- Misinformation campaigns; and / or
- Spoofing.

FENIX.CASH Tokens, the Crowd Sale ITO and the FENIX platform may also be vulnerable to exploitation of vulnerabilities in smart contracts and other code, as well as to human error.

This could result in significant loss and/or other impacts that may materially affect your interests.

26. Targeting of Purchaser by malicious persons

Malicious entities may target you in an attempt to steal any FENIX.CASH Tokens or cryptocurrencies that you may hold, or to claim any FENIX.CASH Tokens that you may have purchased. This may involve unauthorised access to your Digital Wallet, your private keys, your cryptocurrency addresses, your email or social media accounts, as well as unauthorised access to your computer, smartphone and any other devices that you may use.

You alone are responsible for protecting yourself against such actions.

27. Jurisdiction related risks

Residents, Tax residents or persons having a relevant connection with certain jurisdictions are excluded from the Crowd Sale ITO. Changes in your place of domicile or the applicable law may result in you violating any legal or regulatory requirements of your applicable jurisdiction.

You are responsible for ensuring that the delivery, holding, use or exchange of FENIX.CASH Tokens is, and remains lawful despite changes to applicable laws, your residence and circumstances.