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FOR IMMEDIATE RELEASE

DIGIFONICA ANNOUNCES \$3,000,000 BROKERED PRIVATE PLACEMENT AND A CONCURRENT \$2,000,000 NON-BROKERED PRIVATE PLACEMENT

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Vancouver, B.C., July 31, 2012 - Digifonica International Inc. (TSXV-NEX: DIL.H, the "Company" or "Digifonica") is pleased to announce that pursuant to the proposed acquisition of the business of BidCactus, LLC ("BidCactus") as announced on April 30, 2012, it has negotiated a private placement with Canaccord Genuity Corp. ("Canaccord") on a commercially reasonable efforts basis to sell up to 7,500,000 units (the "Units") at \$0.40 per Unit for gross proceeds of up to \$3,000,000 (the "Brokered Private Placement"). Each Unit will consist of one share and one half of one warrant, each whole warrant entitling the holder to purchase one additional share for \$0.75 for a period of two years from closing.

The Company has also granted Canaccord an option to solicit an additional 2,500,000 Units exercisable 48 hours prior to closing to raise an additional \$1,000,000.

The Company also wishes to announce a non-brokered private placement of up to 5,000,000 Units at \$0.40 per Unit for gross proceeds of up to \$2,000,000 (the "Non-Brokered Private Placement"). Finder's fees will be paid in accordance with the policies of the TSX Venture Exchange (the "Exchange").

Proceeds of the Brokered Private Placement and the Non-Brokered Private Placement (the "Placements") will provide working capital to progress the BidCactus business. Closing of the Placements is subject to various conditions including the approval of the Exchange and the concurrent acquisition of the business of BidCactus and the listing of the Company as a Tier 2 issuer on the Exchange.

ON BEHALF OF THE BOARD OF DIRECTORS DIGIFONICA INTERNATIONAL INC.

"Gunther Roehlig"

Gunther Roehlig, President & CEO



For further information, please contact Gunther Roehlig, President & CEO, at 604-683-0911 (email: groehlig@shaw.ca).

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) has in any way passed upon the merits of the transaction or approved or disapproved the contents of this news release. The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

Information Relating to the United States

This news release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from U.S. registration requirements.