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TSXV-NEX Trading Symbol: DIL.H

FOR IMMEDIATE RELEASE

DIGIFONICA PROVIDES UPDATE ON BIDCACTUS TRANSACTION

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Vancouver, B.C., February 6, 2013 - Digifonica International Inc. (TSXV-NEX: DIL.H, the "Company" or "Digifonica") is pleased to provide an update of its previously announced transaction (the "Transaction") to acquire from BidCactus, LLC ("BidCactus") its internet-based penny auction business.

Formal Agreement Amended

The Company and BidCactus have amended the formal asset purchase agreement dated December 10, 2012, pursuant to which, among other things, the previously announced consideration of 24,147,500 shares to acquire the BidCactus Business will be increased to 25,772,500 shares in consideration for the transfer of US\$650,000 in merchant accounts reserve by BidCactus to the Company at the closing of the Transaction.

Stock Options Granted

Pursuant to the Company's 10% Rolling Stock Option Plan and in conjunction with the closing of the Transaction and subject to shareholder and regulatory approval of the Transaction, the Company has granted 6,850,000 options exercisable at \$0.40 per share for a term of five years from the closing of the Transaction.

Increase in the Non-Brokered Private Placement

The Company's previously announced non-brokered private placement has been increased and will now be for a minimum of 6,000,000 Units at a price of \$0.40 per unit to raise gross proceeds of \$2,400,000 and a maximum of 7,500,000 units to raise gross proceeds of \$3,000,000. 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 the closing of the Transaction. Finder's fees will be paid in accordance with the policies of the TSX Venture Exchange (the "Exchange").

Conditions

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Completion of the Transaction is subject to a number of conditions, including without limitation, completion of satisfactory technical and legal due diligence, Exchange approval, and Digifonica shareholders' approval. The Transaction cannot close until the required approvals are obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Digifonica should be considered highly speculative.

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: <u>groehlig@shaw.ca</u>).

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.

Forward-looking Statements

This news release contains forward-looking statements related to the future financial condition and results of operations of the Company. These statements are based on current expectations regarding the reactivation of the Company with the acquisition of the BidCactus Business and management's beliefs and assumptions regarding this business. These statements are subject to important risks and uncertainties which are difficult to {4699-

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predict and assumptions which may prove to be inaccurate. Some of the factors which could cause results or events to differ materially from current expectations include but are not limited to: general economic conditions, market or business conditions; changing competitive environment; changing regulatory conditions or requirements; changing technology; and success in implementing productivity initiatives. Some of these factors are largely beyond the control of the Company. Should any factor impact the Company in an unexpected manner, or should assumptions underlying the forward-looking statements prove incorrect, the actual results or events may differ materially from the results or events predicted. All of the forward-looking statements made in this document are qualified by these cautionary statements, and there can be no assurance that the results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences for the Company. Readers should not place undue reliance on any forward-looking statements. Further, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or any other occurrence.