



## DMG Blockchain Solutions Secures New Patent To Further Strengthen its Intellectual Property for Regulatory Compliance

VANCOUVER, British Columbia, Dec. 23, 2024 -- DMG Blockchain Solutions Inc. (TSX-V: DMGI) (OTCQB: DMGGF) (FRANKFURT: 6AX) ("DMG" or the "Company"), a vertically integrated blockchain and data center technology company, announces the issuance of US Patent No. 12,067,572 for Cryptographic Taint Tracking. This patent, issued by the US Patent and Trademark Office, is a continuation of the previously issued U.S. Patent No. 11,257,089. The original patent laid the foundation for a method to detect and track tainted cryptographic wallets, supporting efforts to combat money laundering and fraud.

This new patent builds on the innovative technology behind Blockseer's wallet risk scoring method, which reinforces DMG's clean-block mining initiative and its use in mining pools. The patented methods enable real-time identification and monitoring of wallets linked to nefarious activities, enhancing compliance and supporting law enforcement in their mission to safeguard blockchain networks.

Key Features of Cryptographic Taint Tracking (Patent 12,067,572):

- **Tainted Wallet Detection:** Identifies wallets linked to criminal or suspicious activities by measuring their propensity for illicit transactions.
- **Enhanced Compliance:** Prevents engagement with wallets tied to illegal activity, reducing the risk of funding crime or laundering proceeds.
- **Real-Time Risk Flagging:** Automatically flags risky withdrawal requests for further review before committing them to the blockchain.
- **Wallet Quarantine:** Allows exchanges to quarantine wallets exceeding a specified wallet risk score, halting transactions until reviewed.

DMG's CEO, Sheldon Bennett commented, "By advancing a novel methodology to detect and prevent suspicious activity in real-time, we're enhancing the trust and safety of the blockchain. This is a notable step forward to enable custody providers and exchanges to ensure regulatory compliance. As we look forward with our Systemic Trust custody subsidiary and Terra Pool as the key enabling elements of our carbon neutral Bitcoin ecosystem, compliance technology, such as what is being enabled by our patent, is core to ensuring that bad actors are prevented from tainting our ecosystem."

### Grant of Stock Options and RSUs

In addition, DMG announces the granting of stock options and RSUs to employees and directors of the company. A total of 424,680 stock options ("Options") and 2,050,000 restricted stock units ("RSUs") have been granted. The Options are exercisable over five years at a price of \$0.38 per share, with vesting in 25% increments on the six-, 12-, 18-, and 24-month anniversaries of the grant date. The RSUs vest in one year; these grants are designed to create an incentive structure that aligns longer-term performance with the Company's growth.

### About Systemic Trust Company Ltd.

Systemic Trust Company is a special purpose trust company incorporated under the Loan and Trust Corporations Act (Alberta). When STC receives its registration and regulatory approval for operations, it will operate as a standalone, independently capitalized, prudently managed trust company and Qualified Custodian offering digital asset custody services for institutional clients.

### About Terra Pool

Terra Pool is the world's first carbon neutral Bitcoin mining pool, designed to reward miners with carbon neutral bitcoin. It plays a crucial role in advancing a carbon neutral Bitcoin ecosystem. When integrated with DMG's subsidiary, Systemic Trust, a digital asset custodian, financial institutions and content creators will gain the ability to send Bitcoin in a carbon neutral and regulatory-compliant manner.

### About DMG Blockchain Solutions Inc.

DMG is a publicly traded and vertically integrated blockchain and data center technology company that manages, operates and develops end-to-end digital solutions to monetize the digital asset and artificial intelligence compute ecosystems. DMG's sustainable businesses are segmented into two business lines under the Core and Core+ strategies and unified through DMG's vertical integration.

For more information on DMG Blockchain Solutions visit: [www.dmgblockchain.com](http://www.dmgblockchain.com)

Follow @dmgblockchain on X, LinkedIn, Facebook and subscribe to DMG's YouTube channel.

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### **Cautionary Note Regarding Forward-Looking Information**

This news release contains forward-looking information or statements based on current expectations. Forward-looking statements contained in this news release include statements regarding DMG's strategies and plans, the development of Systemic Trust, improving fleet efficiency and continuing to execute on Core+ software initiatives, onboarding of new clients to Terra Pool, the opportunity and plans to monetize bitcoin transactions, the continued investment in Bitcoin network software infrastructure and applications, developing and executing on the Company's products and services, increasing self-mining, efforts to improve the operation of its mining fleet, the launch of products and services, events, courses of action, and the potential of the Company's technology and operations, among others, are all forward-looking information.

Future changes in the Bitcoin network-wide mining difficulty rate or Bitcoin hashrate may materially affect the future performance of DMG's production of bitcoin, and future operating results could also be materially affected by the price of bitcoin and an increase in hashrate mining difficulty.

Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations, or intentions regarding the future. Such information can generally be identified by the use of forwarding-looking wording such as "may", "expect", "estimate", "anticipate", "intend", "believe" and "continue" or the negative thereof or similar variations. The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, including but not limited to, market and other conditions, volatility in the trading price of the common shares of the Company, business, economic and capital market conditions; the ability to manage operating expenses, which may adversely affect the Company's financial condition; the ability to remain competitive as other better financed competitors develop and release competitive products; regulatory uncertainties; access to equipment; market conditions and the demand and pricing for products; the demand and pricing of bitcoin; security threats, including a loss/theft of DMG's bitcoin; DMG's relationships with its customers, distributors and business partners; the inability to add more power to DMG's facilities; DMG's ability to successfully define, design and release new products in a timely manner that meet customers' needs; the ability to attract, retain and motivate qualified personnel; competition in the industry; the impact of technology changes on the products and industry; failure to develop new and innovative products; the ability to successfully maintain and enforce our intellectual property rights and defend third-party claims of infringement of their intellectual property rights; the impact of intellectual property litigation that could materially and adversely affect the business; the ability to manage working capital; and the dependence on key personnel. DMG may not actually achieve its plans, projections, or expectations. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future, including the demand for its products, the ability to successfully develop software, that there will be no regulation or law that will prevent the Company from operating its business, anticipated costs, the ability to secure sufficient capital to complete its business plans, the ability to achieve goals and the price of bitcoin. Given these risks, uncertainties, and assumptions, you should not place undue reliance on these forward-looking statements. The securities of DMG are considered highly speculative due to the nature of DMG's business. For further information concerning these and other risks and uncertainties, refer to the Company's filings on [www.sedarplus.ca](http://www.sedarplus.ca). In addition, DMG's past financial performance may not be a reliable indicator of future performance.

Factors that could cause actual results to differ materially from those in forward-looking statements include, failure to obtain regulatory approval, the continued availability of capital and financing, equipment failures, lack of supply of equipment, power and infrastructure, failure to obtain any permits required to operate the business, the impact of technology changes on the industry, the impact of viruses and diseases on the Company's ability to operate, secure equipment, and hire personnel, competition, security threats including stolen bitcoin from DMG or its customers, consumer sentiment towards DMG's products, services and blockchain technology generally, failure to develop new and innovative products, litigation, adverse weather or climate events, increase in operating costs, increase in equipment and labor costs, equipment failures, decrease in the price of Bitcoin, failure of counterparties to perform their contractual obligations, government regulations, loss of key employees and consultants, and general economic, market or business conditions. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The reader is cautioned not to place undue reliance on

any forward-looking information. The forward-looking statements contained in this news release are made as of the date of this news release. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Additionally, the Company undertakes no obligation to comment on the expectations of or statements made by third parties in respect of the matters discussed above.