



**DMG BLOCKCHAIN SOLUTIONS INC.**

**ANNUAL INFORMATION FORM**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2025**

**Dated: December 17, 2025**

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# DMG BLOCKCHAIN SOLUTIONS INC.

## ANNUAL INFORMATION FORM

### Date of Information

All information contained in this annual information form (“AIF”) is current as of December 17, 2025 unless otherwise stated.

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this AIF constitute forward-looking information or forward-looking statements (collectively, “**forward-looking statements**”) within the meaning of applicable Canadian securities laws.

All statements other than statements of historical facts contained in this AIF, including statements regarding the ability of Blockchain technology to disrupt multiple industries, the increasing demand for cryptocurrencies and professional-grade, scalable cryptocurrency infrastructure, the ability of the Company’s products and services to meet various governmental authorities’ compliance requirements (including, but not limited to, those applicable to System Trust as a special purpose trust company under the *Loan and Trust Corporations Act* (Alberta)), the increasing demand for regulation of the cryptocurrency industry, the Company’s need for additional low voltage infrastructure and power supply at the Christina Lake Facility (as defined below), growth and expectations of the Company’s Terra Pool, Data Center Infrastructure (Core) and Digital Asset Software and Services (Core+) business strategies, and Bitcoin self-mining operations, the expansion of the Company’s mining operations to additional sites, the purchase, delivery and installation of additional Bitcoin mining rigs at the Christina Lake Facility or any additional sites to be developed or acquired by the Company, the potential upgrades and addition of power to the Christina Lake Facility or any additional sites to be developed or acquired by the Company, increase of mining capacity, the projected timing and capacity for deployment of immersion cooling at the Christina Lake Facility, the execution of a binding agreement in relation to the development of a new data processing center site with access to low-cost renewable energy located in Canada in a province outside of British Columbia, the Company’s development and commencement of digital asset custody business operations, the gradual transition of the Christina Lake Facility from Bitcoin mining to Artificial Intelligence (AI), the relocation and installation of certain Prefabricated Data Center infrastructure acquired by the Company, the implementation of an institutional-grade digital asset treasury management capability within the regulated custody platform operated by Systemic Trust, the development of a private, regulated utility that would be majority-owned by Malahat and would provide electricity and natural gas services for projects on Malahat lands, the acquisition of a 27,600 square foot building situated on leased land in Boardman, Oregon, the Company’s future results of operations and financial position, business strategy, sales and marketing efforts, prospective products and/or services, research and development costs, timing and likelihood of success, plans and objectives of management for future operations, future results of current and anticipated products, the future price of cryptocurrencies, such as Bitcoin, and the other types of digital assets which the Company and its subsidiaries may mine, hold and trade, the future pricing for services and solutions in the businesses of the Company and its subsidiaries, the Company’s expectations regarding the sufficiency of its capital resources and requirements for additional capital, and changes to governmental laws and regulations are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Forward-looking statements include statements concerning the Company’s current expectations, estimates, projections, assumptions and beliefs, and, in some instances, can be identified by the use of words such as “seeks,” “plans,” “expects,” “is expected,” “budget,” “scheduled,” “estimates,” “forecasts,” “intends,” “anticipates,” or “believes,” or variations of such words and phrases or statements that certain actions, events or results “may,” “could,” “should,” “would,” “might,” or “will be taken,” “occur” or “be achieved,” or the negative forms of any of these words and other similar expressions.

When the Company discusses its strategy, plans, future financial and operating performance, financing plans, growth, cash flow and operating margins, or other events that have not yet happened, the Company is making forward-looking statements. The Company has based the forward-looking statements largely on its current expectations, estimates, assumptions and projections about future events and financial trends that it believes, as of the date of such statements, may affect its business, financial condition and results of operations. Such expectations, estimates, assumptions, and projections, many of which are beyond the Company’s control, include, but are not limited to: projections of future financial and operational performance; statements concerning future events or future performance; anticipated operating costs and revenue; estimates of capital expenditures; and future demand for and prices of digital currencies.

Forward-looking information is necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors, many of which are beyond the Company’s ability to control, that may cause the Company’s actual results, level of activity, performance or achievements to be

materially different from those expressed or implied by such forward-looking information. Such factors include, without limitation: Bitcoin and digital currencies demand and price volatility; the prominence of bitcoin as a digital currency and the acceptance and/or widespread use thereof; risks and uncertainties associated with the digital currency and Blockchain industry; occurrence of a Bitcoin halvening event; cryptocurrency network difficulty; reduction in the number of Bitcoin miners and the processing power of the Bitcoin Network; economic dependence on, and changes to, regulated terms of service for electricity; the Company's mining operations at its Christina Lake Facility being the subject of server failures, equipment malfunctions or power outages; adapting to technological change, new products and standards that materially impact the cryptocurrency industry; disturbances to global supply chains which impact the availability and delivery of hardware and equipment used in the Company's mining and data center activities; the potential that the Blockchain could be manipulated by a malicious actor, increased competition that adversely affects business; additional competition from new or existing technologies that adversely affect business; 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 or changes which restrict the use of cryptocurrencies in a manner that adversely affects the Company's operations; access to equipment and power; market conditions and the demand and pricing for products; security threats, including the loss of theft of the Company's cryptocurrency inventory, data security breaches and hacking; the Company's relationships with its customers, distributors and business partners; the inability to add more power to the Company's Christina Lake Facility; the risk that delivery and installation of additional mining rigs could be delayed; the Company'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; the risk that banks may not provide banking services to businesses that provide cryptocurrency-related services or that accept cryptocurrency as payment; the risk that cryptocurrency exchanges may be the subject of fraud or failure; 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 Company's ability to successfully develop its own proprietary single-phase immersion cooling technology the ability to manage working capital; dependence on or loss of key personnel and the inability to attract and retain qualified personnel; continued growth in key markets; political, economic and other uncertainties which may impact the supply and demand for digital currencies; that the Company's software products and/or services may contain undetected errors or "bugs," vulnerabilities or defects; damage or failure of the Company's information technology; risks associated with Systemic Trust's operating as a special purpose trust company under the *Loan and Trust Corporations Act* (Alberta), the Company's ability to navigate the significant financial, operational, and regulatory risks associated with potential investment in Artificial Intelligence (AI) infrastructure; the Company's ability to successfully complete the development of a new data processing center site with access to low-cost renewable energy located in Canada in a province outside of British Columbia; the risks associated with the Company's transition of the Christina Lake Facility from Bitcoin mining to Artificial Intelligence (AI), the Company's ability to successfully develop a private, regulated utility with the Malahat, the ability to successfully relocate and install of certain Prefabricated Data Center infrastructure acquired by the Company, the risk that the Company is unsuccessful in completing the acquisition of a 27,600 square foot building situated on leased land in Boardman, Oregon, the risks associated with potential violations of applicable privacy laws; fraud; risks resulting from interruptions or delays from third-party processors and service providers upon which the Company relies; risks associated with any continued sales growth; risks related to compliance with laws and regulations and the effect of changes in law and regulatory environment; fluctuations in foreign currency exchange rates; ability to obtain additional financing; failure of counterparties to perform their contractual obligations; failure to obtain any permits required to operate the business; liabilities and damages related to the Company's business which are uninsured or uninsurable; risks associated with litigation or dispute resolution; volatility of global financial conditions; as well as other risks, uncertainties and other factors, including, without limitation, those referred to in this AIF under the heading "*RISK FACTORS*" and elsewhere herein.

Forward-looking statements are not a guarantee of future performance but, rather, reflect the Company's current expectations and assumptions and are subject to a number of known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from those anticipated in such statements. All of the forward-looking statements contained in this Annual Information Form are qualified by these cautionary statements.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking statements, there may be other factors that cause actual results to differ materially from those which are anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on the forward-looking statements or the assumptions on which the Company's forward-looking statements are based. Readers are further cautioned that the foregoing list of risks and assumptions is not exhaustive, and prospective investors should consult the more complete discussion of the Company's business, financial condition and prospects that is included in this AIF.

The forward-looking statements reflect current expectations regarding future events and operations and speak only as of the date of this AIF. The Company assumes no obligation to update publicly or otherwise revise any forward-

looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking statements, except to the extent required by applicable securities laws. If the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect to those or other forward-looking statements.

The forward-looking statements contained in this AIF are expressly qualified in their entirety by the foregoing cautionary statements and those made in our other filings with applicable securities regulators in Canada.

## DEFINITIONS AND OTHER INFORMATION

### Currency

In this AIF, all funds are quoted in Canadian dollars unless otherwise indicated. References to “\$” and “CDN\$” are to Canadian dollars.

### Defined Terms and Abbreviations

In this AIF, unless the subject matter or context is inconsistent therewith, the following terms shall have the meanings set forth below:

<b>AIF</b>	means this Annual Information Form of the Company dated December 18, 2025.
<b>AI</b>	means artificial intelligence, from which models are built by collecting and cleaning large amounts of data, designing model structures and training them to learn patterns, such as predicting words or creating images. After training, they can be fine-tuned to perform well in specific tasks and optimized to work more efficiently. The models are then deployed on GPU-intensive servers to process inputs (like text or images) and create outputs using methods to make results accurate and meaningful. Outputs are cleaned up as needed to ensure they meet quality, consistency and ethical guidelines. These models are used for tasks like writing text, generating images and video, creating speech and assisting with software coding.
<b>ASIC</b>	means application-specific integrated circuit (ASIC), a microchip designed for a special application, such as a particular kind of communications protocol or a specialized computer. In the context of digital currency mining, ASICs have been designed to solve specific hashing algorithms natively, including for Bitcoin mining. The acronym has also become a self-referential way to denote the full mining rigs (which are each built with hundreds of individual ASICs).
<b>BCBCA</b>	means the <i>Business Corporations Act</i> (British Columbia), including the regulations made thereunder, in each case as now in effect and as may be amended or replaced from time to time.
<b>BCSC</b>	British Columbia Securities Commission.
<b>bitcoin</b>	bitcoin (with a lower-case “b”) refers to the native token of the Bitcoin Network which utilizes the SHA-256 cryptography algorithm.
<b>Bitcoin</b>	Bitcoin (with an upper-case “B”) is used in reference to the Bitcoin Network, which is a peer-to-peer payment system that uses open-source cryptography to control the creation and transfer of the bitcoin digital currency, the Bitcoin Network’s native token. Related terms to the Bitcoin Network include Bitcoin Node and Bitcoin Miner, all of which are components of the Bitcoin Network.
<b>Bitcoin Network</b>	means the network of computers running the software protocol underlying Bitcoin and which maintains the database of bitcoin digital currency ownership and facilitates the transfer of bitcoin digital currency among parties.
<b>Bitmain</b>	means BITMAIN Technologies Ltd.
<b>Blockchain</b>	means an immutable, decentralized public transaction ledger, which records transactions, such as financial transactions in cryptocurrency, in chronological order. Bitcoin and Ethereum are examples of well-known and widely distributed blockchains.
<b>Blockseer</b>	means Datient, Inc.
<b>Blockseer Explorer</b>	formerly known as “Blockseer Intelligence” is an analytics tool that enables tracking of cryptocurrency on the Bitcoin Blockchain.

<b>Blockseer Pool</b>	a North American-based mining pool created to meet the U.S. Government's Foreign Assets Control (OFAC) compliance requirements for Bitcoin wallet addresses.
<b>Board</b>	means the board of directors of the Company.
<b>CEO</b>	means the Chief Executive Officer of the Company.
<b>CFO</b>	means the Chief Financial Officer of the Company.
<b>COO</b>	means the Chief Operating Officer of the Company.
<b>CTO</b>	means the Chief Technology Officer of the Company.
<b>Cold Storage Wallet</b>	means a digital wallet that is stored on a platform that is not connected to the Internet, thereby protecting the wallet from unauthorized access, cyber-hacks and other vulnerabilities to which a system that is connected to the Internet is otherwise susceptible to.
<b>Common Shares</b>	means the common shares in the share capital of the Company.
<b>Company or DMG</b>	means DMG Blockchain Solutions Inc.
<b>Core+</b>	refers to a general software and services business strategy by the Company related to monetizing bitcoin transactions.
<b>EH/s</b>	means exahashes ( $10^{18}$ hashes) per second.
<b>Fiscal 2024</b>	means the Company's fiscal year ending September 30, 2024.
<b>FTX</b>	means FTX Trading Ltd., the now-bankrupt cryptocurrency exchange.
<b>FLOP</b>	means floating-point operations per second, a measure of compute, typically associated with specialized processors (mainly GPUs), which are the primary semiconductors most often used to perform high-performance computing and artificial intelligence (AI) workloads.
<b>GPU</b>	means graphics processor unit, which originally were specialized processors for rendering realistic 3-D images at a fast enough rate to create immersive 3-D video in real-time. Because of the parallel nature of processing to render video, GPU architectures lent themselves to evolving in order to address other high-performance computing (HPC) tasks, including artificial intelligence (AI) training and inference workloads.
<b>Hash</b>	means the output of a hash function, i.e., the output of the fundamental mathematical computation of a particular cryptocurrency's computer code that miners execute.
<b>Hashrate</b>	means a measure of cryptocurrency mining power in hashes per second whereby the expected income from mining is directly proportional to a miner's Hashrate as a percentage of the total Hashrate of the network.
<b>Helm</b>	means a real-time Data Center Infrastructure Management software platform that monitors many key metrics relating to a Mining facility, including individual and pooled Hashrates as well as miner temperature, miner faults and miner uptime, allowing the facility staff to make real-time adjustments and repairs.
<b>J/TH</b>	means joules per terahash, a measure of the amount of energy needed to produce a trillion Hashes (there are 3.6 million joules in a kilowatt-hour). A lower J/TH number means greater energy efficiency. The power consumption of a facility can be inferred by multiplying the facility Hashrate by the facility energy efficiency.
<b>Mining</b>	refers to the provision of computing capacity to secure a distributed network by creating, verifying, publishing and propagating blocks on the Blockchain in exchange for rewards and fees denominated in the native token of that network.

<b>MW</b>	means megawatts or one million watts.
<b>NI 51-102</b>	means National Instrument 51-102 – <i>Continuous Disclosure Obligations</i> of the Canadian Securities Administrators.
<b>NI 52-110</b>	means National Instrument 52-110 – <i>Audit Committees</i> of the Canadian Securities Administrators.
<b>OSC</b>	means the Ontario Securities Commission.
<b>Person</b>	includes any individual, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, governmental entity, syndicate or other entity, whether or not having legal status.
<b>PH/s</b>	means petahashes (10 <sup>15</sup> hashes) per second.
<b>SEDAR+</b>	means the System for Electronic Document Analysis and Retrieval.
<b>Shareholders</b>	the holders of the Company’s Common Shares.
<b>Terra Pool</b>	is the first carbon neutral Bitcoin mining pool, a DMG product.
<b>TH/s</b>	means terahashes (trillion hashes) per second.
<b>TSXV</b>	TSX Venture Exchange.
<b>WalletScore</b>	is pool software for “clean block mining,” the process by which the software filters out bitcoin transactions received by Blockseer pools that include designated blacklisted wallet addresses.  <b>WalletScore</b> is pool software for “clean block mining,” the process by which the software filters out bitcoin transactions received by Blockseer pools that include designated blacklisted wallet addresses.

## CORPORATE STRUCTURE

### Name, Address & Incorporation

The Company was incorporated on April 18, 2011, pursuant to the BCBCA under the name “Aim Explorations Inc.” On September 27, 2012, the Company completed its initial public offering and listing of its Common Shares on the TSXV as a “Capital Pool Company.” On February 8, 2018, the Company acquired DMG Blockchain Solutions Inc. (“**DMG Blockchain Solutions**”) through a reverse takeover transaction that constituted the Company’s “Qualifying Transaction” for purposes of applicable TSXV rules. DMG Blockchain Solutions was incorporated pursuant to the BCBCA under the name “Digital Mint Group Inc.” and subsequently changed its name on August 17, 2017 to “DMG Blockchain Solutions Inc.” Concurrent with the closing of the Qualifying Transaction on February 8, 2018, the Company changed its name from “Aim Explorations Inc.” to “DMG Blockchain Solutions Inc.”

The Common Shares are traded on the TSXV under the symbol “DMGI” as well as on the OTCQB under “DMGGF” and on the Frankfurt Exchange under “6AX.” The Company’s head office and registered and records office is located at 4193 104th St. Delta, British Columbia, Canada.

### Intercorporate Relationships

The Company’s subsidiaries are as follows:

Principal Subsidiaries	Percentage Ownership	Jurisdiction of Existence
DMG Blockchain Services Inc.	100%	State of Texas
1141559 B.C. Ltd.	100%	British Columbia
1332517 B.C. Ltd.	100%	British Columbia
1300036 B.C. Ltd.	100%	British Columbia

Systemic Trust Company Ltd.	100%	Alberta
2399760 Alberta Ltd.	100%	Alberta
2564400 Alberta Ltd.	100%	Alberta

## INTRODUCTION TO BLOCKCHAIN AND CRYPTOCURRENCY

Blockchain technology was introduced in 2008 as the database technology that underpins bitcoin, a “token” or “digital asset” that represents ownership of value in the Bitcoin Blockchain’s decentralized system. Although the technology has remained synonymous with Bitcoin, Blockchain technologies are capable of many applications beyond serving as a database for a decentralized digital currency. Blockchain technology has gained widespread adoption and is intended to serve as the backbone of a new digital asset world with fewer intermediaries, greater efficiency as well as automated transactions and smart contract execution.

A significant advantage to Blockchain technology is that it can store and distribute ledger data in a decentralized manner. The decentralization of information increases security and offers additional functionality to its users. Blockchain technologies could make a significant impact in many areas of business, finance, information management and governance, but they still remain in their early stages, although with significant future potential.

Bitcoin as a cryptocurrency is a form of encrypted and decentralized digital currency transferred directly between peers across the internet, with transactions being settled, confirmed and recorded in a distributed public ledger by a process known as “mining.”

Units of a cryptocurrency exist only as data on the Internet and are not issued or controlled by any single institution, authority, or government. Whereas most of the world’s money currently exists in the form of electronic records managed by central authorities such as banks, units of a cryptocurrency exist as electronic records in a decentralized transaction database called a Blockchain. The ledger is publicly available to anyone and secured with public key encryption.

### How a Cryptocurrency Works

Cryptocurrencies are decentralized digital currencies that enable transfers to anyone, anywhere in the world. Transactions occur via an open source, cryptographic protocol platform, which uses peer-to-peer technology to operate with no central authority. The network is an online, peer-to-peer network that hosts the public transaction ledger, known as the Blockchain, and each cryptocurrency with source code that comprises the basis for the cryptographic and algorithmic protocols governing the Blockchain. No single entity owns or operates the network, the infrastructure of which is collectively maintained by a decentralized user base. As the network is decentralized, it does not rely on either governmental authorities or financial institutions to create, transmit or determine the value of the cryptocurrency. Rather, as the value is determined by the market supply of and demand for the cryptocurrency, the prices set in transfers by mutual agreement. Because cryptocurrency exists in the form of a digital file that can be transferred without the involvement of intermediaries or third parties, there are little or no physical costs in direct peer-to-peer transactions. Cryptocurrency can be used to pay for goods and services or can be converted to fiat currencies, such as the U.S. dollar, at rates determined by various cryptocurrency exchanges. Bitcoin.org, an informational website that educates and promotes the understanding of Bitcoin, lists a number of cryptocurrency exchanges, including international exchanges such as Coinbase. There are also country-based and regional cryptocurrency exchanges.

In a cryptocurrency network, each node has its own copy of the entire Blockchain, which contains records of every historical transaction - effectively containing records of all account balances. Each account is identified solely by its unique public key (making it effectively anonymous) and is secured with an associated private key (kept secret by the account holder).

The combination of private and public cryptographic keys constitutes a secure digital identity in the form of a digital signature, providing strong control of ownership. For example, for any given transfer of bitcoin, the amount of bitcoin to be transferred is combined with the recipient’s public key and some information from the previous transaction(s) that the sender’s bitcoin came from, into a message that the sender signs with its private key. The transaction message is then broadcasted to the wider Bitcoin Network, where it is received by Bitcoin miners who (with high-performance computers running specialized Bitcoin mining software) verify the transaction, group it with others into a transaction block and work to solve the proof-of-work cryptographic puzzle that links the new block to the Blockchain.

Each time a new block of transactions is created, data from that block is used to create a hash value that is stored along with the block. One piece of data used is the hash value from the most recent block in the Blockchain. Each block’s hash value is created using the hash value of the block preceding it, acting as a sort of tamper-evident seal that confirms the validity of the new block and all prior blocks. As alterations made to any prior block would make

the hashes of all subsequent blocks invalid, the discrepancy would be easily detected, and that broadcasted block would be discarded in favour of one from a different peer. By implication, it is the miners that operate the entirety of the Bitcoin Network which collectively agree as to what constitutes valid and invalid blocks. The consensus of a majority of the operators is what determines the validity of the ledger, which becomes the basis for future blocks.

Miners, which are specialized computers, compete to solve for new blocks on the Bitcoin Network. A miner that verifies and solves for a new block is awarded newly generated bitcoin, an amount which is usually proportional to the miner's contributed Hashrate or work in addition to a transaction fee as an incentive to invest their computing power for the benefit of ensuring the immutability and functionality of the Bitcoin network. The difficulty of the proof-of-work puzzle is automatically adjusted every 2016 blocks (about every 2 weeks) so as to regulate the rate at which new blocks are generated by the Bitcoin network, adapting as the total mining power active on the network increases over time.

### **Bitcoin Halvening Event**

Bitcoin miners derive revenue from block subsidies and transaction fees (collectively, "block rewards") for each block they solve. Bitcoin has a finite or terminal supply. According to the Bitcoin protocol, only 21,000,000 bitcoin can ever be mined, with a diminishing new supply at each "halvening event." Bitcoin halvening is an event when the block subsidy provided by the protocol for mining new bitcoin blocks is halved, meaning that bitcoin miners will receive 50% less bitcoin (excluding transaction fees) for every block they solve. In 2009, when Bitcoin was first launched, the block subsidy amount for mining a new block was 50 bitcoin. As of the most recent halvening event in April 2024, the subsidy became 3.125 bitcoin per block, which is currently the amount earned by Bitcoin miners as of the date of this AIF. This block subsidy is expected to continue to be reduced by 50% approximately every 4 years. A Bitcoin halvening event could also impact Blockchain safety, as a number of different consensus protocols, such as proof-of-work and proof-of-stake, are dependent on miner participation to ensure Blockchain ledger immutability. See "*RISK FACTORS – Bitcoin Halvening Risk.*"

### **Bitcoin Mining Pool**

Bitcoin mining is competitive, and the goal is to solve for a new block before someone else's miner does, at which time the miner will receive the block subsidy and transaction fees from solving the block. During the early years of the development of the Bitcoin Network, an increasing amount of hashrate came online, which made it harder for small miners to have enough hashrate to solve a block and earn the block reward independently (also known as "solo mining"). In response to this, the concept of "pooled mining" was developed, whereby groups of individual miners contribute their hashrate to the generation of a new block, and then split the block reward based on the contributed computing power. By pooling hashrate, the variance of the time intervals for solving for a new block was lowered.

### **Why Cryptocurrencies?**

A Blockchain enables market participants to make and verify transactions on a network instantaneously without a central authority (i.e., a clearinghouse as in the traditional financial system). Management of the Company believes that Blockchain, the backbone technology behind cryptocurrency mining, has the potential to truly disrupt multiple industries and make business processes more inclusive, secure, transparent and efficient.

Interbank transactions can potentially take days for clearing and final settlement, especially outside of working hours. Blockchain transactions can reduce transaction times to minutes and are processed on a continuous basis without interruption every day of the year. Owing to the decentralized nature of the Bitcoin Network, transactions may be transmitted between jurisdictions across the world as easily as between neighbouring computers.

Because cryptocurrencies and digital currencies are completely virtual, they can be used in ways that ordinary fiat currencies cannot; primarily, they are used like the digital equivalent of cash. Unlike credit or debit cards that are issued by banks, consumers do not need an account or good credit to use digital currencies. Furthermore, digital currencies are becoming increasingly accepted globally by financial institutions as a tradeable asset.

### **The Market for Cryptocurrency**

Cryptocurrencies offer many advantages over traditional or fiat currency, providing:

- Fraud resistance, as cryptocurrencies are digital and cannot be counterfeited or reversed arbitrarily by the sender;
- Immediate settlement;
- Elimination of counterparty risk;

- No trusted intermediary required;
- Lower fees;
- Identity theft prevention;
- Accessibility by everyone;
- Transaction verification and protection through a confirmation process called a consensus algorithm, which solves the problem of double spending;
- Decentralization – no central authority (government or financial institution); and
- Recognition universally and not bound by government-imposed exchange rates.

Management of the Company believes that as the demand for cryptocurrencies increases and cryptocurrencies become more widely accepted, there will be an increasing demand for professional-grade, scalable infrastructure to support growth of the Blockchain ecosystem.

## **INTRODUCTION TO ARTIFICIAL INTELLIGENCE**

Artificial Intelligence (“**AI**”) is a transformative technology capable of creating new content, such as text, images, video and other media, by learning patterns from large yet high-quality datasets. Applications include text-based chat systems, video generation platforms and tools for coding assistance. These capabilities rely on advanced machine learning models that require substantial computational resources both during their development and in real-world deployment.

### **GPUs for AI Computing**

To meet these demands, AI systems heavily depend on specialized hardware, particularly GPUs. GPUs are designed for high-performance parallel processing, performing what are called matrix multiplication functions at greater scale and with lower power than other general purpose devices, allowing them to handle the computation required for AI far more efficiently than standard processors (“**CPUs**”).

### **AI Training**

The development or “training” of AI models involves teaching the system to understand and replicate complex patterns within large datasets. This process requires significant computational power and can take days or weeks to complete, even with the most advanced hardware. GPUs are essential in this phase for their ability to process multiple data points at once. Large-scale training efforts often require multiple GPUs working together to handle the workload efficiently, particularly for the largest and most sophisticated models. The desire to develop ever more complex models covering more use cases is driving an insatiable demand for more of the latest GPUs in excess of what can be supplied. Additionally, because of the need to have multiple GPUs work together via high-speed, short distance interconnects, the GPUs are being packed into single racks that are expected to consume up to one MW or more of power by the end of the decade.

### **AI Inference**

Once a model is trained, it is deployed for use in a process called “inference,” where it generates outputs in response to user inputs. Examples include creating an image from a text description or generating conversational responses in real-time. Inference is less resource-intensive than training but still demands significant computational power to ensure speed and accuracy, especially when simultaneously serving millions of users. GPUs play a critical role in enabling real-time processing, maintaining energy efficiency and scaling to meet high levels of demand.

### **Potential Organizational Productivity Gains are Driving AI Investments**

The reliance on GPUs directly impacts financial metrics for organizations developing or utilizing AI systems. Significant capital expenditures are associated with acquiring high-performance GPUs, which represent a substantial upfront investment. Operational expenditures can also be considerable, as inference requires ongoing GPU use, leading to recurring costs for energy, maintenance, and, in some cases, cloud-based GPU rentals. Despite these costs, the efficiency and scalability provided by GPUs can accelerate product development and operations, helping organizations drive revenue growth, increased productivity and gain competitive advantage, especially if they can capitalize on their in-house proprietary data.

## **Pricing of Services for AI Computing**

Artificial intelligence (“AI”) computing power is offered to clients through cloud service providers and hardware rental platforms. Pricing models vary based on usage, hardware specifications and service tiers.

Major cloud providers offer computing power for rent on a pay-as-you-go basis or via reserved instances. For per hour pricing, GPUs are billed hourly based on the type of GPU with high-performance GPUs like the NVIDIA GB300 are significantly more expensive than lower-tier options. Providers may also factor power consumption into pricing, especially for energy-intensive training. Discounts are offered for non-critical workloads, with the trade-off of potential interruptions.

Lower rates are available for long-term commitments (e.g., 1-3 years). Providers also offer managed AI services, where they take on the responsibility of developing, deploying, managing, and maintaining an organization's AI systems, which may include model development, data management and performance monitoring. Fully managed services typically cost more than raw hardware rentals. On-premises hardware rentals are attractive for enterprises needing control over their workloads. Some providers combine on-premises GPU rentals with cloud scaling for handling peak workloads at an additional cost.

Inference workloads, being less computationally demanding, are priced more affordably and may be billed based on the number of inference requests or by compute hours. Alternatively, original equipment manufacturers offer specialized hardware for cost-efficient, localized inference.

Enterprise customers can negotiate custom pricing, especially for large-scale training projects. Pricing may include discounts on hardware rentals or access to proprietary software optimizations.

## **The Market for AI Computing Services**

Management of the Company believes that the demand for AI computing services will greatly expand as its use as a productivity and wealth generating tool becomes more applicable to an ever-wider array of applications. The Company intends to build AI data centers with the purpose of either offering colocation services to clients who bring into DMG's data center their own AI servers and then sell computing services to their own off-take clients and/or selling computing services directly to clients.

## **GENERAL DEVELOPMENT OF THE BUSINESS**

DMG Blockchain Solutions Inc. is a publicly traded, sustainably focused and vertically integrated Blockchain and data center technology company that develops, manages and operates end-to-end digital solutions to monetize the digital asset and AI compute ecosystems. DMG's businesses are segmented into two business lines under the Data Center Infrastructure (Core) and Digital Asset Software and Services (Core+) strategies and unified through DMG's vertical integration.

Under the Company's Data Center Infrastructure business line, the data center operations focus on earning revenues from selling hashrate to mining pool operators (known as “Bitcoin mining”) as well as providing colocation services for industrial mining clients. An emerging business within the Data Center Infrastructure business is AI, which may include offering colocation services as well as selling AI computing power.

The Company's Digital Asset Software and Services business line is focused on monetizing bitcoin transactions through the operation of its carbon neutral Bitcoin mining pool, Terra Pool, enabling Bitcoin computing services providers to receive carbon neutral bitcoin for selling their carbon neutral Hashrate and financial institutions to move bitcoin in a carbon neutral manner without commingling their transactions with those that contain wallet addresses blacklisted by the US Department of Treasury Office of Foreign Assets Control (“OFAC”). Terra Pool also enables a carbon-neutral bitcoin as well as a Hashrate marketplace enabled through its Reactor product, both of which provide financial institutions access to bitcoin and Bitcoin mining Hashrate, created using carbon neutral energy sources.

The Company's strategy is to become an industry leader across its two main business lines: data center infrastructure technology and a digital assets software and services platform.

Over the three most recently completed financial years, the significant events described below contributed to the development of our business:

### **Three Year History**

#### Fiscal 2023 (October 1, 2022, to September 30, 2023)

On October 3, 2022, the Company announced the onboarding and integration of the Bosonic Network into the Company's business operations including trading, the Blockseer product line, and Terra Pool.

On that same day, the Company announced the issuance 1,607,500 stock options to certain directors and employees of the Company at an exercise price of \$0.25 per share for a five-year term, vesting in equal portions every six months over a 24 month period beginning as of the grant date being September 30, 2022, pursuant to the Company's stock option plan.

On November 4, 2022, the Company announced the appointment of Heather Sim, CFO, to the role of Corporate Secretary, following the resignation of John Kim who had occupied that role previously.

On November 22, 2022, the Company announced the opening of access to the Bosonic Network for Terra Pool members. On that same day, the Company announced the completion of a \$1 million debt financing secured by a real estate asset with a variable interest rate of Prime plus 4.55% per annum and term of 18 months.

On December 23, 2022, the Company announced the issuance of 914,800 stock options to employees and directors of the Company at an exercise price of \$0.18 for a five-year term, vesting in equal portions every six months over a 24 month period beginning as of the grant date, pursuant to the Company's stock option plan.

On January 6, 2023, the Company announced the issuance of 200,000 stock options to a Company director at an exercise price of \$0.17 for a five-year term, vesting in equal portions every six months over a 24 month period beginning as of the grant date, pursuant to the Company's stock option plan.

On the same day, the Company announced that it planned to use accumulated credits from Bitmain to purchase more Bitcoin miners and to deploy capital to move miners into containerized units located on its property adjacent to the substation at Christina Lake. The Company also announced that it would extend its timeframe for the deployment of immersion cooling beyond mid-2023.

On February 15, 2023, the Company announced that its Petra platform was used to successfully submit multiple transactions to the Bitcoin Blockchain. Petra as a platform is designed to bring subscribers enhanced options when initiating crypto transactions, including KYC on wallets, AML on transactions and routing via DMG's Terra Pool, a carbon neutral mining pool. DMG has created a way for Bitcoin network participants to make a choice if they want to ensure that the movement of their bitcoin is done with minimal carbon footprint.

On March 14, 2023, the Company announced the completion of the purchase of air-cooled containers that in aggregate will support more than 40 megawatts of mining. Based on the efficiency of the latest generation of mining rigs, this capacity would support more than 1 EH/s of additional mining capacity.

On April 3, 2023, the Company granted 1,072,050 stock options to employees and directors of the Company at an exercise price of \$0.32 per share for a five-year term, vesting in equal portions every six months over a 24 month period beginning as of the grant date, pursuant to the Company's stock option plan.

On April 12, 2023, the Company announced the re-pricing of 3,321,076 stock options held by non-executive employees and consultants. The re-pricing did not affect the stock options' existing vesting schedules and did not extend the term of the stock options. The 3,321,076 existing stock options were repriced from an exercise price of between \$0.65 and \$3.00 per common share to \$0.33 per common share.

On April 18, 2023, the Company announced the purchase of 350 Bitmain S19 Pro (35 PH/s), 350 Bitmain S19 XP (49 PH/s) and 850 Bitmain S19j Pro+ (104 PH/s) miners, which total an additional 1,550 units (with approximate aggregate computing power of 245 PH/s).

On April 27, 2023, the Company announced that the U.S. Patent and Trademark Office issued to the Company U.S. Patent No. US11373170B1, which specifically pertains to methods to implement DMG's Petra technology which enables DMG pools, specifically Terra Pool, to uniquely place transactions onto the Bitcoin Blockchain.

On the same day, the Company announced the resignation of Kelly Allin from the Board. Mr. Allin continued to provide consulting services to DMG with a focus on financial reporting. Replacing Mr. Allin, the Board appointed Heather Sim, DMG's current CFO, as Director. Additionally, J.D. Abouchar was appointed as Audit Committee Chair and Heather Sim was appointed to the Audit Committee. Heather Sim resigned as Corporate Secretary and Catherine Cox was appointed to the role.

On the same day, the Company announced the issuance 213,736 stock options to directors and a consultant at an exercise price of \$0.31 per share for a five-year term, vesting in equal portions every six months over a 24 month period beginning as of the grant date, pursuant to the Company's stock option plan.

On May 15, 2023, the Company announced it entered into a non-binding agreement that would result in development of a new data processing center site with access to low-cost renewable energy located in Canada in a province outside of British Columbia. This initiative is now being advanced forward with work towards executing a definitive agreement and planning of the deployment of electrical infrastructure for the site.

On July 4, 2023, the Company announced the issuance 1,638,790 stock options to employees and directors of the Company at an exercise price of \$0.33 per share for a five-year term, vesting in equal portions every six months over a 24 month period beginning as of the grant date, pursuant to the Company's stock option plan.

On September 21, 2023, the Company announced the appointment of Lawrence Truong as Strategic Advisor.

On the same day, the Company announced the issuance 1,266,110 stock options to employees and directors of the Company at an exercise price of \$0.29 per share for a five-year term, vesting in equal portions every six months over a 24 month period beginning as of the grant date, pursuant to the Company's stock option plan.

#### Fiscal 2024 (October 1, 2023, to September 30, 2024)

On December 6, 2023, the Company announced it signed an agreement with Bitmain to purchase 4,550 T21 190 TH/s Bitcoin miners for US\$12,103,000. Financing of the purchase may be through existing cash/liquidated bitcoin, debt or a combination of both. Terms of the purchase were a 10% downpayment (which was paid at the time of the agreement) with the balance due in the month prior to shipment. As of the date of this AIF, DMG has received and installed these miners from Bitmain.

On December 21, 2023, the Company announced the issuance 1,167,770 stock options to employees and directors of the Company at an exercise price of \$0.53 per share for a five-year term, vesting in equal portions every six months over a 24 month period beginning as of the grant date, pursuant to the Company's stock option plan.

On February 15, 2024, the Company announced it established a relationship with Sygnum Bank ("Sygnum"), a Swiss bank specialized in servicing crypto-native companies, as a strategic banking partner providing US\$9 million (equivalent) in a credit facility to the Company for the purpose of increasing its operational capacity ahead of the upcoming Bitcoin halvening in April 2024. The primary use of proceeds from the credit facility was used to fund the purchase of 4,550 T21 190 TH/s Bitcoin miners from Bitmain Technologies for US\$12,103,000. The loan is interest bearing at an annual rate of 7.8% for an indefinite term. Sygnum has the right to terminate the agreement at any time, at which time the loan would be due immediately. The loan is secured against the Company's digital currency assets of 237.8 BTC, which are pledged and deposited with Sygnum. Because the collateral is subject to fluctuations in value, the Company may be required to provide additional collateral in order to restore the security margin on the loan. DMG may repay the amount of debt outstanding at any time. As of July 1, 2024, the credit limit of this facility was increased to US\$19,000,000 and the interest rate was increased to an annual rate of 8.5%.

On February 20, 2024, the Company announced it has provided a total of an additional US\$600,000 of debt financing to Bosonic, Inc. to support its continued development and help enable it to sustain cash flow positive operations. As of September 30, 2023, DMG had provided US\$150,000 of debt and during the three months ended December 31, 2023, DMG had provided a further US\$450,000 of debt to Bosonic. The debt is interest bearing at 7.5% and is due within 18 months. We have made no further investments in Bosonic as of the date of this AIF, but continue to work with Bosonic to ensure its long-term success.

On the same day, the Company provided an operational update and announced it had received all the major electrical distribution components and mining containers which are now located either at its Christina Lake data center facility or with its integration partners. Subsequent to the container deployment, DMG's total electrical capacity approximately doubled its then-current Christina Lake building capacity of 36 megawatts. DMG has ordered its first production environment immersion cooling tanks with the goal to have an initial closed loop set-up completed in the June 2024 quarter. The Company has since halted development of its immersion cooling program as of the date of this AIF and is proceeding with a 6 megawatt hydro Bitcoin mining installation, as it sees hydro mining providing access to the industry's most advanced silicon technology.

On February 22, 2024, DMG announced it had committed \$3.5 million to establish Systemic Trust Company Ltd. ("Systemic Trust"), a wholly-owned subsidiary based in Calgary, Alberta, as an independent digital asset custody solution for institutional clients. Systemic Trust, which is subject to regulatory approval, intends to provide regulated custody of digital assets to institutional clients such as financial institutions, asset managers, corporations and public sector organizations seeking to manage digital assets. This capital commitment was made as part of DMG's Core+ strategy and its mission to advance broader digital asset adoption by building credibility and trust in cryptocurrency and digital assets for investors. The Company expects the capital commitment for this digital asset custody solution to be made over time and as required to support the regulatory review process.

Systemic Trust encompasses the Company's strategy for delivering a previously designated product, Blockseer Breeze, which was planned to be a software wallet product focused on equipping crypto wallet users, including financial institutions, with an enterprise-grade custody solution to securely manage digital assets. Blockseer Breeze was repurposed to be used for Terra Pool to distribute earned rewards to Terra Pool clients. In addition, DMG has built upon its Breeze wallet implementation to launch Multi-Breeze, enabling the capability for content creators to post collections utilizing the Ordinals protocol to the Bitcoin Blockchain, then transfer ownership of individual content pieces to new owners, enabling per ordinal rights transfer. DMG's initial capital commitment is another step towards fully realizing the monetization goals of its Core+ strategy and its mission to advance broader digital asset adoption by building credibility and trust in digital assets for investors. DMG will bring together secure institutional wallet solutions, strong insurance policies, rigorous risk management practices, best in class off-exchange liquidity as well as innovative OFAC-compliant and carbon neutral Blockchain solutions to meet institutional demand. In addition, DMG continues to evaluate the need to provide additional capital to support the operational and regulatory requirements of Systemic Trust's business as it expands.

On March 21, 2024, the Company announced the issuance of 1,184,430 stock options to employees and directors of the Company at an exercise price of \$0.58 for a five-year term, vesting in equal portions every six months over a 24 month period beginning as of the grant date, pursuant to the Company's stock option plan.

On April 24, 2024, the Company announced a strategic collaboration with PayPal and Energy Web to explore ways to decarbonize the Bitcoin Blockchain. The companies are working together on developing methods for transacting on the Bitcoin network which would expand its use as a carbon neutral payment rail, thus advancing its application.

On May 7, 2024, the Company announced an operational update whereby to maximize its profitability post-halvening (which occurred April 19, 2024), DMG improved its legacy fleet efficiency via software from 28.4 J/TH to approximately 26 J/TH with a commensurate reduction in hashrate from 1 EH/s to approximately 0.85 EH/s. This was the major contributor to the reduction in hashrate in April versus the prior month. Additionally, DMG installed the first of its ordered 4,550 units of new Bitmain T21 miners, which when fully installed and operating, was expected to generate 0.86 EH/s with a miner efficiency of 19 J/TH. Having fully deployed its fleet of 4,550 Bitmain T21 miners, the Company is now operating at approximately 1.7 EH/s with an efficiency of 23 J/TH as of the date of this AIF.

On June 5, 2024, the Company announced the issuance of 1,406,090 stock options to employees and directors of the Company at an exercise price of \$0.61 for a five-year term, vesting in equal portions every six months over a 24 month period beginning as of the grant date, pursuant to the Company's stock option plan.

On August 1, 2024, the Company announced the Ministry of Treasury Board and Finance in the Province of Alberta approved the incorporation of Systemic Trust. Systemic Trust is now working with Alberta's Ministry of Treasury Board and Finance to obtain a certificate of registration that will enable Systemic Trust to provide secure custody of digital assets like bitcoin for institutional clients such as crypto trading platforms, banks, asset managers, corporations and government agencies that either manage cryptocurrencies, or are seeking to expand their business into cryptocurrency services.

On August 6, 2024, the Company received approval from the Ministry of Treasury Board and Finance in the Province of Alberta for the incorporation of Systemic Trust. Systemic Trust is now working with Alberta's Ministry of Treasury Board and Finance to obtain a certificate of registration that will enable Systemic Trust to provide secure custody of digital assets for institutional clients such as crypto trading platforms, banks, asset managers, corporations and government agencies that either manage cryptocurrencies or are seeking to expand their business into cryptocurrency services. The Company has installed a management team at Systemic Trust with deep industry experience and believes the team is capable of building the infrastructure and services needed to offer an industry leading custody platform.

On August 7, 2024, the Company announced the issuance of 100,000 stock options to a contractor of the Company at an exercise price of \$0.52 per share for a three-year term, vesting in equal portions every three months over a 12 month period beginning as of the grant date, pursuant to the Company's stock option plan.

On September 9, 2024, the Company announced that its wholly owned affiliate, Systemic Trust, achieved System and Organization Controls ("**SOC**") compliance in accordance with the American Institute of Certified Public Accountants ("**AICPA**") standards for SOC for service organizations. Achieving this standard serves as third-party industry validation that Systemic Trust provides enterprise-level security for customer data secured in the company's systems.

On September 19, 2024, the Company announced that the U.S. Patent and Trademark Offices issued to the Company U.S. Patent No. 11,810,103, relating to DMG's innovative Custom Mempool Protocol for processing cryptographic events. This patented system allows applications to send events to hashing processors that operate on a custom mempool protocol, separate from the public Blockchain protocol. Events are Hashed only with other events that meet specific screening criteria, preventing transactions from being propagated to external nodes. This system enhances control over which events are processed, improving security and privacy.

On the same day, the Company announced the issuance of 398,920 stock options and 2,000,000 restricted share units ("RSUs") to employees and directors of the Company. The stock options are exercisable for a five-year term at a price of \$0.48 per share, vesting equal portions every six months over a 24 month period beginning as of the grant date, and 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.

#### Fiscal 2025 (October 1, 2024, to September 30, 2025)

On October 3, 2024, the Company filed a final short form base shelf prospectus dated October 1, 2024, with the securities regulatory authorities in each Province of Canada except Quebec (the "Base Shelf Prospectus"),

On the same day, the BCSC, as principal regulator, issued a receipt for the Base Shelf Prospectus.

On October 4, 2024, the Company provided an operational update and announced, as of the end of September, the Company had successfully energized its Bitmain T21 mining fleet, fully integrating it into its operations. This energization marked a key milestone in DMG's ongoing efforts to scale its mining infrastructure.

On October 21, 2024, the Company announced the signing of a memorandum of understanding ("MOU") with Malahat First Nation's Economic Development Corporation ("Malahat") to develop a total of 30 MW of AI data centers, evenly split between the two parties. DMG plans to develop its portion of the AI infrastructure at its Christina Lake facility, while Malahat intends to focus on expanding their infrastructure on their lands on Vancouver Island. Both parties are committed to using clean energy sources within British Columbia, aligning with the province's sustainability goals. Together, they emphasize the importance of Indigenous-owned and partnered technology projects powered by clean energy, ensuring that First Nations, industry and government collaborate to deliver shared economic benefits to local communities while contributing to British Columbia's low-carbon future. The project will be managed through a general partnership led by DMG. The partnership intends to secure power from BC Hydro for both Malahat's portion and future expansion phases, subject to the execution of a definitive agreement between the parties. DMG plans to take responsibility for developing, managing and operating both AI data centers, which will be designed to meet the processing resilience needs of future client projects.

On October 28, 2024, the Company announced the acquisition of Reactor.xyz ("Reactor") from Navier, Inc., a prominent provider of bespoke data center deployments specializing in digital asset mining and AI. Reactor automates and manages Hashrate contracts through its balancing algorithm to assure Hashrate delivery for the entirety of a Hashrate contract.

On November 4, 2024, the Company announced the purchase of six one-MW hydro mining containers, scheduled for delivery and installation in Q1 2025. Hydro is a technology that uses water to more efficiently cool the mining equipment than the fans used in air-cooled miners. Subsequent to the purchase, delivery and installation of Bitmain direct liquid cooling hydro miners that would completely fill the six hydro mining containers, this expansion would be expected to increase DMG's Hashrate by 0.4 EH/s with an efficiency of 15-16 J/TH, thereby bringing DMG's total mining fleet to approximately 2.1 EH/s at an efficiency of 21 J/TH.

On the same day, the Company announced that on October 30, 2024 DMG fully repaid its \$1 million interest-only loan secured by property. This loan, initially taken on July 22, 2022, aimed to defer bitcoin liquidation for capital purchases.

On November 11, 2024, the Company announced that it had achieved SOC 2 Type II compliance in accordance with the AICPA standards for SOC for service organizations also known as "SSAE 18." This rigorous standard is designed to protect client data by verifying that a service provider's systems and processes meet the AICPA trust services criteria, giving clients added confidence in the company's approach to security and regulatory compliance.

On the same day, the Company announced the purchase of Bitmain S21 Hydro miners for slightly below \$15 per TH/s to fill its first one-megawatt hydro mining container and the launch of a "best efforts" underwritten overnight marketed offering of units of the Company (the "Unit Offering").

On November 15, 2024, the Company filed a prospectus supplement dated November 14, 2024, to the Base Shelf Prospectus with the securities regulatory authorities in each Province of Canada, except Quebec, in respect of the Unit Offering.

On November 19, 2024, the Company closed its previously announced Unit Offering of 32,556,500 units of the Company (the "Units"), including an additional 4,246,500 Units issued pursuant to the full exercise of the over-allotment option granted to the underwriters, at a price of \$0.53 per Unit, for aggregate gross proceeds of \$17,254,945, before deducting commissions and expenses of the Unit Offering. Each Unit issued consists of one Common Share and one Common Share purchase warrant of the Company (each, a "Warrant"). Each Warrant entitles the holder thereof to acquire one Common Share (each, a "Warrant Share") at an exercise price of \$0.65 per Warrant Share at any time prior to November 19, 2029, subject to adjustment in certain events. Canaccord Genuity Corp., as lead underwriter and sole bookrunner, and a syndicate of underwriters, including Roth Canada

Inc. and Ventum Financial Corp., acted as underwriters in connection with the Unit Offering pursuant to an underwriting agreement dated November 14, 2024. In consideration for their services, the Company paid the underwriters a cash fee equal to 6.0% of the aggregate gross proceeds in respect of the Unit Offering and issued to the underwriters 1,953,390 broker warrants (each, a "Broker Warrant"). Each Broker Warrant entitles the holder thereof to acquire one Unit (each, a "Broker Warrant Unit") at a price of \$0.53 per Broker Warrant Unit at any time prior to November 19, 2029, subject to adjustment in certain events. In connection with the closing of the Unit Offering, the Company entered into a warrant indenture with Computershare Trust Company of Canada, as warrant agent, providing for the issuance of up to 34,509,890 Warrants. The Warrants were listed on the TSXV under the symbol "DMGI.WT" on December 6, 2024.

On November 20, 2024, the Company announced the expansion of its mining operations with the purchase of Bitmain hydro miners for a total of 5 MW of hydro mining containers. These advanced hydro miners, which boast an efficiency of 15 J/TH at a cost of \$15/TH/s, represent an investment of approximately US\$5 million. This latest acquisition builds on the Company's earlier purchase of 1 MW of hydro miners, further enhancing DMG's operational efficiency and Hashrate. The first tranche of 1 MW of hydro miners and six 1 MW containers is expected to be installed by the end of December 2024 or shortly thereafter. Following this, the newly ordered 5 MW of hydro miners are anticipated to be installed by the end of February 2025. Combined, these installations are projected to add 0.4 EH/s to DMG's Hashrate, bringing the Company's total Hashrate to 2.1 EH/s with a fleet efficiency of 21 J/TH early in calendar 2025. The additional Hashrate is subject to the receipt, installation and operation of these additional miners.

On December 2, 2024, the Company announced that certain members of management purchased Common Shares on the open market.

On December 4, 2024, the Company announced that it had received approval from the TSXV for the supplemental listing of up to 34,509,890 Warrants issued pursuant to the November 2024 Unit Offering. The Warrants, which are governed by a warrant indenture dated November 19, 2024, between the Company and Computershare Trust Company of Canada, as warrant agent, commenced trading on the TSXV under the symbol "DMGI.WT" on December 6, 2024. Each Warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$0.65 per Common Share at any time prior to 5:00 p.m. (Vancouver time) on November 19, 2029.

On December 23, 2024, the Company announced that it had been issued US Patent No. 12,067,572 for 'Cryptographic Taint Tracking' by the U.S. Patent and Trademark Office. This patent is a continuation of the previously issued U.S. Patent No. 11,257,089, which established a method for detecting and tracking tainted cryptographic wallets to combat money laundering and fraud. The new patent expands upon the technology underpinning the Company's Blockseer wallet risk scoring method, reinforcing the Company's clean-block mining initiative. The patented methods support enhanced compliance through the real-time identification and monitoring of wallets linked to suspicious activities, allowing for features such as the automatic flagging of risky withdrawal requests and the quarantining of wallets exceeding a specified risk score.

On the same day, the Company announced the issuance of 1,050,000 restricted share units as well as 428,170 stock options to employees and directors of the Company at an exercise price of \$0.24 for a five-year term, vesting in equal portions every six months over a 24 month period beginning as of the grant date, pursuant to the Company's stock option plan.

On January 28, 2025 the Company announced that Systemic Trust received registration to operate as a special purpose trust company under the *Loan and Trust Corporations Act* (Alberta) with Alberta's Treasury Board and Finance ("ATBF"). This registration was a fundamental step toward Systemic Trust achieving status as Qualified Custodian later in the year, enabling it to offer a highly secure, independent digital asset custody solution to the Canadian cryptocurrency ecosystem. This achievement is a key component of the Company's software and services strategy, and Systemic Trust is positioned to leverage industry-leading wallet infrastructure for its institutional-grade custody services.

On April 2, 2025, the Company announced the issuance of 2,050,000 restricted share units as well as 424,680 stock options to employees and directors of the Company at an exercise price of \$0.38 for a five-year term, vesting in equal portions every six months over a 24 month period beginning as of the grant date, pursuant to the Company's stock option plan.

On April 29, 2025, the Company executed a purchase and sale agreement (the "PSA") for two megawatts (2 MW) of Prefabricated Data Center ("PDC") infrastructure from an undisclosed counterparty (the "Counterparty"). This purchase is an initial fulfillment of the 10 MW PDC infrastructure Memorandum of Understanding (the "MOU") signed with the Counterparty in February 2024. The Company intends to relocate the 2 MW of modular PDC units to either its Christina Lake facility, Malahat Nation lands, and/or a temporary storage location. The purchased PDC infrastructure forms the basis for an AI data center but requires the installation of medium-voltage power distribution, battery storage, backup power generation, computing, networking, and storage systems before it can realize revenue from potential AI off-take agreements.

On May 27, 2025 the Company announced that Systemic Trust had enabled the capability to send bitcoin transactions in a regulatory compliant and carbon-neutral manner. This capability is achieved by integrating Systemic Trust's platform, which utilizes Fireblocks' custody solution, with the Company's proprietary Terra Pool, the world's first carbon-neutral Bitcoin mining pool. Through this integration, Systemic Trust's Petra-enabled wallets facilitate bitcoin transactions via Terra Pool, which provides transactions that are not commingled with transactions from nefarious actors and utilizes energy derived from carbon-neutral sources.

On July 2, 2025, the Company announced it had executed a binding agreement for the development of a new data processing center located in a Canadian province outside of British Columbia, following its May 2023 announcement regarding the intention to develop the site. This agreement is a component of the Company's strategy to secure pockets of low-cost renewable energy to eventually operate the majority of its Bitcoin mining fleet. Once fully operational, the Company expects the new data center to initially add approximately 1 Exahash per second (EH/s) of Bitcoin mining capacity, depending on the final equipment selection and commissioning. The new site is currently projected to be fully commissioned in the second half of calendar 2026.

On the same day, the Company announced the issuance of 1,275,000 restricted share units as well as 201,607 stock options to employees and directors of the Company at an exercise price of \$0.285 for a five-year term, vesting in equal portions every six months over a 24 month period beginning as of the grant date, pursuant to the Company's stock option plan.

On July 22, 2025 the Company announced that it had engaged a consultant to assess and assist in the implementation of an institutional-grade digital asset treasury management capability within the regulated custody platform operated by its wholly-owned subsidiary, Systemic Trust. The platform is intended to serve the treasury management needs of the Company, while simultaneously enhancing Systemic Trust's capacity to offer custody and treasury services to its clients.

On August 6, 2025 the Company announced the relaunch of Blockseer Explorer, a product within its digital asset software suite tailored for Bitcoin-native operators, including miners and self-custody treasuries. The software provides tools for tracking wallet activity, setting alerts, and exporting concise, spreadsheet-ready transaction data without requiring coding or API setup. Blockseer Explorer enhances visibility and monitoring for clients seeking operational and financial data related to onchain Bitcoin activity.

#### **Subsequent to September 30, 2025**

On October 28, 2025 the Company announced the signing of a second Memorandum of Understanding ("MOU") with Malahat Nation's Economic Development Corporation ("YOS"). This second MOU states the intent to create the Malahat-DMG Utility Limited Partnership (MDULP), a private, regulated utility that would be majority-owned by Malahat and would provide electricity and natural gas services to clean technology and digital infrastructure projects on Malahat lands. This development is intended to build upon the prior October 21, 2024 MOU, which outlined the joint intent to develop a total of 30 megawatts of sovereign artificial intelligence (AI) data centers. The execution of definitive agreements relating to both MOUs is expected to result in a utility that, in turn, powers the planned AI data center facility and other community infrastructure on Malahat Nation lands near Mill Bay, BC. The MDULP is intended to jointly develop and operate new energy infrastructure, including BC Hydro utility interconnections and substation upgrades, to provide stable and sovereign power for AI computing and industrial development.

On the same day, the Company announced the issuance of 1,250,000 restricted share units as well as 188,170 stock options to employees and directors of the Company at an exercise price of \$0.53 for a five-year term, vesting in equal portions every six months over a 24 month period beginning as of the grant date, pursuant to the Company's stock option plan.

On November 4, the Company announced that it had signed a letter agreement (the "Letter Agreement") and paid a deposit to purchase a 27,600 square foot building situated on 8 acres of leased land in Boardman, Oregon. The Company also secured an option to lease an additional adjacent 10-acre lot. The existing building has an immediate power connection of 3.75 megawatts (MW), and the Company is engaged in expansion discussions with the local utility. Closing of the transaction is subject to the parties executing definitive agreements. The property is strategically located within a major data center hub, providing access to connectivity and power to support the Company's longer-term data center expansion strategy. The acquisition of this property complements the Company's Canadian AI infrastructure development and serves to expand its operations into the US enterprise data center market. The Company intends to initially utilize the power allocation for a limited amount of Bitcoin mining subsequent to closing, with the long-term intention of retrofitting the building and upgrading the infrastructure to establish the facility as a high-performance computing (HPC) data center.

## DESCRIPTION OF THE BUSINESS

### General

#### Summary

DMG Blockchain Solutions Inc. is a publicly traded, sustainably focused and vertically integrated Blockchain and data center technology company that develops, manages and operates end-to-end digital solutions to monetize the digital asset and AI compute ecosystems. Focusing on its strategy and vision for Blockchain and AI technologies, the Company strives to maximize the value it creates from all of its assets – from its Christina Lake, British Columbia, data center facility, which includes its own substation, to its Systemic Trust subsidiary and Blockseer software platforms, along with the continued strategic investments we have made and continue to make. The business lines are referred to as Data Center Infrastructure (Core) and Digital Asset Software and Services (Core+).

#### Products and Services

##### *Data Center Operations*

The Company's flagship data center operation is its Christina Lake Facility. This location offers self-mining capacity from which it mines cryptocurrencies using its own mining equipment as well as mining hosting services which allow the Company to host third-party cryptocurrency servers. The Company will continue to acquire mining hardware, subject to cost and profitability constraints, to ensure its mining fleet includes among the most efficient servers available and its overall fleet efficiency remains competitive.

The Company's operating and maintenance expenses are composed of electricity to power its computing equipment as well as networking, cooling and lighting. Other site expenses include costs for the Christina Lake Facility such as internet access, equipment maintenance and software optimization, insurance, as well as facility security, maintenance staff and management.

As of the date of this AIF, the Christina Lake Facility is currently equipped with 14,615 ASIC mining rigs for Bitcoin mining (along with 900 ASIC mining rigs operating at a hosting partner site), the majority of which are for the Company's own self-mining and the balance representing hosted clients.



**This photo shows GPU and Bitcoin mining rigs in the Christina Lake Facility.**

With respect to AI, DMG intends to develop 15 MW of dedicated AI infrastructure, based on its MOU with Malahat, at its Christina Lake Facility, which the Company intends to become its primary AI data center location. This partnership has the potential to be a blueprint for similar development that can be replicated with other indigenous groups in British Columbia and throughout Canada.

For its Christina Lake Facility, electrical energy is provided to the Company by FortisBC, being the regulated electric utility provider for the Christina Lake area. The Company constructed its own 85-MVA substation in October 2018 and contracted FortisBC to build a new transmission power line connecting to the Christina Lake Facility, which was also completed in October 2018. Historically, the energy rates charged by FortisBC billed on Rate Schedule 31 (RS-31) for the Christina Lake Facility have not materially fluctuated year-over-year and are regulated by the British Columbia Utilities Commission. The Christina Lake Facility had 15 megawatts of firm power and up to an additional 45 megawatts of non-firm power supplied by FortisBC, all billed to DMG as per RS-31. Firm power or service is electricity that is provided year-round without interruption (subject to any catastrophic or natural disaster interruption). Non-firm power or service is subject to availability from FortisBC. Under that arrangement, DMG's electrical energy has not been curtailed.

Beginning December 2024, DMG's Christina Lake Facility energy agreement was revised whereby FortisBC would supply 15 megawatts of firm power billed on RS-31 and up to an additional 50 megawatts of non-firm power billed

on Rate Schedule 38 (RS-38), which is based on the Mid-Columbia River Basin (Mid-C) daily market pricing. The price billed for energy on RS-38 is capped at a level determined by DMG ahead of each month so as to insulate DMG from paying “peak” rates, but it may result in energy curtailment, which would negatively impact the Company’s mining operations. As of the date of this AIF, DMG has been requested by FortisBC to completely curtail its non-firm load for a single interval of three days. DMG has limited history operating on RS-38, and as such, it expects energy curtailment to affect its Christina Lake operations from time to time that could be material.



**This photo shows a portion of the electrical distribution infrastructure at the Christina Lake Facility.**

The Christina Lake Facility is located in Christina Lake, British Columbia, approximately 20 kilometers east of Grand Forks, British Columbia. The Christina Lake Facility’s security consists of physical security staff, cameras and pin-codes at each door, along with fencing around the 85-MVA substation and data center.

The sites are equipped with the following media of connectivity: (a) fiber internet connections; and (b) back-up satellite network. Fiber is provided by TELUS and satellite by Starlink.

All key components of the Christina Lake Facility are monitored including miner hashrate, temperature, uptime and power using its Data Center Infrastructure Management Software, called “Helm.” Parallel monitoring is performed by local on-site staff, who are responsible for implementing any necessary repairs to mining infrastructure. In the event that the Company’s remote monitoring or any parallel monitoring identifies any malfunction or technical issue, personnel are dispatched to physically inspect and if necessary, repair defective components.

The majority of the Company’s cryptocurrencies are held either with digital asset custodians, including its Systemic Trust Company subsidiary or in self-custody solutions, including hardware wallets. The Company only transfers its cryptocurrencies to hot wallet storage or exchanges for the purpose of selling or transferring the cryptocurrencies. The Company does not manage or hold cryptocurrencies on behalf of third-party clients that it hosts at its Christina Lake Facility, and any cryptocurrencies mined from the hosting services are connected directly to the third-party clients’ cryptocurrency wallets. Given the novelty of digital currency mining and associated businesses, insurance coverage for theft of private keys is generally not available or uneconomical for the Company to obtain.

The Company has adopted the following internal company policies with respect to its data center operations:

**General Policies**

- (i) DMG AML Policy Employees
- (ii) DMG Anti-Fraud Policy
- (iii) DMG Employee Handbook
- (iv) DMG Internet Usage Policy
- (v) DMG Anti Money Laundering - Staff Training
- (vi) DMG Code of Conduct
- (vii) DMG Modern Slavery - Staff Training

- (viii) DMG Artificial Intelligence (AI) Usage Policy

**DMG Information Security Policies**

- (i) DMG - Data Classification Policy
- (ii) DMG - Data Protection Policy
- (iii) DMG - Data Retention Policy
- (iv) DMG - Information Security Policy
- (v) DMG - Maintenance Management Policy
- (vi) DMG - Password Policy
- (vii) DMG - Physical Security Policy
- (viii) DMG - Responsible Disclosure Policy
- (ix) DMG - System Security Planning Policy

The anti-money laundering policy and procedures include, but are not limited to, the following:

1. Performing a risk assessment to determine all areas of the Company where money laundering or terrorist financing may be created and provide a report to senior management of the Company. This risk assessment is to include:
  - a. An increased focus on the Company's operations (products, services, customers and geographic locations) that are more vulnerable to abuse by money launderers and other criminals;
  - b. The environment with which the Company operates and the activity in its marketplace.
2. Ensuring that adequate controls are in place before new products are offered;
3. Informing Company management of compliance initiatives, identified compliance deficiencies, corrective action taken, and suspicious activity reports filed;
4. Providing the program continuity despite changes in management or employee composition or structure;
5. Maintaining all regulatory recordkeeping and reporting requirements, recommendations for AML compliance and providing timely updates in response to changes in regulations;
6. Implementing and reviewing any related policies and procedures to ensure compliance with the Company's AML Program requirements;
7. Providing adequate controls for higher risk customers, transactions and products as necessary, such as transaction limits or management approvals;
8. Enabling the timely identification of reportable transactions and ensure accurate filing of required reports;
9. Providing for adequate supervision of employees that handle currency transactions, complete reports, grant exemptions, monitor for suspicious activity, or engage in any other activity that forms part of the AML Program;
10. Incorporating AML compliance into job descriptions and performance evaluations of appropriate personnel;
11. Training Company personnel on AML Program directives; and
12. Supporting an independent AML audit program.

## *DMG Software Platforms*

Historically, the Company's data analytics and technical support operations leveraged its industry expertise to provide cryptocurrency-specific services to mainly audit, accountancy, legal and law enforcement organizations around the world. The cryptocurrency-specific consulting focused on leveraging its deep understanding of cryptocurrencies, which was applied mainly to legal questions, accounting standards and audit and assurance reporting requirements.

As of the date of this AIF, these types of consulting services are not a material source of revenue. However, this expertise provided the basis for the Company's development of commercial software and services platforms: Systemic Trust (customer portal), Blockseer Pool (Terra Pool), Helm (Data Center Infrastructure Manager), Blockseer Petra, Blockseer Breeze, Blockseer Explorer, Blockseer WalletScore and Reactor.xyz (acquired from Navier, Inc.). The Company's software platform strategy is centered on becoming a vertically integrated digital asset company.

### Systemic Trust

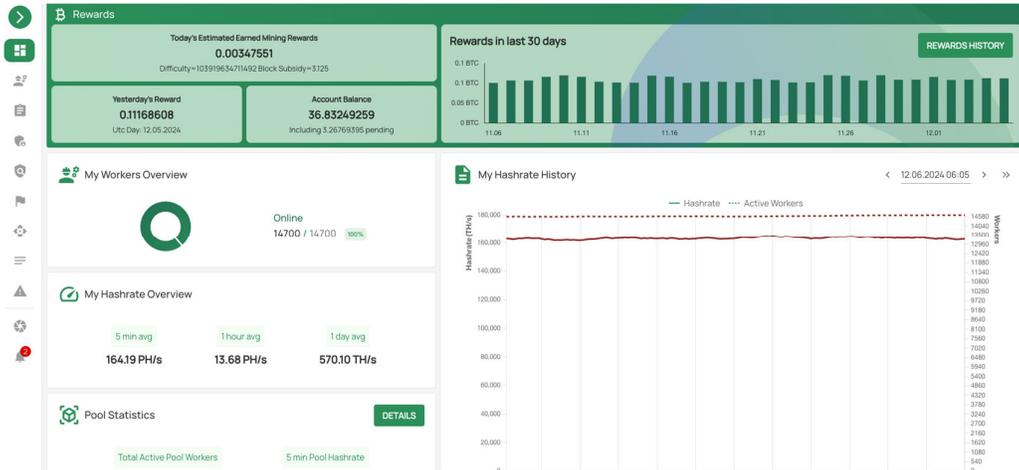
In February 2024, DMG announced it committed \$3.5 million to establish a Calgary, Alberta based independent digital asset custody solution for institutional clients. Systemic Trust is a wholly owned subsidiary of DMG that, under Canadian securities legislation, meets the requirements of National Instrument 31-103 and National Instrument 81-102 for providing regulated digital asset custody services to registered entities. Systemic Trust utilizes institutional-grade wallet solutions and intends to serve a broad range of institutional clients, including financial institutions, asset managers, corporations and public sector organizations.

On August 6, 2024, the Company received approval from Alberta's Ministry of Treasury Board and Finance (ATBF) for the incorporation of Systemic Trust. On January 28, 2025, the Company announced Systemic Trust obtained a certificate of registration from ATBF to operate as a special purpose trust company under the *Loan and Trust Corporations Act* (Alberta) to provide secure custody of digital assets for institutional clients such as crypto trading platforms, banks, asset managers, corporations and government agencies that either manage cryptocurrencies, or are seeking to expand their business into cryptocurrency services.

DMG's capital commitment is another step towards fully realizing the monetization goals of its Digital Asset strategy and its mission to advance broader adoption by building credibility and trust in digital assets for investors. DMG is bringing together secure institutional wallet solutions leveraging Fireblocks technology, strong insurance policies, rigorous risk management practices, best in class off-exchange liquidity as well as innovative OFAC compliant and carbon neutral blockchain solutions to meet institutional demand. DMG continues to evaluate the need to provide additional capital to support the operational and regulatory requirements of Systemic Trust's business as it expands. Already acting as a regulated custodian for a portion of DMG's digital currency, the Systemic Trust team is focused on gaining customer adoption, ramping revenue and broadening its platform capabilities throughout the fiscal 2026 year.

### Terra Pool (formerly Blockseer Mining Pool)

Launched in June 2022, Terra Pool, the world's first carbon neutral Bitcoin mining pool, is a North American-based Mining Pool Operator ("**MPO**") dedicated to decentralizing the Bitcoin network and providing more transparency in the Bitcoin mining industry. As a key element of DMG's ecosystem, Terra Pool integrates with DMG's other Blockseer platforms, including Helm (data center facility management) and WalletScore (real-time transaction compliance) to provide Bitcoin computing service providers ("**CSPs**") with not only quality operations data but also a new standard in mining compliance and governance. DMG offers the front-end of Helm to Terra Pool CSPs to monitor their mining equipment and intends to license a full version of Helm to enable data center infrastructure management. DMG is recruiting CSPs with the objective of onboarding them onto the Terra Pool platform.



This picture depicts the dashboard user interface of DMG's Terra Pool.

### Helm (Data Center Infrastructure Management) DCIM

Launched in 2018, Helm DCIM assists Bitcoin Computing Service Providers (CSPs) to maximize overall Bitcoin mining fleet profitability. This real-time platform monitors key facility metrics, including individual and pooled hashrates, miner and facility temperature, power consumption as well as other data center facility network elements, allowing CSP staff to make real-time adjustments and repairs. DMG intends to continue to develop Helm DCIM into a comprehensive best-in-class tool that includes support for demand response programs, intelligent rules-based facility management, site mapping and asset management as part of an integrated solution with Terra Pool.

The screenshot shows the 'MINERS' section of the Helm Data Center Facility Manager. It features a search bar, a filter icon, and options for 'CUSTOMIZE COLUMNS' and 'EXPORT'. The table below lists scan results for various miners.

Miner ID	Last Scan	Miner Type	IP Address	MAC Address	Firmware	Uptime	Hashrate (TH/s)	Temperature (°C)	Fans	Boards	Pool
3 minutes ago	T21	T21	10.53.1.264	02:5C:1A:8E:4C:E5	BOS+	27d 1h 30m 23s	183.301	48	4	3	stratum+tcp://stratum.brains.com:3333
3 minutes ago	T21	T21	10.53.1.263	02:5E:06:89:E4:58	BOS+	27d 1h 31m 16s	196.945	49	4	3	stratum+tcp://stratum.brains.com:3333
3 minutes ago	T21	T21	10.53.1.262	02:5E:E2:E8:48:71	BOS+	27d 1h 31m 39s	199.616	47	4	3	stratum+tcp://stratum.brains.com:3333
3 minutes ago	T21	T21	10.53.1.260	02:E4:C6:89:A5:F0	BOS+	23d 12h 48m 59s	177.064	46	4	3	stratum+tcp://stratum.brains.com:3333
3 minutes ago	T21	T21	10.53.1.258	02:44:BE:FF:B5:E6	BOS+	27d 1h 28m 5s	194.813	50	4	3	stratum+tcp://stratum.brains.com:3333
3 minutes ago	T21	T21	10.53.1.257	02:6C:E4:A6:EA:76	BOS+	27d 1h 31m 17s	182.85	48	4	3	stratum+tcp://stratum.brains.com:3333
3 minutes ago	T21	T21	10.53.1.256	02:E6:3E:A2:2E:F7	BOS+	25d 0h 57m 29s	183.239	46	4	3	stratum+tcp://stratum.brains.com:3333
3 minutes ago	T21	T21	10.53.1.255	02:3F:E3:17:0F:72	BOS+	27d 1h 31m 47s	198.098	48	4	3	stratum+tcp://stratum.brains.com:3333
3 minutes ago	T21	T21	10.53.1.252	02:E4:04:9C:FD:FD	BOS+	27d 1h 28m 5s	179.578	48	4	3	stratum+tcp://stratum.brains.com:3333
3 minutes ago	T21	T21	10.53.1.229	02:64:0E:E6:13:F5	BOS+	27d 1h 27m 53s	183.999	47	4	3	stratum+tcp://stratum.brains.com:3333
3 minutes ago	T21	T21	10.53.1.228	02:EE:9A:07:75:07	BOS+	27d 1h 28m 8s	188.277	47	4	3	stratum+tcp://stratum.brains.com:3333
3 minutes ago	T21	T21	10.53.1.226	02:D6:70:CE:04:EB	BOS+	27d 1h 28m 10s	182.996	49	4	3	stratum+tcp://stratum.brains.com:3333
3 minutes ago	T21	T21	10.53.1.221	02:E2:C5:5D:7A:DD	BOS+	7d 23h 15m 49s	184.443	50	4	3	stratum+tcp://stratum.brains.com:3333
3 minutes ago	T21	T21	10.53.1.220	02:E0:3D:6E:FD:56	BOS+	23d 12h 46m 50s	196.696	49	4	3	stratum+tcp://stratum.brains.com:3333
3 minutes ago	T21	T21	10.53.1.218	02:C6:BA:81:1D:E0	BOS+	27d 1h 28m 0s	196.585	49	4	3	stratum+tcp://stratum.brains.com:3333
3 minutes ago	T21	T21	10.53.1.217	02:EA:03:66:86:77	BOS+	27d 1h 30m 49s	196.258	48	4	3	stratum+tcp://stratum.brains.com:3333

This picture depicts the user interface of DMG's Helm Data Center Facility Manager.

### Blockseer Petra

The Company launched Petra in February 2023 on the Bitcoin mainnet. Petra enables financial institutions and others to place bitcoin transactions onto the blockchain via Terra Pool in a carbon neutral and regulatory compliant manner. We believe Petra will provide regulated financial institutions new options to become more directly involved with bitcoin. DMG has been working with its ecosystem partners including its Systemic Trust subsidiary and Fireblocks to enable a broader base of bitcoin holders to utilize Petra technology.

The Company's Petra technology has been utilized for Bitcoin-native digital artifacts known as ordinal inscriptions, which are unique digital assets assigned to individual satoshis. These inscriptions, enabled by the November 2021 Taproot Bitcoin soft fork and the Ordinals protocol launched in January 2023, offer a method to embed non-fungible characteristics onto the Bitcoin blockchain. DMG has historically performed several ordinal inscriptions using its

Petra technology, generating revenue for services that, at times, exceeded market rates for transaction fees, including offchain payments. Notably, by leveraging Petra and Terra Pool, DMG provided the unique capability to inscribe larger ordinal file sizes (up to 4 megabytes) in a carbon-neutral manner, which appealed to content creators seeking both immutability and environmental considerations. While these activities have demonstrated the technical capabilities of Petra, this area of activity is currently considered inactive and is not anticipated to contribute materially to the Company's future revenue.

#### Blockseer Breeze

This software wallet product has been implemented on Terra Pool for use to distribute earned rewards to its computing service providers. DMG has built upon its Breeze wallet implementation to launch Multi-Breeze, enabling the capability for content creators to post collections of digital artwork utilizing the Ordinals protocol to the Bitcoin blockchain, then transfer ownership of individual artwork pieces to new owners, enabling per ordinal rights transfer. Upon payment for inscription services of a collection of ordinals, DMG would transfer the Multi-Breeze wallet private key (i.e. ownership) to the content creator, who in turn would digitally sign each ordinal content sale transaction as they found buyers. Recipients of ordinal content from subsequent sales can still show provenance of their content back to the original block.

#### Blockseer WalletScore

Launched in 2018, the original version of WalletScore measured the propensity of a crypto wallet to engage in criminal activity, identifying wallets related to unusual activities such as funding crimes or money laundering. Currently, WalletScore's technology is the basis for filtering out in real-time nefarious transactions associated with blacklisted wallet addresses published by the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC).

#### Blockseer Explorer

Launched in 2015, Explorer is an analytics tool that enables the tracking of cryptocurrency on the Bitcoin and Ethereum blockchains. The Company has upgraded Blockseer Explorer for Bitcoin and is offering it as a general-purpose bitcoin transaction explorer with the ability to generate downloadable bitcoin transaction history activity for any given wallet as well as set up wallet activity alerts.

#### Reactor.xyz

Purchased from Navier, Inc. in October 2024, Reactor.xyz ("Reactor") is a highly-optimized solution to automate and manage hashrate contracts. A hashrate contract allows Bitcoin miners, which typically sell hashrate directly to an MPO, to sell their hashrate to buyers willing to pay upfront for a specified term. These buyers are typically incentivized by a discount compared to what the sellers would be expected to earn in bitcoin payouts over the contract period. For sellers, this arrangement provides faster access to payment, serving as a valuable treasury management tool akin to factoring receivables. Reactor's key enabling technology assures that the hashrate transferred from seller to buyer meets the contract's requirements for the entirety of its term. Unique to the software, for which there are several patent applications, is its balancing algorithm that assures consistent hashrate delivery. Having been developed and operating over the past several years, Reactor is a proven solution.

### **Competition and Market Participants**

The AI data center colocation and cryptocurrency mining industries are highly competitive, as there are many large operations, including those of the kind operated by the Company's principal publicly listed competitors.

The AI colocation industry is dominated in N. America by (former) cryptomining companies, which have expanded their business into AI. Some of the largest competitors operating in the North American AI data center colocation industry include Core Scientific (NASDAQ: CORZ), Crusoe Energy Systems (Private), Galaxy Digital (NASDAQ: GLXY), TeraWulf (NASDAQ: WULF), Cipher Mining (NASDAQ: CIFR) and Hut 8 Corp. (NASDAQ: HUT). The ability to win near-term contracts is often based on having suitable AI data center sites with access to sufficient power, which is increasingly difficult to find, especially sites that offer energy generated from renewable sources and with availability in excess of 100 MW.

Some of the largest competitors operating in the cryptocurrency mining industry include MARA Digital Holdings Inc. (NASDAQ: MARA), Riot Platforms, Inc. (NASDAQ: RIOT), Bitfarms Ltd. (NASDAQ: BITF), Hut 8 Corp. (NASDAQ: HUT) and HIVE Digital Technologies. (NASDAQ: HIVE).

The vast majority of mining is undertaken by MPOs, whereby CSPs sell their Hashrate to pools in exchange for certainty that mining rewards are paid out proportionately to the amount of Hashrate sold to the MPO. MPOs generally exist for each well-known proof-of-work cryptocurrency. As of the date of this AIF, the top 4 Bitcoin MPOs identified by HashrateIndex.com are as follows: FoundryDigital.com (26%); Antpool.com (19%); F2Pool.com (12%); SpiderPool.com (11%).

Other market participants in the cryptocurrency industry include investors and speculators, retail users transacting in cryptocurrencies and service companies that provide a variety of services including buying, selling, payment processing and storing of cryptocurrencies.

#### Revenues for Fiscal 2025 and Fiscal 2024

The breakdown of the Company's revenues for the financial year ended September 30, 2025 and financial year ended September 30, 2024 is as follows:

<b>Product/Service Category</b>	<b>For the year ended September 30, 2025</b>	<b>For the year ended September 30, 2024</b>
Digital currency mining	\$46,177,819	\$33,975,569
Mining equipment hosting and set-up service	\$574,343	\$1,180,573
Net pool revenue	-	\$(2,362,742)
Mining pool fees	-	-
Software License Income	-	\$562,253
Forensics, consulting and other revenue	\$584,908	\$544,430
<b>Total</b>	<b>\$47,337,070</b>	<b>\$33,900,083</b>

**Note: Financial Statements and MD&A for the Company's 2025 and 2024 financial years are available for review, under DMG's profile on the SEDAR+ website located at [www.sedarplus.ca](http://www.sedarplus.ca).**

#### **Employees**

As of the date of this AIF, the Company has 35 employees (excluding independent directors). The Company also utilizes temporary and/or contract employee labour on an as-needed basis.

#### **Foreign Operations**

As at the date of this AIF, the Company does not have any foreign operations, notwithstanding that DMG has US-based subsidiaries.

In November 2025, DMG announced the execution of a letter of agreement and payment of a deposit in relation to the proposed purchase of a 27,600 square foot building situated on 8 acres of leased land in Boardman, Oregon. The Company also secured an option to lease an additional adjacent 10-acre lot.

#### **Effect of Seasonality**

The Company's business and operations are affected by seasonality, as its RS-38 energy rates fluctuate throughout the year. In particular, RS-38 energy rates are typically highest in the winter months and also rise modestly in the summer months relative to the spring and fall months. Additionally, the operation of the Company's air-cooled mining fleet is typically negatively impacted in the summer, as the miners may overheat and temporarily shut down in high-temperature conditions.

#### **Changes to Contracts**

It is possible that hosting revenue will continue to decline in the future, as existing hosting clients may reduce their fleet, and the Company may not acquire new clients.

#### **Specialized Skill and Knowledge**

All aspects of the Company's business require specialized knowledge and technical skill and such knowledge and technical skills include the areas of Blockchain technology, research and development, digital currency market, security, forensics, power markets, data center infrastructure expertise, sales and marketing, as well as legal compliance, finance and accounting. The Company has been able to locate and retain competent employees and consultants in such areas and believes it will continue to be able to do so.

## Government Regulation

With wider adoption of cryptocurrency underway, the groundswell movement to introduce and implement regulatory regimes and controls to safeguard investors will continue to grow and will be spurred on by the entry of global corporations, hedge funds, family offices and institutional investors into the cryptocurrency sector.

There has been a recent flurry of announcements in the digital asset industry that will likely have the effect of driving forward regulation while simultaneously adding legitimacy to the sector.

On July 18, 2025, the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act) was signed into U.S. federal law, creating a comprehensive regulatory framework for stablecoins.

On January 10, 2024, the U.S. Securities and Exchange Commission (SEC) approved applications from multiple firms to create U.S.-listed spot bitcoin ETFs. These include some of the largest U.S. financial services firms including Blackrock, Fidelity and Grayscale. As the first spot bitcoin ETFs were approved and listed in the U.S., these could continue to improve accessibility to, and market sentiment on bitcoin, potentially attracting new investors and having a positive impact on bitcoin price.

On February 4, 2022, the Canadian Department of Finance announced draft legislative changes to the *Excise Tax Act* which contains rules respecting the application of the goods and services tax (GST) to mining activities in respect of crypto-assets and to remuneration received as a consequence of performing a mining activity. Under the proposed language, miners may not be eligible to claim input tax credits. Enactment of this proposal could have a negative effect on the Company's financial performance, as input costs for mining activities would be subject to GST that would not be subsequently recoverable.

In 2021, 17 U.S. states passed laws and resolutions concerning cryptocurrency regulation. On October 16, 2021, the U.S. Securities Exchange Commission approved the ProShares Bitcoin Strategy ETF, the first bitcoin ETF in the United States. On February 17, 2022, the United States Department of Justice appointed the first director of a National Cryptocurrency Enforcement Team to aid in identification of and dealing with misuse of cryptocurrencies. On March 29th and September 30th 2021, Canadian Securities Administrators - Investment Industry Regulatory Organization of Canada ("**CSA-IIROC**") released guidance titled "Notice 21-329 Guidance for Crypto Asset Trading Platforms: Compliance with Regulatory Requirements" and "Notice 21-330 Guidance for Crypto-Trading Platforms – Requirements relating to Advertising, Marketing and Social Media Use" respectively.

The events related to the downfall of FTX and its related entities have had a negative impact on the public image of the cryptocurrency industry in general. That negative impact, with time, could culminate in increased regulation of cryptocurrency and related activities.

A part of the Company's business involves providing services and products applicable to the regulation of the cryptocurrency market.

## Intangible Properties

The Company relies on a combination of intellectual property laws (including patents), trade secrets, confidentiality procedures, contractual provisions and other measures to protect the Company's proprietary information and technology, including the Company's main software platforms (i.e., Blockseer (Terra) Pool, Helm Data Center Facility Manager Software, Blockseer Explorer and WalletScore). The Company seeks to limit the disclosure of its intellectual property by requiring customers and potential business partners to execute confidentiality agreements. The Company owns and controls the following patents registered in the United States:

## Simplified Table of Assets

Title	Subject Matter Summary	Inventors
<b>SELECTION OF CRYPTOGRAPHIC IDENTIFIERS IN A BLOCK</b>	“Clean block technology” - where allow/deny lists are implemented to prevent transactions belonging to unwanted public addresses from being included in blocks. Purges mempool of unwanted transactions.	Sheldon Bennett, Adrian Glover, James Stafford-Coyte
<b>OFF NETWORK IDENTITY TRACKING IN ANONYMOUS CRYPTOCURRENCY EXCHANGE NETWORKS</b>	Generation of a mapping table that identifies whether a given public address belongs to a particular exchange in order to identify the owner of the public address.	Danny Yang
<b>PROVIDING DATA PROVENANCE, PERMISSIONING, COMPLIANCE, AND ACCESS CONTROL FOR DATA STORAGE SYSTEMS USING AN IMMUTABLE LEDGER OVERLAY NETWORK</b>	Use of a blockchain to create a data sharing permissioning structure that enables users to share data sets e.g., for AI with controls over the data and history of creation/sharing.	Danny Yang, Mohamad El Balaa, Rudi Cilibrasi, Shihao Guo
<b>CRYPTOGRAPHIC TAIN TRACKING</b>	Schema to identify distribution of funds from criminal activity and label wallets associated therewith and quarantine	Timothy Eller, Patrick De La Garza, Daniel Klein, George Kellerman, Steven Eliscu, Danny Yang
<b>CUSTOM MEMPOOL PROTOCOL ASSOCIATED WITH PROCESSING OF CRYPTOGRAPHIC EVENTS</b>	Petra technology - deliberate selection of miners via transaction submission platform. Miners execute custom protocol that enables processing of non-standard transactions.	Sheldon Bennett, Adrian Glover
<b>CRYPTOGRAPHIC PROTOCOL INCLUDING PAIRED CRYPTOGRAPHIC EVENTS ASSOCIATED WITH A BLOCKCHAIN</b>	“Bounty Transactions” - ability to claim a bounty transaction after processing a corresponding zero fee transaction.	Adrian Glover, Steven Eliscu, Sheldon Bennett, Wei Jang
<b>MULTIPLE ORDINALS IN ONE TRANSMISSION</b>	Protocol that enables mining transactions that include multiple ordinals.	William Jackson, Wei Jiang, Adrian Glover
<b>INTERPRETING PACKET COMMUNICATIONS</b>	Miner hash rate validation based on packet communications.	David Steinberg, Ethan Brian, Christopher Swenson, Joshua Metnick, Vujadin Milinovich, Alex Lawn, Chen Ye
<b>ACCESS CONTROL FOR COMPUTING RESOURCES</b>	System for authorizing access to computing resources using non-fungible tokens.	Daniel Marks, Joshua Metnick, David Steinberg, Richard Adjei, Eric William Price, Robert Maciej Pieta, John Finley Detjen
<b>DYNAMICALLY CONFIGURABLE NETWORK ARCHITECTURE AND METHODS</b>	Process for dynamically managing network access based on current conditions.	Daniel Marks, Joshua Metnick, David Steinberg, Gert-Jaap Glasbergen

## Research and Development

The Company believes that research and development is a principal competitive advantage in its industry and that much of the Company’s future success will depend on its ability to maintain its technological leadership by:

1. identifying and responding to emerging technological trends in the cryptocurrency industry and the Company’s target sectors;
2. designing, developing and maintaining competitive solutions that take into account customers’ changing needs; and

3. continuing to enhance existing products by improving performance and adding features and functionality to meet the requirements of our customers.

## **RISK FACTORS**

In addition to the other information contained in this AIF, investors should give careful consideration to the following factors, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this AIF. If any of the following events described as risks or uncertainties actually occurs, the business, prospects, financial condition and operating results of the Company may suffer a material adverse effect. In that event, the market price of the Common Shares could decline and investors could lose all or part of their investment. Additional risks and uncertainties presently unknown, or that are not believed to be material at this time, may, if realized, also impair or have a material adverse effect on the Company's operations. In addition to the risks described elsewhere and the other information contained in this AIF, prospective investors should carefully consider each of and the cumulative effect of all of the following risk factors. There is no assurance that management of the Company will be able to take adequate steps in order to mitigate or avoid future loss due to the occurrence of the risks described below or other unforeseen risks.

An investment in the Company is speculative and involves a high degree of risk due to the nature of the Company's business. The risk factors noted below do not necessarily comprise all risks faced by the Company. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also impair our business, operations and future prospects. If any of the known or unknown risks and uncertainties actually occur, our future business may be harmed, and our financial condition and results of operations may suffer significantly.

### **General Cryptocurrency Risks**

#### The Value of Cryptocurrencies May Be Subject to Momentum Pricing Risk and Volatility

Momentum pricing typically is associated with growth stocks and other assets whose valuation, as determined by the investing public, accounts for anticipated future appreciation in value. Cryptocurrency market prices are determined primarily using data from various exchanges, over-the-counter markets, and derivative platforms. Momentum pricing may have resulted, and may continue to result, in speculation regarding future appreciation in the value of cryptocurrencies, inflating and making their market prices more volatile. As a result, cryptocurrencies may be more likely to fluctuate in value due to changing investor confidence in future change in their market prices, which could adversely affect the value of the Company's cryptocurrency inventory and financial condition.

The profitability of the Company's operations will be significantly affected by changes in prices of cryptocurrencies. Cryptocurrency prices are highly volatile, can fluctuate substantially in a short period of time and are affected by numerous factors beyond the Company's control, including the total amount of bitcoin or other cryptocurrencies in existence; global cryptocurrency demand; global cryptocurrency supply; investors' expectations with respect to the rate of inflation of fiat currencies and the rate of deflation of cryptocurrencies; interest rates; currency exchange rates, including the rates at which cryptocurrency may be exchanged for fiat currencies; fiat currency withdrawal and deposit policies of cryptocurrency exchanges and liquidity of such cryptocurrency exchanges; interruptions in service from or failures of major cryptocurrency exchanges; cyber theft of cryptocurrency from online cryptocurrency wallet providers, or news of such theft from such providers or from individuals' cryptocurrency wallets; investment and trading activities of large investors; monetary policies of governments, trade restrictions, currency devaluations and revaluations; regulatory measures, if any, that restrict the use of cryptocurrency as a form of payment or the purchase of cryptocurrencies; the availability and popularity of businesses that provide cryptocurrency-related services; global or regional political, economic or financial events and situations; and fees associated with processing a cryptocurrency transaction. If cryptocurrency prices should decline and remain at low market levels for a sustained period while network difficulty does not decrease proportionally, the Company could determine that it is not economically feasible to continue activities. Volatility may have a significant and negative impact on the value of the Company's inventory of cryptocurrencies and financial condition.

In addition, investors should be aware that there is no assurance that bitcoin and other cryptocurrencies will maintain their long-term value. In the event that the price of cryptocurrencies declines, the Company expects the value of an investment in the Common Shares to also decline.

#### The Impact of Geopolitical Events on The Supply and Demand for Cryptocurrencies is Uncertain

Crises may motivate large-scale purchases of cryptocurrencies, which could increase the price of cryptocurrencies rapidly. This may increase the likelihood of a subsequent price decrease as crisis-driven purchasing behavior wanes, adversely affecting the value of the Company's cryptocurrency inventory and financial condition.

As an alternative to fiat currencies that are backed by central governments, cryptocurrencies such as bitcoin, which are relatively new, are subject to supply and demand forces based upon the desirability of an alternative, decentralized means of buying and selling goods and services, and it is unclear how such supply and demand will

be impacted by geopolitical events. Nevertheless, political or economic crises may motivate large-scale acquisitions or sales of bitcoin or other cryptocurrencies either globally or locally. Large-scale sales of cryptocurrencies would result in a reduction in their market prices and adversely affect the Company's operations, profitability and financial condition.

#### Cryptocurrency Network Difficulty and Impact of Increased Global Computing Power.

Network difficulty is a measure of how difficult it is to solve the cryptographic hash that is required to validate a block of transactions and earn a cryptocurrency reward from mining. If the network difficulty increased at a higher rate than the price increase of cryptocurrency, then the profitability of the Company's operations would be negatively affected. There can be no assurance that the rate of increase of network difficulty will not exceed the rate at which cryptocurrency prices will increase, as network difficulty is subject to volatility in growth and is beyond the Company's control.

#### Limited History of The De-Centralized Financial System

Compared with traditional and existing centralized financial systems, the cryptocurrency financial system is relatively new and has only limited history. Online cryptocurrency exchanges and trades therein operate with comparatively little regulation and are particularly liable to platform failures and fraudulent activities, which may have an effect on underlying prices of cryptocurrencies. In fact, many of the largest online cryptocurrency exchanges have been compromised by hackers. Traditional banks and banking services may limit or refuse the provision of banking services to businesses that supply cryptocurrencies as payment and may refuse to accept money derived from cryptocurrency-related businesses. This may make the management of bank accounts challenging for cryptocurrency companies.

#### Regulatory Changes or Actions

As the market for cryptocurrencies have grown, governments around the world have reacted differently, with certain governments deeming them illegal while others have allowed their use and trade. Furthermore, the events related to the downfall of FTX and its related entities have had a negative impact on the public image of the cryptocurrency industry in general. That negative impact, with time, could culminate in increased regulation of cryptocurrency and related activities, which may impact the ability of the Company to continue to operate and adversely affect the Company's operations, profitability and financial condition.

The effect of any future regulatory change on the Company or any cryptocurrency that the Company may mine or hold is impossible to predict, but such change could be substantial and adverse to the Company. Governments may in the future curtail or outlaw the acquisition, use or redemption of cryptocurrencies. Ownership of, holding or trading in cryptocurrencies may then be considered illegal and subject to sanctions. Governments may in the future take regulatory actions that may increase the cost and/or subject cryptocurrency companies to additional taxes and regulation or prohibit or severely restrict the right to acquire, own, hold, sell, use or trade cryptocurrencies, to manage a pool of cryptocurrency miners or to exchange cryptocurrencies for fiat currency. For example, on February 4, 2022, the Canadian Department of Finance announced draft legislative changes to the *Excise Tax Act*, which contains rules respecting the application of the goods and services tax (GST) to mining activities in respect of crypto-assets and to remuneration received as a consequence of performing a mining activity. Under the proposed language, miners may not be eligible to claim input tax credits. Enactment of this proposal could have a negative effect on the Company's financial performance, as input costs for mining activities would be subject to GST that would not be subsequently recoverable. Similarly, the BC government has introduced draft Bill 24 – 2024, *Energy Statutes Amendment Act, 2024*, which adds in new language specific to the "Provision of electricity service for the purpose of cryptocurrency mining" that could result in reduced access to energy that could negatively affect the Company's operations. Similar actions by other governments, may result in the restriction of the acquisition, ownership, holding, selling, use or trading in the Common Shares. Such a restriction could result in the Company liquidating its bitcoin or other cryptocurrency inventory at unfavourable prices and may adversely affect Shareholders.

#### Cessation of Banking Services to Cryptocurrency Businesses

A number of companies that provide bitcoin and/or other cryptocurrency-related services have been unable to find banks that are willing to provide them with bank accounts and banking services. Similarly, a number of such companies have had their existing bank accounts closed by their banks. Banks may refuse to provide bank accounts and other banking services to bitcoin and/or other cryptocurrency-related companies or companies that accept cryptocurrencies for a number of reasons, such as perceived compliance risks or costs. The difficulty that many businesses that provide bitcoin and/or other cryptocurrency-related services have and may continue to have in finding banks willing to provide them with bank accounts and other banking services may be currently decreasing the usefulness of cryptocurrencies and harming public perception of cryptocurrencies or could decrease its usefulness and harm its public perception in the future. Similarly, the usefulness of cryptocurrencies and the public perception of cryptocurrencies could be damaged if banks were to close the accounts of many or of a few key businesses providing bitcoin and/or other cryptocurrency related services. This could decrease the market prices

of cryptocurrencies and adversely affect the value of the Company's cryptocurrency inventory and financial condition.

#### Cryptocurrency Exchanges and Other Trading Venues are Relatively New and Largely Unregulated

To the extent that cryptocurrency exchanges or other trading venues are involved in fraud or experience security failures or other operational issues, this could result in a reduction in cryptocurrency prices. Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most cases, largely unregulated as compared to established, regulated exchanges for securities, derivatives and other currencies. During the past ten years, a number of cryptocurrency exchanges have been closed due to fraud, business failure or security breaches.

#### Potential Failure to Maintain the Bitcoin Network

The Bitcoin Network operates based on an open-source protocol maintained by the core developers of the Bitcoin Network and other contributors. As the Bitcoin Network protocol is not sold and its use does not generate revenues for its development team, the core developers are generally not compensated for maintaining and updating the Bitcoin Network protocol. Consequently, there is a lack of financial incentive for developers to maintain or develop the Bitcoin Network, and the core developers may lack the resources to adequately address emerging issues with the Bitcoin Network protocol. Although the Bitcoin Network is currently supported by the core developers, there can be no guarantee that such support will continue or be sufficient in the future. To the extent that material issues arise with the Bitcoin Network protocol and the core developers and open-source contributors are unable to address the issues adequately or in a timely manner, the Bitcoin Network and an investment in the Common Shares may be adversely affected.

#### Incorrect or Fraudulent Coin Transactions May Be Irreversible

Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred cryptocurrency may be irretrievable. As a result, any incorrectly executed or fraudulent coin transactions could adversely affect the Company's investments. Incorrectly executed transactions may be the result of computer or human error, despite rigorous controls to prevent such errors.

Cryptocurrency transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the transaction. In theory, cryptocurrency transactions may be reversible with the control or consent of a majority of processing power on the network. Once a transaction has been verified and recorded in a block that is added to the Blockchain, an incorrect transfer of a coin or a theft of coin generally will not be reversible, and the Company may not be capable of seeking compensation for any such transfer or theft. Although transfers of cryptocurrency will regularly be made by experienced members of the Company's management team, it is possible that, through computer or human error, or through theft or criminal action, the Company's cryptocurrency could be transferred in incorrect amounts or to unauthorized third parties, or to uncontrolled accounts.

If the reward of cryptocurrency for solving blocks is not sufficiently high, miners may not have an adequate incentive to continue mining and may cease their mining operations. Miners ceasing operations would reduce collective processing power, which would adversely affect the confirmation process for transactions (i.e., decreasing the speed at which blocks are added to the Blockchain until the next scheduled adjustment in difficulty for block solutions) and make the network more vulnerable to a malicious actor or botnet obtaining control in excess of fifty percent of the processing power. Any reduction in confidence in the confirmation process or processing power of the network may adversely impact the Company's mining activities, inventory of cryptocurrency, and future investment strategies.

In order to incentivize miners to continue to contribute processing power to the network, the network may either formally or informally transition from rewards being primarily based on a block subsidy to transaction fees earned upon solving for a block. This transition could be accomplished either by miners independently electing to record in the blocks they solve only those transactions that include payment of a transaction fee or by the network adopting software upgrades that require the payment of a minimum transaction fee for all transactions. Either of these may decrease demand for the relevant cryptocurrency and prevent the expansion of the network, resulting in a reduction in the price of the relevant cryptocurrency that could adversely impact the Company's cryptocurrency inventory and investments.

#### Global Financial Conditions

Global financial conditions over the last few years have been characterized by volatility and the bankruptcy of several financial institutions or the rescue thereof by governmental authorities. Supply chain uncertainty persists in part due to global trade conflicts. These factors may affect the ability of the Company to obtain equity or debt financing in the future on terms favourable to it or acquire hardware and equipment necessary for its activities in the future in a timely manner. Additionally, these factors, as well as other related factors, may cause decreases in

asset values that are deemed to be other than temporary, which may result in impairment losses. If such levels of volatility and market turmoil continue, the operations of the Company may suffer adverse impact and the price of the Common Shares may be adversely affected.

#### Further Development and Acceptance of the Cryptographic and Algorithmic Protocols Governing the Issuance of and Transactions in Cryptocurrencies is Subject to a Variety of Factors That Are Difficult to Evaluate

The use of cryptocurrencies to complete transactions is part of a new and rapidly evolving industry that employs digital assets based on a computer-generated mathematically based cryptographic protocol. The growth of this industry in general, and the use of cryptocurrencies in particular, is subject to a high degree of uncertainty, and the slowing or stopping of the development or acceptance of developing protocols may adversely affect the Company's operations. A significant portion of cryptocurrency demand may be attributable to speculation. The failure of marketplaces to adopt cryptocurrency payment methods may result in increased volatility and/or a reduction in market prices, either of which may adversely impact the Company's operations and profitability. The factors affecting the further development of the industry, include, but are not limited to:

- Continued worldwide growth in the adoption and use of cryptocurrencies;
- Governmental and quasi-governmental regulation of cryptocurrencies and their use, or restrictions on or regulation of access to and operation of the network or similar cryptocurrency systems;
- Changes in consumer demographics and public tastes and preferences;
- The maintenance and development of the open-source software protocol of the network;
- The availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies;
- General economic conditions and the regulatory environment relating to digital assets; and
- Negative consumer sentiment and perception of bitcoin specifically and cryptocurrencies generally.

#### Acceptance and/or Widespread Use of Cryptocurrency is Uncertain

Currently, there is relatively small use of cryptocurrencies in the retail and commercial marketplace in comparison to relatively large use by speculators, thus contributing to price volatility that could adversely affect the Company's operations, investment strategies and profitability.

As relatively new products and technologies, cryptocurrencies and their underlying networks have not been widely adopted as a means of payment for goods and services by major retail and commercial outlets. Conversely, a significant portion of cryptocurrency demand is generated by speculators and investors seeking to profit from the short-term or long-term holding of cryptocurrencies. The relative lack of acceptance of cryptocurrencies in the retail and commercial marketplace limits the ability of end-users to use them to pay for goods and services. A lack of expansion by cryptocurrencies into retail and commercial markets, or a contraction of such use, may result in increased volatility or a reduction in their market prices, either of which could adversely impact the Company's operations, investment strategies and profitability. Furthermore, if fees increase for recording transactions in cryptocurrency Blockchains, demand may be reduced and prevent the expansion of cryptocurrency networks to retail merchants and commercial businesses, resulting in a reduction in the price of cryptocurrencies generally.

#### Potential Manipulation of Blockchain

If a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains control of more than 50% of the processing power dedicated to mining on the Bitcoin Network, it may be able to alter or manipulate the Blockchain on which the Bitcoin Network and most bitcoin transactions rely by constructing fraudulent blocks or preventing certain transactions from completing in a timely manner, or at all. The malicious actor or botnet could control, exclude or modify the ordering of transactions, though it could not generate new bitcoin or transactions using such control. The malicious actor could "double-spend" its own bitcoin (i.e., spend the same bitcoin in more than one transaction) and prevent the confirmation of other users' transactions for so long as it maintained control. To the extent that this malicious actor or botnet did not yield its control of the processing power on the Bitcoin Network or the Bitcoin community did not reject the fraudulent blocks as malicious, reversing any changes made to the Blockchain may not be possible. Although there are no known reports of malicious activity or control of the Bitcoin Blockchain achieved through controlling over 50% of the processing power on the network, it is believed that certain mining pools may have exceeded the 50% threshold. The possible crossing of the 50% threshold indicates a greater risk that a single mining pool could exert authority over the validation of bitcoin transactions. To the extent that the Bitcoin ecosystem, including the core developers and the administrators of mining pools, do not act to ensure greater

decentralization of Bitcoin mining processing power, the feasibility of a malicious actor obtaining control of the processing power on the Bitcoin Network could increase, which may adversely affect an investment in the Company.

#### Response To Changing Security Needs

As technological change occurs, the security threats to the Company's cryptocurrency inventory will likely adapt, and previously unknown threats may emerge. The Company's ability to adopt technology in response to changing security needs or trends may pose a challenge to the safekeeping of the Company's cryptocurrency inventory. To the extent that the Company is unable to identify and mitigate or stop new security threats, the Company's cryptocurrency inventory may be subject to theft, loss, destruction or other attack.

#### Changes To Prominence of Bitcoin and Other Digital Assets

Demand for bitcoin is driven, in part, by its status as the most prominent and secure digital asset. It is possible that a digital asset other than bitcoin could have features that make it more desirable to a material portion of the digital asset user base, resulting in a reduction in demand for bitcoin, which could have a negative impact on its price. The Bitcoin Network and bitcoin as an asset hold a "first-to-market" advantage over other digital assets. This first-to-market advantage is driven in large part by having the largest user base, and more importantly, the largest combined mining power in use to secure the Bitcoin Blockchain and transaction verification system. Having a large mining network results in greater user confidence regarding the security and long-term stability of a digital asset's network and its Blockchain; as a result, the advantage of more users and miners makes a digital asset more secure, which makes it more attractive to new users and miners, resulting in a network effect that strengthens the first-to-market advantage. Despite the marked first-mover advantage of the Bitcoin Network over other digital asset ecosystems, it is possible that an alternative cryptocurrency could become materially popular due to either a perceived or exposed shortcoming of the Bitcoin Network protocol that is not immediately addressed by the core developers or a perceived advantage of an altcoin that includes features not incorporated into bitcoin. If an alternative cryptocurrency obtains significant market share (either in market capitalization, mining power or use as a payment technology), this could reduce bitcoin's market share and have a negative impact on the demand for, and price of bitcoin.

#### Bitcoin Halvening Risk and Bitcoin Hashrate

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

Bitcoin halvening is an event where the block subsidy for mining new Bitcoin is halved, meaning that bitcoin miners will receive 50% less bitcoin in the block subsidy for every block they verify. In 2009, when Bitcoin was first launched the block subsidy amount for mining a new block was 50 bitcoin. As of the most recent halvening in April 2024, the block subsidy amount is 3.125 bitcoin per block as of the date of this AIF. See "*INTRODUCTION TO BLOCKCHAIN AND CRYPTOCURRENCY – Bitcoin Halvening Event.*"

It is anticipated that each subsequent halvening event will cause many less efficient miners to shut off their miners unless the price of bitcoin rises significantly. This will result in a decrease in the Bitcoin Network's network hashrate and the corresponding difficulty. Without a corresponding increase in the price of bitcoin, the Company's revenue will be negatively impacted. If the price of bitcoin, the network hashrate and difficulty remain flat, the Company's corresponding self-mining revenue would be reduced by approximately 50%. The future price of bitcoin and difficulty are challenging to forecast. The Company believes that although the halvening event reduces the block subsidy amount by 50%, other market factors such as the network difficulty, transaction fees and price of bitcoin could change to offset the impact of the halvening sufficiently for the Company to maintain profitability. Nevertheless, there is a risk that a halvening event will render the Company unprofitable and have a materially adverse impact on the Company's business, financial conditions and operations.

#### The Price of Cryptocurrency May Be Affected by the Sale of Cryptocurrency by Other Vehicles Investing in Cryptocurrency or Tracking Cryptocurrency Markets

To the extent that other vehicles investing in cryptocurrency or tracking cryptocurrency markets form and come to represent a significant proportion of demand, large redemptions of the securities of those vehicles and the subsequent sale of cryptocurrency by such vehicles could negatively affect cryptocurrency prices and therefore affect the value of the inventory held by the Company.

## **Company Specific Risks**

### The Company's Cryptocurrency Inventory May Be Exposed to Cybersecurity Threats and Hacks

Security breaches, computer malware and computer hacking attacks have been a prevalent concern in the bitcoin exchange market since the launch of the Bitcoin Network. Any security breach caused by hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses, could materially harm the Company's business operations or result in loss of the Company's assets. Any breach of the Company's infrastructure could result in damage to the Company's reputation and reduce demand for the Company's services, which could materially and adversely affect the Company's business and results of operations. Furthermore, the Company believes that if its assets grow, it may become a more appealing target for security threats. As with any other computer code, flaws in the cryptocurrency codes have been exposed by certain malicious actors. Several errors and defects have been found and corrected, including those that disabled some functionality for users and exposed users' information. Although discovery of flaws in or exploitations of the source code that allow malicious actors to take or create money has historically occurred, more recently, they have become more rare.

The computer network operated by the Company may further be vulnerable to intrusions by hackers who could interfere with and introduce defects to its mining operation. Private keys, which enable holders to transfer funds may also be lost or stolen, resulting in irreversible loss of cryptocurrencies.

Cyber incidents can result from deliberate attacks or unintentional events, and may arise from internal sources (i.e., employees, contractors, service providers, suppliers and operational risks) or external sources (i.e., nation states, terrorists, hacktivists, competitors and acts of nature). Cyber incidents include, but are not limited to, unauthorized access to information systems and data (i.e., through hacking or malicious software) for purposes of misappropriating or corrupting data or causing operational disruption. Cyber incidents also may be caused in a manner that does not require unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Additionally, outside parties may attempt to fraudulently induce employees of the Company to disclose sensitive information in order to gain access to the Company's infrastructure. As the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, or may be designed to remain dormant until a predetermined event, and often are not recognized until launched against a target, the Company may be unable to anticipate these techniques or implement adequate preventative measures.

A cyber incident that affects the Company or its service providers may cause disruptions and adversely affect their respective business operations and may also result in violations of applicable law (i.e., personal information protection laws), each of which might result in potentially significant financial losses and liabilities, regulatory fines and penalties, reputational harm, and reimbursement and other compensation costs. In addition, substantial costs might be incurred to investigate, remediate and prevent cyber incidents.

The Company believes that the security procedures in place, such as hardware redundancy, segregation and offline data storage protocols (i.e., the maintenance of data on computers and/or storage media that is not directly connected to, or accessible from, the internet and/or networked with other computers, also known as "cold storage") are reasonably designed to safeguard the Company's cryptocurrency inventory from theft, loss, destruction or other issues relating to hackers and technological attack. Nevertheless, the security procedures cannot guarantee the prevention of any loss due to a security breach, software defect or Act of God that may be borne by the Company.

### Possibility of Less Frequent or Cessation of Monetization of Cryptocurrencies

A decision by the Company to cease monetization of cryptocurrencies or to monetize cryptocurrencies less frequently can increase the risk of cryptocurrencies held decreasing in value and the risk of loss or theft of cryptocurrencies. This in turn, may increase the level of audit risk for the Company's auditors in the area of auditing the existence and ownership rights of crypto-asset holdings. If the Company's auditors deem the audit risk was too high, there is risk that the Company's auditors would withdraw from the audit which, in turn, would increase the risk of the Company's ability to comply with the requirement for reporting annual audited financial statements as part of its ongoing continuous disclosure reporting requirements as a publicly listed company under applicable Canadian securities laws. Failure by the Company to comply with its continuous disclosure reporting obligations could result in the Company's securities being cease traded by Canadian securities regulators, which would have a significant adverse impact on the liquidity of the Common Shares and Shareholders may suffer a significant decline or total loss in value of its investment in the Common Shares as a result.

### Economic Dependence on Regulated Terms of Service and Electricity Rates Risks

The Company's operations are dependent on its ability to maintain reliable and economical sources of power to run its cryptocurrency mining assets. As of the date of this AIF, the Company conducts its mining operations in the Province of British Columbia, which has regulated electrical power suppliers. There can be no assurances,

however, that electricity can be provided on terms which are economic for the Company's current and future operations, anticipated growth and sustainability, or that regulatory changes in the future will not result in the reduced accessibility to power for the Company. See also "*Regulatory Changes or Actions*" above.

Beginning December 2024, DMG's Christina Lake Facility energy agreement was revised whereby FortisBC would supply 15 megawatts of firm power billed on RS-31 and up to an additional 50 megawatts of non-firm power billed on Rate Schedule 38 (RS-38), which is based on the Mid-Columbia River Basin (Mid-C) daily market pricing. The price billed for energy on RS-38 is capped at a level determined by DMG ahead of each month so as to insulate DMG from paying "peak" rates, but it may result in energy curtailment, which would negatively impact the Company's mining operations. As of the date of this AIF, DMG has been requested by FortisBC to completely curtail its non-firm load for a single interval of three days. DMG has limited history operating on RS-38, and as such, it expects energy curtailment to affect its Christina Lake operations from time to time that could be material.

#### Electrical Risks and Back-Up Power

The Company's mining operations consume a large amount of energy; accordingly, it is not practical or economical for the Company's operations to run on back-up generators in the event of a power outage. If the Company experiences a prolonged power outage at its Christina Lake Facility, this would have a material adverse impact on the Company's business, financial condition and operations.

#### Server Failures

There is a risk of serious malfunctions of servers or central processing units and/or their collapse. The Company works to reduce this risk by employing and training a team with experience in building and managing data centers. The Company utilizes this team of experts that enables, among other things, control, management and reporting of malfunctions in real time, which enables ongoing control over the operation of the equipment, including its cooling. The Company also uses its Helm Data Center Infrastructure Management software to monitor the Christina Lake Facility, both on site and remotely. Malfunctions or damage in servers or central processing units may cause significant economic damage to the Company.

#### Local, Political and Regulatory Risks

The Company's Christina Lake Facility is located in the Province of British Columbia and will be subject to changes in political conditions and regulations within such jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitude in the jurisdiction in which the Company operates could adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on price controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, electricity use and safety. For example, cryptocurrency mining involves considerable computing power, which is likely to increase. This computing power necessitates a high consumption of energy. Although the cost of electrical energy in British Columbia is determined and regulated by the British Columbia Utilities Commission, there is no certainty that regulatory changes will not increase the cost of electricity, which would reduce the profitability of the Company's cryptocurrency mining operations and make hosting services less attractive to third parties. The jurisdictions in which the Company operates may in the future curtail or outlaw the acquisition, use or redemption of cryptocurrencies. Furthermore, ongoing and future regulatory changes or actions may alter the nature of an investment in the Company or restrict the use of cryptocurrencies in a manner that adversely affects the Company's operations. The effect of any future regulatory change on the Company or any cryptocurrency that the Company may mine is impossible to predict, but such change could be substantial and adverse to the Company.

#### Risk Related to Technological Obsolescence and Difficulty and Delays In Obtaining Hardware

To remain competitive, the Company will continue to invest in hardware and equipment at its facilities required for maintaining the Company's mining activities. Should competitors introduce new services/software embodying new technologies, the Company's hardware and equipment along with the underlying technology may become obsolete and require substantial capital to replace such equipment. Furthermore, supply chain uncertainties could result in the Company having difficulty sourcing hardware and equipment for its mining activities in a timely manner. There can be no assurance that mining hardware will be readily available when the need is identified.

Equipment in the Christina Lake Facility will require replacement from time to time. Moreover, there can be no assurance that new and unforeseeable technology, either hardware-based or software based, will not disrupt the existing cryptocurrency industry. For example, the arrival of commercially viable quantum computers, which would be capable of executing certain types of mathematical algorithms fundamental to cryptocurrency more quickly and efficiently than traditional computers, may have a significant impact on the cryptocurrency industry. The process of upgrading miners and equipment requires substantial capital investment, and the Company may face challenges in executing upgrades on a timely and cost-effective basis based on availability of new miners and the Company's access to adequate capital. If the Company is unable to obtain a sufficient unit volume of miners and equipment at

scale, it may be unable to remain competitive in a highly competitive and evolving industry, which could have a material adverse effect on the Company's business, financial condition or results of operations.

#### The Company May Be Required to Sell Its Inventory of Cryptocurrency to Pay Suppliers

The Company may sell its inventory of cryptocurrency to pay necessary expenses, irrespective of then-current cryptocurrency prices. Consequently, the Company's inventory of cryptocurrency may be sold at a time when the price is low, resulting in a negative effect on the Company's cash position.

#### Facility Developments

The continued development of the Christina Lake Facility to access and use additional power is subject to various factors and may be delayed or adversely affected by such factors beyond the Company's control, including delays in the delivery or installation of equipment by suppliers, difficulties in integrating new equipment into existing infrastructure, shortages in materials or labour, defects in design or construction, diversion of management resources, insufficient funding, negotiating with FortisBC or other resource constraints. Actual costs for development may exceed the Company's planned budget. Delays, cost overruns, changes in market circumstances and other factors may result in different outcomes than those intended.

#### Interruptions or Delays in Service from the Company's Christina Lake Facility

The Christina Lake Facility may be vulnerable to damage or interruption due to floods, fires, power loss, telecommunications failures, and similar events. The Christina Lake Facility may also be subject to destruction, break-ins, sabotage, intentional acts of vandalism and similar misconduct. Any damage to, or failure of, the Company's systems generally could result in interruptions in its service. The Company's business will also be harmed if its customers and potential customers believe the Company's service and product is unreliable. Despite precautions taken, such as disaster recovery plans at the Christina Lake Facility, the occurrence of a natural disaster, an act of terrorism, a decision to close the Christina Lake Facility without adequate notice or other unanticipated problems at the facility could result in lengthy interruptions in the Company's services. Even with the disaster recovery arrangements and precautions taken at the Christina Lake Facility, the Company's services could be interrupted. Further, as the Company continues to grow and scale its business to meet the needs of its customers, additional burdens may be placed on the Christina Lake Facility. These interruptions, stoppages and burdens could adversely affect an investment in the Company.

#### Risks Related to Artificial Intelligence Infrastructure Development

Our potential investment in Artificial Intelligence (AI) infrastructure would expose us to significant financial, operational, and regulatory risks. If the AI market does not develop as anticipated, or if we fail to navigate the market, our business, financial condition and results of operations could be materially adversely affected.

Our AI infrastructure would require massive amounts of power. Our inability to secure timely power could leave completed facilities dormant, severely impacting our ability to bring services to market. We are currently engaged in a period of unprecedented capital expenditure to construct AI-ready data centers and potentially procure high-performance computing clusters. We face the risk that the infrastructure we deploy may become technologically obsolete before we have fully depreciated the assets or recouped our investment. If newer generations of chips deliver exponentially better price-performance or energy efficiency, our existing infrastructure may no longer be commercially useful, forcing significant write-downs. In addition, there is no assurance that the demand for AI services will generate revenue sufficient to offset the massive upfront infrastructure costs. If the commercialization of AI applications lags behind the physical build-out, we may face a period of margin compression, reduced return on investment and overcapacity.

#### The Company's Operations, Investment Strategies and Profitability May Be Adversely Affected by Competition from Other Methods of Investing in Cryptocurrencies

The Company competes with other users and/or companies that are mining cryptocurrencies and other potential financial vehicles, possibly including securities backed by or linked to cryptocurrencies through entities similar to the Company. Market and financial conditions, and other conditions beyond the Company's control, may make it more attractive to invest in other financial vehicles, or to invest in cryptocurrencies directly, which could limit the market for the Common Shares and reduce their liquidity.

Regulation of cryptocurrency outside of Canada has led some mining companies to consider Canada as a jurisdiction in which to operate. This may increase competition to the Company. Such competition could erode the Company's expected market share and could adversely impact the Company's profitability. Increased competition could result in increased network computing resources and consequently increased network difficulty.

### The Company's Cryptocurrency Inventory May Be Subject to Loss, Theft or Restriction on Access

There is a risk that some or all of the Company's cryptocurrency inventory could be lost or stolen. Access to the Company's cryptocurrency could also be restricted by cybercrime (such as a denial of service attack) against a service at which the Company maintains a hosted online wallet. Any of these events may adversely affect the operations of the Company and, consequently, its investments and profitability.

The loss or destruction of a private key required to access the Company's digital wallets may be irreversible. The Company's loss of access to its private keys or its experience of a data loss relating to the Company's digital wallets could adversely affect its investments. Cryptocurrencies are controllable only by the possessor of both the unique public and private keys relating to the local or online digital wallet in which they are held, which wallet's public key or address is reflected in the network's public Blockchain. The Company will publish the public key relating to digital wallets in use when it verifies the receipt of cryptocurrency transfers and disseminates such information into the network, but it will need to safeguard the private keys relating to such digital wallets. To the extent such private keys are lost, destroyed or otherwise compromised, the Company will be unable to access its cryptocurrency inventory and such private keys will not be capable of being restored by the network. Any loss of private keys relating to digital wallets used to store the Company's cryptocurrency inventories could adversely affect its investments and profitability.

Bitcoin is controllable only by the possessor of both the unique public key and private key relating to the local or online digital wallet in which the bitcoin is held. While the Bitcoin Network requires a public key relating to a digital wallet to be published when used in a transaction, private keys must be safeguarded and kept private in order to prevent a third party from accessing the bitcoin held in such a wallet. To the extent a private key is lost, destroyed or otherwise compromised and no backup of the private key is accessible, the Company will be unable to access the bitcoin held in the related digital wallet and the private key will not be capable of being restored.

### Risks Related to Potential Undetected Errors in the Company's Software

The Company's software applications and products could contain undetected errors or "bugs," vulnerabilities or defects that could adversely affect their performance. The Company regularly updates and enhances its applications and other online systems, introducing new versions of its software applications and products. The occurrence of errors in any of these may cause the Company to lose market share, damage its reputation and brand name, and reduce its revenues.

### Permits and Licenses

The operations of the Company may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required.

### Risks Related to Insurance

The Company intends to insure its operations in accordance with technology industry practice. However, given the novelty of cryptocurrency mining and associated businesses, such may be unavailable or uneconomical for the Company, or the nature or level may be insufficient to provide adequate insurance coverage. The occurrence of an event that is not covered or fully covered by insurance could have a materially adverse effect on the Company. The Company currently has general liability and property insurance for the Christina Lake Facility. Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, the Company's insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all risks, and the Company may become subject to liability for risks which are uninsurable or against which the Company may opt out of insuring due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for usual business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position and operations.

### Environmental Regulations and Liability

All of the Company's operations will be subject to environmental regulations, which can make operations expensive or prohibitive. The continued evolution of environmental regulations may lead to the imposition of stricter standards, more diligent enforcement, and heavier fines and penalties for noncompliance. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or cause delays in the development of mining projects.

The Company may be subject to potential risks and liabilities associated with the impact to the environment through its use of electrical energy to mine cryptocurrencies. In addition, environmental hazards may exist on a property the Company directly or indirectly holds an interest that are unknown to the Company at present, which would have

been caused by previous or existing owners or operators of the property that would result in environmental degradation. A breach of such legislation may result in the imposition of fines and penalties. To the extent the Company is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental degradation would reduce funds otherwise available to it and could have a materially adverse effect on the Company. If the Company is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a materially adverse effect on the Company.

#### Limited Operating History

The Company has only a limited operating history upon which an evaluation of the Company and its prospects can be based. In particular, the Company has a limited history with its mining operations (less than 6 years) and remains in the early stage of development. The Company is subject to many risks common to venture enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on Shareholders' investment or meeting other metrics of success.

The Company incurs substantial expenses in the establishment and operation of its business. A significant portion of the Company's financial resources have been and will continue to be, directed to the development of its business and related activities. The success of the Company will ultimately depend on its ability to generate cash from its business. There is no assurance that the required funds will be available for future expansion of the Company's business. If the Company does not have access to the required funds to continue the operation and development of its business and operational activities, and to the extent that it does not generate cash flow and income, the Company's long-term viability may be materially and adversely affected.

#### Future Capital Needs, Uncertainty of Additional Financing and Dilution

The ability of the Company to secure any required financing to sustain operations and expansion plans will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management.

The Company may need to raise additional funds in order to support more rapid expansion, develop new or enhanced services and products, respond to competitive pressures, acquire complementary businesses or technologies, or take advantage of unanticipated opportunities. The Company may be required to raise additional funds through public or private financing, strategic relationships or other arrangements. There can be no assurance that such additional funding, if needed, will be available on terms attractive to the Company, or at all. Even if such funding is available, the Company cannot predict the size of future issues of the Common Shares or securities convertible into the Common Shares or the effect, if any, that future issues and sales of the Company's Shares will have on the price of the Company's Shares.

Furthermore, any additional equity financing may be dilutive to Shareholders and debt financing, if available, may involve restrictive covenants. If additional funds are raised through the issuance of equity securities, the percentage ownership of the Shareholders will be reduced, Shareholders may experience additional dilution in net book value per share, or such equity securities may have rights, preferences or privileges senior to those of the holders of the common shares. If adequate funds are not available on acceptable terms, the Company may be unable to develop or enhance its business, take advantage of future opportunity or respond to competitive pressures, any of which could have a material adverse effect on the Company's business, financial condition and operating results.

#### Failure to Innovate

The Company's success depends upon its ability to design, develop, test, market, license and support new software products and enhancements of current products on a timely basis in response to both competitive threats and marketplace demands. In addition, software products and enhancements must remain compatible with the other software products and systems used by its customers. Often, the Company must integrate software licensed or acquired from third parties with its proprietary software to create or improve its products. If the Company is unable to successfully integrate third party software to develop new software products and enhancements to existing products, or to complete products currently under development, its operating results will materially suffer. In addition, if the integrated or new products or enhancements do not achieve acceptance by the marketplace, the Company's operating results will materially suffer. Also, if new industry standards emerge that the Company does not anticipate or adapt to, its software products could be rendered obsolete and as a result, its business and operating results, as well as its ability to compete in the marketplace, would be materially harmed. The technology sector, and particularly the cryptocurrency space, evolves at an extremely rapid pace. The Company works diligently to stay current; however, there is a risk it will not keep pace with industry developments.

## Competition

The Company is engaged in an industry that is highly competitive. Because its industry is evolving and is characterized by technological change, it is difficult for the Company to predict whether, when and by whom new competing technologies may be introduced or when new competitors may enter the market. The Company faces increased competition from companies with strong positions in certain markets that the Company intends to serve and in new markets and regions it may enter. Many of the Company's competitors have significantly greater financial, technological and other resources than the Company currently possesses and may spend significant amounts of resources to gain market share. The Company cannot assure investors that it will be able to compete effectively against current and future competitors. In addition, increased competition or other competitive pressures may result in price reductions, reduced margins or loss of market share, any of which could have a materially adverse effect on the Company's business, financial condition or results of operations.

Competitors may be able to respond more effectively than the Company to new or emerging technologies and changes in customer requirements, or devote greater resources to the development, promotion and sale of products than the Company can. Current and potential competitors may establish cooperative relationships among themselves or with third parties, including through mergers or acquisitions, to increase the ability of their products to address the needs of the Company's prospective customers. If these competitors were to acquire significantly increased market share, it could have a material adverse effect on the Company's business, financial condition or results of operations. The Company's competitors may also establish or strengthen co-operative relationships with systems integrators, third-party consulting firms or other parties with whom the Company has relationships, thereby limiting its ability to promote its products.

If the Company is not able to differentiate its business from those of its competitors, drive value for customers or effectively align its financial and operations resources with its goals and objectives, it may not be able to compete effectively against its competitors. If the Company fails to compete effectively against its competitors, its business and profitability may be adversely affected.

## Failure to Protect the Company's Intellectual Property

Failure to protect the Company's intellectual property could harm its ability to compete effectively. The Company is highly dependent on its ability to protect its proprietary technology. The Company intends to rely on a combination of patents, copyright, trademark and trade secret laws, as well as non-disclosure agreements and other contractual provisions to establish and maintain its proprietary rights. The Company intends to protect its rights vigorously. However, there can be no assurance that these measures will, in all cases, be successful. Enforcement of the Company's intellectual property rights may be difficult, particularly in some nations outside of North America in which the Company may seek to market its products. While U.S. and Canadian patent and copyright laws, international conventions and international treaties may provide meaningful protection against unauthorized duplication of software, the laws of some foreign jurisdictions may not protect proprietary rights to the same extent as the laws of Canada or of the United States. The absence of internationally harmonized intellectual property laws makes it more difficult to ensure consistent protection of the Company's proprietary rights. Software piracy has been, and is expected to be, a persistent problem for the software industry, and piracy of the Company's products represents a loss of revenue to the Company. Despite the precautions the Company may take, unauthorized third parties, including its competitors, may be able to: (i) copy certain portions of its products; or (ii) reverse engineer or obtain and use information that the Company regards as proprietary. Also, the Company's competitors could independently develop technologies that are perceived to be substantially equivalent or superior to the Company's technologies. The Company's competitive position may be materially adversely affected by its possible inability to effectively protect its intellectual property.

## Reliance on Third-Party Software

The Company currently depends upon third-party software products to develop its products. If in future such reliance existed and the software products were not available, the Company might experience delays or increased costs in the development of its products. The Company currently relies on software products that it licenses from third parties. Should the Company in the future rely upon third-party software licenses that may not continue to be available to the Company, and the related software may not continue to be appropriately supported, maintained, or enhanced by the licensors, the loss by the Company of the license to use, or the inability by licensors to support, maintain, and enhance any of such software, could result in increased costs or in delays or reductions in product shipments until equivalent software is developed or licensed and integrated with internally developed software. Such increased costs or delays or reductions in product shipments could materially adversely affect its business. The loss of the Company's rights to use software licensed to it by third parties could increase its operating expenses by forcing the Company to seek alternative technology and materially adversely affect its ability to compete. In addition, the Company's web-based software applications depend on the stability, functionality and scalability of the underlying infrastructure software including application servers, databases, software and operating systems produced by others. If weaknesses in such infrastructure software exist, the Company may not be able to correct or compensate for such weaknesses. If the Company is unable to address weaknesses resulting from problems in

the infrastructure software such that its products do not meet customer needs or expectations, its reputation, and consequently, its business may be significantly harmed.

#### Intellectual Property Infringement

Other companies may claim that the Company has infringed their intellectual property, which could materially increase costs and materially harm the Company's ability to generate future revenue and profits. Claims of infringement are becoming increasingly common as the software industry develops and as related legal protections, including patents are applied to software products. Although the Company does not believe that its products infringe on the rights of third parties, third parties may assert infringement claims against the Company in the future. Although most of the Company's technology is proprietary in nature, the Company includes third-party software in its products. In these cases, this software is licensed from the entity holding the intellectual property rights. Although the Company believes that it has secured proper licenses for all third-party software that is integrated into its products, third parties may assert infringement claims against the Company in the future. Any such assertion may result in litigation or may require the Company to obtain a license for the intellectual property rights of third parties. Such licenses may not be available, or they may not be available on reasonable terms. In addition, such litigation could be disruptive to the Company's ability to generate revenue or enter into new market opportunities and may result in significantly increased costs as a result of the Company's efforts to defend against those claims or its attempt to license the patents or rework its products to ensure they comply with judicial decisions.

Any of the foregoing could have a significant adverse impact on the Company's business and operating results as well as its ability to generate future revenue and profits. The loss of licenses to use third-party software or the lack of support or enhancement of such software could materially adversely affect the Company's business. The Company could also be forced to do one or more of the following: (i) stop selling, incorporating or using its products that use the challenged intellectual property; (ii) obtain from the owner of the infringed intellectual property right a license to sell or use the relevant technology, which license may not be available on reasonable terms, or at all; (iii) redesign those products that use allegedly infringing technology, which may be costly or time-consuming; or (iv) refund license fees and other amounts received, and make payments of additional amounts in damages or settlement payments for allegedly infringing technology or products.

#### Requirement to Attract and Retain Customers and Users to Company's Products

The Company's continued success with operations will depend on its ability to continue to sign up new customers and users to its products and services and growing its active customer and user bases. No assurance can be given that the Company will be able to procure a sufficient number of customers and/or users to reach profitability.

#### Management of Growth

The Company has recently experienced, and may continue to experience, rapid growth in the scope of its operations. This growth has resulted in increased responsibilities for the Company's existing personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will need to continue to implement and improve its operational, financial and management information systems, as well as hire, manage and retain its employees and maintain its corporate culture including technical and customer service standards. There can be no assurance that the Company will be able to manage such growth effectively or that its management, personnel or systems will be adequate to support the Company's operations.

#### Loss of Key Employees and Contractors

The Company depends on a number of key employees and contractors, the loss of any one of whom could have an adverse effect on the Company. The Company does not have and is not expected to purchase key person insurance on such individuals, which would provide the Company with insurance proceeds in the event of their death. Without key person insurance, the Company may not have the financial resources to develop or maintain its business until it replaces the individual. The development of the business of the Company will be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company will face competition for personnel from other employers. If the Company is unable to attract or retain qualified personnel as required, it may not be able to adequately manage and implement its business plan.

#### Climate Change May Make Mining Operations More Expensive

Due to changes in local and global climatic conditions, many analysts and scientists predict an increase in the frequency of extreme weather events such as floods, droughts, forest and brush fires and extreme storms. Such events could materially disrupt the Company's operations, particularly if they affect the Christina Lake Facility, impact local infrastructure or threaten the health and safety of the Company's employees and contractors. Any such event could result in material economic harm to the Company such as causing a power outage at the Christina Lake Facility. Increased environmental regulation and/or the use of fiscal policy by regulators in response to concerns over climate change and other environmental impacts, such as additional taxes levied on activities

deemed harmful to the environment, could have a material adverse effect on the Company's financial condition or results of operations.

#### Conflicts of Interest

Certain of the officers and directors of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company will be required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matters. In determining whether or not the Company will participate in any project or opportunity, the director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

#### Liquid Market for Securities

Currently, the Common Shares, which trade on the TSXV, Frankfurt Stock Exchange ("FSE") and OTCQB, have an active and liquid market. There can be no assurance that an active and liquid market for the Common Shares will continue or be maintained.

#### Dividends

To date, the Company has not paid any dividends on its outstanding securities, and the Company does not expect to do so in the foreseeable future. Any decision to pay dividends on the Common Shares will be made by the Board.

#### Litigation Risk

The Company may be subject to litigation arising out of its operations. Damages claimed under such litigation may be material, and the outcome of such litigation may materially impact the Company's operations and the value of the Common Shares. While the Company will assess the merits of any lawsuits and defend such lawsuits accordingly, it may be required to incur significant expense and devote significant financial resources to such defenses. In addition, the negative publicity surrounding such claims may have a materially adverse effect on the Company's operations.

#### Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has not entered into any derivative contracts to manage this risk. The Company will be exposed to interest rate changes on its investments that are expected to pay interest and any credit facilities it may have that bear interest at a floating rate. Changes in the prime lending rate would affect earnings and could adversely affect the Company's profitability.

#### Currency Exchange Risk

The Company is exposed to fluctuations in currency exchange rates, which could negatively affect our financial condition and results of operations. In particular, exchange rate fluctuations may affect the payments received by the Company from hosting clients that utilize the Company and the Christina Lake Facility for hosting services. Cryptocurrencies are generally sold in U.S. dollars and the Company's operational costs are incurred principally in Canadian dollars as well as other foreign currencies. The appreciation of non-U.S. dollar currencies against the U.S. dollar could increase the cost of mining in U.S. dollar terms. In addition, the Company holds cash balances in both U.S. dollars and Canadian dollars, the values of which are impacted by fluctuations in currency exchange rates.

#### Trading Price of Common Shares and Volatility

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continued fluctuations in price will not occur, and the trading price of the Company's shares may be subject to large fluctuations and may decline below the price at which an investor acquired its shares. The trading price may increase or decrease in response to a number of events and factors, which may not be within the Company's control nor be a reflection of the Company's actual operating performance, underlying asset values or prospects. Accordingly, investors may not be able to sell their securities at or above their acquisition cost.

#### Risks Related to the Operations, Regulatory Status and Fiduciary Duties of Systemic Trust Company

The Company's subsidiary, Systemic Trust Company, operates as a regulated trust company and "Qualified Custodian" under Canadian securities laws, a business model that is subject to strict fiduciary, capital, and operational standards. The Company's ability to maintain this business depends entirely on its ability to remain compliant with the terms, conditions, and restrictions provided by the Minister of Finance of Alberta as outlined on its Certification of Registration, as well as its classification as a Qualified Custodian as defined in National Instrument 31-103 (*Registration Requirements, Exemptions and Ongoing Registrant Obligations*) and National Instrument 81-102 (*Investment Funds*). To retain this status, Systemic Trust Company must remain in good standing with its primary regulator and maintain minimum capital on its balance sheet to ensure solvency. If the Company fails to meet these strict regulatory capital requirements, or if its license is revoked due to compliance failures, regulators have the authority to seize control of assets or force a liquidation to protect trust beneficiaries. Such an event would legally require institutional clients, including Crypto Asset Trading Platforms and Public ETFs, to transfer their assets to a competitor immediately, resulting in a total loss of revenue for this business line.

Unlike unregulated technology providers or trading platforms that may disclaim liability for losses in their Terms of Service, Systemic Trust Company is held to a higher fiduciary standard of care and may be held liable for losses resulting from its own negligence, fraud, or willful misconduct. A single operational error resulting in the loss of client assets could lead to liability claims that exceed the Company's capitalization and insurance coverage. While the Company maintains commercial crime and "specie" insurance, the global insurance market for digital asset custody is highly constrained, and policy limits are often capped significantly below the total value of assets under custody. If a massive loss event occurs that exceeds these policy limits, the Company may be liable for the shortfall.

The security architecture of Systemic Trust Company relies on Hardware Security Modules (HSMs) and multi-party computation; however, any flaw in the hardware manufacturing, random number generation, or physical key ceremonies could compromise asset security. Furthermore, the most significant threat to a digital asset custodian is often internal. While the Company implements strict separation of duties, collusion among senior officers or key operational staff to exfiltrate private keys could theoretically bypass these controls, leading to the theft of trust assets with no recourse.

The Company's ability to acquire and retain institutional business is also dependent on obtaining unqualified System and Organization Controls (SOC) reports. If an independent auditor identifies material weaknesses in internal controls, clients may be forced by their own compliance frameworks to terminate their relationship with the Company. Additionally, the Company faces operational risks related to blockchain mechanics and legal complexities regarding asset ownership during blockchain forks or airdrops. Failure to properly manage these technical events could expose the Company to litigation for breach of fiduciary duty or conversion of assets.

#### Requirements of Being a Public Company

As a reporting issuer, the Company is subject to the reporting requirements of applicable securities legislation of the jurisdiction in which it is a reporting issuer, the listing requirements of the TSXV and other applicable securities rules and regulations. Compliance with those rules increase the legal and financial costs of the Company compared to being private and make some activities more difficult, time consuming or costly and increase demands on its systems and resources.

#### Forward-Looking Statements

Statements contained in this AIF that are not historical facts, but rather are forward looking statements involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements.

## **DIVIDENDS AND DISTRIBUTIONS**

No cash dividends or distributions were declared on the Common Shares for the fiscal years ended 2023, 2024, and 2025. The Board will make all decisions with respect to dividends on the Common Shares, and shall consider the following factors in determining if and when dividends should be declared and paid in the future based on, among others:

- The actual and expected financial results of the Company at the relevant time (including whether the Company has adequate retained earnings);
- Economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Company;
- The Company's business strategy and operational plans, including future cash commitments and investment needs to sustain the long-term growth of the Company;

- The current and expected liquidity position and capital requirements of the Company; and
- Any other factors that the Board considers appropriate.

The Company has not paid any dividends on the Common Shares since its incorporation, and the Board does not anticipate that any dividends will be declared on the Common Shares in the immediate or foreseeable future.

## DESCRIPTION OF CAPITAL STRUCTURE

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. As at September 30, 2025, there were 205,142,949 Common Shares issued and outstanding.

The holders of Common Shares are entitled to one vote per Common Share at all meetings of Shareholders except meetings at which only holders of another specified class or series of shares of the Company are entitled to vote separately as a class or series. Subject to the prior rights of the holders of any other shares ranking senior to the Common Shares, the holders of Common Shares are entitled to receive dividends as and when declared by the Board, and to receive a pro rata share of the remaining property and assets of the Company in the event of liquidation, dissolution or winding up of the Company.

The Common Shares have no pre-emptive, redemption, purchase or conversion rights. There are no sinking fund provisions in relation to the Common Shares and they are not liable to further calls or to assessment by the Company and are not subject to any conversion, exchange rights, exercise, redemption or retraction provisions. The BCBCA provides that the rights and provisions attached to any class of shares may not be modified, amended or varied unless consented to by special resolution passed by a majority of not less than two-thirds of the votes cast in person or by proxy by holders of shares of that class.

## MARKET FOR SECURITIES

### Trading Price and Volume

The Common Shares are listed and posted for trading on the TSXV under the trading symbol "DMGI." The following table sets forth the high and low market prices and the trading volumes of the Common Shares on the TSXV for each month during the most recently completed financial year as indicated:

Date	Price Range (CDN\$)		Volume (No. of Common Shares)
	High	Low	
October 2024	\$0.58	\$0.46	6,587,488
November 2024	\$0.63	\$0.395	32,521,847
December 2024	\$0.51	\$0.425	23,303,103
January 2025	\$0.41	\$0.30	13,515,100
February 2025	\$0.36	\$0.255	4,169,300
March 2025	\$0.32	\$0.215	6,028,900
April 2025	\$0.265	\$0.185	5,527,200
May 2025	\$0.32	\$0.22	3,425,600
June 2025	\$0.29	\$0.205	4,761,300
July 2025	\$0.365	\$0.24	8,007,800
August 2025	\$0.29	\$0.24	5,070,300
September 2025	\$0.495	\$0.25	13,579,600
October 2025	\$0.64	\$0.435	29,014,300
November 2025	\$0.48	\$0.255	17,916,100
December 1-17, 2025	\$0.31	\$0.24	6,731,010

## Prior Sales

The following table summarises the issuances of securities issued or granted by the Company during the most recently completed financial year and the period from the most recent financial year ended to the date of this AIF that are not traded or quoted on a marketplace.

Date of Issuance	Type of Securities	# of Securities	Issue Price per Security	Expiry Date (if applicable)	Reason for Issuance
October 29, 2024	Common Shares	47,085	\$0.33	N/A	Exercise of Stock Options
November 19, 2024	Common Shares	32,556,500	\$0.53	N/A	Prospectus Offering
November 19, 2024	Warrants	32,556,500	\$0.65	November 19, 2029	Prospectus Offering
November 19, 2024	Broker Warrants	1,953,390	\$0.53	November 19, 2029	Prospectus Offering
November 29, 2024	Common Shares	137,500	\$0.33	N/A	Exercise of Stock Options
December 23, 2024	Stock Options	424,680	\$0.38	December 23, 2029	Issuance of Stock Options
April 1, 2025	Stock Options	428,170	\$0.23	April 1, 2030	Issuance of Stock Options
April 1, 2025	restricted share units (RSUs)	1,050,000	\$0.23	N/A	Grant of RSUs
July 2, 2025	Stock Options	201,670	\$0.275	July 2, 2030	Issuance of Stock Options
July 2, 2025	restricted share units (RSUs)	1,275,000	\$0.275	N/A	Grant of RSUs
September 30, 2025	Common Shares	1,900,931	\$0.37	N/A	Vesting of RSUs

As of September 30, 2025, there were 34,509,890 Warrants outstanding, 13,237,810 stock options outstanding and 4,375,000 restricted share units outstanding.

## ESCROWED SECURITIES

As at September 30, 2025, no securities of the Company were held in escrow or subject to contractual restrictions.

## DIRECTORS AND EXECUTIVE OFFICERS

### Name, Occupation and Security Holding

The following table sets out the names, province or state and country of residence, positions with or offices held with the Company, and principal occupation for the past five years of each of the Company's directors and executive officers, as well as the period during which each has been a director or executive officer of the Company.

Name, Position and Province/State and Country of Residence	Principal Occupation During the Past Five Years	Date Served as Director or Executive Officer Since
Sheldon Bennett <sup>(2)</sup> CEO & Director <i>British Columbia, Canada</i>	CEO of the Company since March 2021; Director of the Company since February 2018; COO of the Company February 2018 to March 2021.	CEO since March 31, 2021 Director since February 8, 2018

Name, Position and Province/State and Country of Residence	Principal Occupation During the Past Five Years	Date Served as Director or Executive Officer Since
<p style="text-align: center;">Adrian Glover CTO <i>British Columbia, Canada</i></p>	<p style="text-align: center;">CTO of the Company since April 2020; former Director of the Company from May 2020 through September 2022; Director of Software Engineering for DMG from October 2017 to April 2020.</p>	<p style="text-align: center;">CTO since April 7, 2020 Director from May 2020 through September 2022</p>
<p style="text-align: center;">Steven Eliscu COO <i>California, USA</i></p>	<p style="text-align: center;">COO of the Company since May 2022; former Director; Head of Finance at DSP Concepts Inc. from June 2019 to April 2022; EVP Corporate Development at the Company from September 2017 to March 2019.</p>	<p style="text-align: center;">COO since May 10, 2022 Director from March 2021 through September 2022</p>
<p style="text-align: center;">Heather Sim<sup>(1)(2)(3)</sup> CFO and Director <i>British Columbia, Canada</i></p>	<p style="text-align: center;">CFO of the Company since August 2021; Director of the Company since April 2023; former Corporate Secretary of the Company from November 2022 through April 2023; President of Treewalk Consulting Inc. (formerly ACM Management Inc.) from January 2019 to present; Chief Financial Officer of VSBLTY from March 2020 to August 2021.</p>	<p style="text-align: center;">CFO since August 11, 2021, Director since April 26, 2023</p>
<p style="text-align: center;">John D. Abouchar <sup>(1)(2)(3)</sup> Independent Director <i>California, USA</i></p>	<p style="text-align: center;">Founder of Glass Creek Partners, Inc. since 2014; Chairman of the Board of CynergisTek, Inc. from 2016 to 2020.</p>	<p style="text-align: center;">Since August 22, 2022</p>
<p style="text-align: center;">John M. Place <sup>(1)(2)(3)</sup> Independent Director <i>Ontario, Canada</i></p>	<p style="text-align: center;">Director, Compliance &amp; Ethics, Export Development Canada. Previously practiced law in the areas of corporate finance and securities.</p>	<p style="text-align: center;">Since November 29, 2021</p>

**Notes:**

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.
- (3) Member of the Governance Committee.

Each director's term of office expires at the next annual general meeting of the Company.

**Shareholdings of Directors and Senior Management**

As of the date of this AIF, to the best of the Company's knowledge, the Company's directors and executive officers as a group, beneficially owned, directly and indirectly, or exercised control or direction over, a total of 6,365,156 Common Shares, being approximately 3.2% of the Company's issued and outstanding Common Shares on an undiluted basis before giving effect to the exercise of rights, options, or warrants to purchase or otherwise receive Common Shares held by such directors and executive officers.

**Committees of the Board**

There are three committees of the Board, the Audit Committee, Compensation Committee and Governance Committee. The members of the Audit Committee are: J.D. Abouchar (Chair), John Place and Heather Sim. The members of the Compensation Committee are: Heather Sim (Chair), J.D. Abouchar, John Place and Sheldon Bennett. The members of the Governance Committee are: John Place (Chair), J.D. Abouchar and Heather Sim. The charters for all three committees are attached as Schedule A, B and C, respectively, to this AIF.

## **Biographies of Directors and Officers**

### *Sheldon Bennett, Director and Chief Executive Officer*

Sheldon Bennett has over 20 years of management experience with international companies including PwC (Price Waterhouse Coopers), Ernst & Young, Baker & McKenzie, and Cisco Systems. Previous to his engagement with DMG, Mr. Bennett led Bitfury's Canadian Bitcoin mining operations for three years, first as a consultant and later as a director, where he was responsible for the setup and development of industrial Bitcoin mining operations, including government relations, power optimization with Canadian utilities, and the engineering and development of mining operations. Mr. Bennett has an undergraduate degree from the University of British Columbia (1995), a MBA from Athabasca University (2002) and has been Certified Fraud Examiner since 2006.

### *Adrian Glover, Chief Technology Officer*

Adrian Glover is a 20-year software industry professional, who has over 10 years of experience delivering software products as a Project and Development Manager. His experience began in research & development and includes one of the first connected mobile applications using Geographical Information System (GIS) technology for asset tracking on Windows CE. As a Project Manager, he was certified as a Project Management Professional (PMP) and mentored new Project Managers in the trade. He has successfully introduced Agile Project and Product Management techniques to multiple companies using industry-standard tools and techniques. Mr. Glover has a track record of repeated success delivering products built on emerging technologies, including Big Data, VR, and Mobile VR. Mr. Glover has a Diploma from BCIT in Computer Systems Technology (1999).

### *Heather Sim, Chief Financial Officer*

Heather Sim is a CPA with previous experience working in public audit and currently assists public companies navigate regulatory markets in Canada and the US. Heather was leading DMG's public reporting at Treewalk Consulting Inc. for two years prior to joining DMG as CFO.

### *Steven Eliscu, Chief Operating Officer*

Steven Eliscu is an experienced executive with a demonstrated record of accomplishments in roles at Blockchain/FinTech start-ups and the semiconductor industry. Steven most recently worked as Head of Finance for DSP Concepts and was the Sr. Director of Finance at Bitfury while advising several Blockchain start-ups. Mr. Eliscu is also a former equity research analyst for UBS, having provided investment coverage of the semiconductor industry to institutional investors. He holds a Bachelor of Science in Computer Engineering from Rensselaer Polytechnic Institute and an MBA from the University of Chicago Booth School of Business.

### *John M. Place, Independent Director*

Mr. Place is an experienced business, legal and compliance leader with an international track record of success in both the public and private sectors. Called to the Bar of Ontario in 2004, he previously practiced law with leading international firms in the areas of corporate finance, mergers and acquisitions and business law. As part of his legal practice, John provided regular advice to issuers on corporate governance matters, including compliance, governance policies and continuous disclosure requirements. Mr. Place is currently based in Ottawa and serves as Director, Compliance & Ethics for Export Development Canada, a federal Crown corporation. Mr. Place holds a Bachelor of Arts in Economics from Dalhousie University and a Juris Doctor degree from the University of Victoria, Faculty of Law.

### *J.D. Abouchar, Independent Director*

John D. (J.D.) is the founder and managing partner of Glass Creek Partners, Inc., an investment and consulting firm focusing on publicly listed emerging technology companies. Mr. Abouchar has significant capital markets experience over the past 30 years as a portfolio manager, technology equity research analyst and board member of several U.S. publicly listed companies. Recently, he was Chairman of the Board of CynergisTek a cybersecurity firm, for which he was instrumental in re-incorporating and uplisting it to a major US exchange. He holds a B.S. in Economics from the Wharton School at the University of Pennsylvania.

## **Cease Trade Orders, Bankruptcies, Penalties and Sanctions**

Other than disclosed below, to the knowledge of the Company, no director, executive officer or Shareholder of the Company holding a sufficient number of Common Shares to materially affect control is, as at the date in this AIF, or has been, within 10 years before the date in this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity:

- was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

- was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- has within the 10 years before the date in this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Sheldon Bennett was a director and/or executive officer of the Company when it was subject to a failure-to-file financial statements cease trade order (“FFCTO”) issued by the BCSC and OSC on February 1, 2019. The FFCTO was revoked on August 28, 2019.

Sheldon Bennett, Heather Sim, Adrian Glover, Steven Eliscu and John Place were each a director and/or executive officer of the Company when the BCSC issued a management cease trade order on January 31, 2022. The management cease trade order was revoked on March 24, 2022.

### Conflicts of Interest

To the best of the Company’s knowledge, there are no known existing or potential conflicts of interest between the Company and any director or officer of the Company, except that certain of the directors and officers serve as directors and officers of other public companies, and therefore it is possible that a conflict may arise between their duties as a director or officer of the Company and their duties as a director or officer of such other companies. See “RISK FACTORS – General Risk Factors – Conflicts of Interest.” Conflicts of interest will be subject to, and will be resolved in accordance with, the procedures and remedies under the BCBCA.

## AUDIT COMMITTEE DISCLOSURE

### The Audit Committee’s Charter

The charter of the Audit Committee is reproduced in its entirety in Schedule A. to this AIF. The following are members of the Audit Committee as of the date of this AIF:

Member	Independent <sup>(1)</sup>	Financially Literate <sup>(2)</sup>	Relevant Education and Experience
John D. Abouchar	Yes	Yes	B.S. in Economics from the Wharton School at the University of Pennsylvania; Founder of Glass Creek Partners, Inc.; former Chairman of the Board of Directors of CynergisTek; former Board Member of SED International, Inc.; former Portfolio Manager at GRT Capital.
John Place	Yes	Yes	Bachelor of Arts (Economics) from Dalhousie University; former corporate and securities lawyer; executive education (Finance and Accounting for the Non-Financial Executive) from Columbia University, certified leadership professional in Compliance & Ethics (LPEC), Director, Compliance & Ethics at Export Development Canada.
Heather Sim	No	Yes	Bachelor of Arts (Psychology) from the University of British Columbia; Diploma in Accounting from the University of British Columbia; CPA; former Senior Account, Financial Reporting Lead, and CFO; President of accounting firm Treewalk.

**Notes:**

- (1) A member of the Audit Committee is independent if he or she has no direct or indirect 'material relationship' with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. An executive officer of the Company, such as the CEO, is deemed to have a material relationship with the Company.
- (2) A member of the Audit Committee is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

**Relevant Education and Experience**

Each audit committee member has gained financial literacy through their years of experience serving as directors and officers of several companies (including this Company) as financial industry executives and serving on other audit committees and boards. In these positions, each member would be responsible for receiving financial information relating to their company and obtaining an understanding of the balance sheet, income statement and statement of cash flows and how these statements are integral to assessing the financial position of the Company and its operating results. Each member has significant understanding of the Blockchain and cryptocurrency business which the Company engages in and has an appreciation for the relevant accounting principles for that business.

**Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

**Reliance on Certain Exemptions**

The Company is a "venture issuer" as defined in NI 52-110 and relies on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (Composition of Audit Committee) and 5 (Reporting Obligations) thereof.

**Pre-Approval Policies and Procedures**

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading "External Auditors Service Fees (By Category)" below.

**External Auditor Service Fees (By Category)**

The table below sets out all fees billed by the Company's external auditor in each of the last two fiscal years:

- "Audit Fees" refers to fees billed by the Company's external auditor for services provided in auditing the Company's financial statements for the fiscal year;
- "Audit Related Fees" are fees not included in Audit Fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements;
- "Tax Fees" are fees billed by the Company's external auditors for professional services rendered for tax compliance, tax advice and tax planning; and
- "All Other Fees" are fees billed by the external auditor for products and services not included in the foregoing categories:

<b>Financial Year Ended</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
September 30, 2025	\$175,000	\$53,250	\$44,700	\$6,775
September 30, 2024	\$175,000	\$52,500	\$31,100	Nil

**PROMOTERS**

The Company has not had any promoters within the past two years.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

### Legal Proceedings

On September 23, 2022, the Company filed a notice of civil claim for an undisclosed amount in the Supreme Court of British Columbia against a former business partner Apifiny Inc., its CEO, Haohan Xu, and its Director of Mining Operations, Ao Zhou, for breach of contract and material misrepresentation. On November 16, 2022, the defendants filed a Jurisdictional Response.

### Regulatory Actions

Neither the Company nor any of its subsidiaries has been subject to any:

- penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during Fiscal 2024 or subsequently;
- other penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority that would likely be considered important to a reasonable investor making an investment decision; or
- settlement agreements entered into by the Company before a court relating to securities legislation or with a securities regulatory authority during Fiscal 2024 or subsequently.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in this AIF, no director, executive officer or person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Company's outstanding voting securities and no associate or affiliate of any of such persons or companies has any material interest, direct or indirect, in any transaction within the three most recently completed fiscal years or since the commencement of the Company's last completed fiscal year or in any proposed transaction, which, in either case, has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

## AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company's transfer agent for its Common Shares is Computershare Investor Services Inc. with offices at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9.

The Company's warrant agent for its Warrants is Computershare Trust Company of Canada with offices at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9.

The auditors of the Company are Kingston Ross Pasnak LLP, with its offices located at Suite 1500 - 9888 Jasper Avenue, Edmonton, Alberta T5J 5C6.

## MATERIAL CONTRACTS

Material contracts under NI 51-102 are contracts, other than contracts entered into in the ordinary course of the Company's business, which are material to the Company. The Company has not entered into any material contracts prior to the date hereof that is still in effect.

## INTERESTS OF EXPERTS

### Names of Experts

The following are the names of each person or company who is named as having prepared or certified a report, valuation, statement or opinion described, included or referred to in a filing made under NI 51-102 by the Company during or relating to Fiscal 2025 and whose profession or business gives authority to such report, valuation, statement or opinion:

- Kingston Ross Pasnak LLP is the independent auditors of the Company and have provided an auditor's report in respect of the financial statements for the year ended September 30, 2025. Kingston Ross Pasnak LLP confirmed that they are independent with respect to the Company within the meaning of

the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

### **Interests of Experts**

Kingston Ross Pasnak LLP does not beneficially own, directly or indirectly, any securities; nor does it have any interest in the property of the Company, and neither Kingston Ross Pasnak LLP nor any of its directors, officers or employees is, or expects to be, elected, appointed or employed as a director, officer or employee of the Company or its associates or affiliates.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca)

Additional information, including directors' and officers' remuneration and indebtedness, options to purchase securities, interests in material transactions, and securities authorized for issuance under equity compensation plans (as applicable) is and will be contained in the Company's management information circulars for its prior and upcoming annual general meetings, which are and will be available under the Company's profile on SEDAR+.

Additional financial information, including information with respect to risks and uncertainties, is provided in the Company's audited consolidated financial statements and management discussion & analysis for the year ended September 30, 2024. Copies of the financial statements and MD&A are available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **BY ORDER OF THE BOARD OF DIRECTORS**

*"Sheldon Bennett"*

Sheldon Bennett  
Chief Executive Officer

## SCHEDULE “A” – AUDIT COMMITTEE CHARTER



This charter (the “Charter”) sets forth the purpose, composition, responsibilities, duties, powers and authority of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of DMG Blockchain Solutions Inc. (“DMG”).

### 1.0 Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- financial reporting and disclosure requirements;
- ensuring that an effective risk management and financial control framework has been implemented and tested by management of DMG; and
- external and internal audit processes.

### 2.0 Composition and Membership

- (a) The Board will appoint the members (“Members”) of the Committee after the annual general meeting of shareholders of DMG. The Members will be appointed to hold office until the next annual general meeting of shareholders of DMG or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will cease to be a Member upon ceasing to be a director.
- (b) The Committee will consist of at least three directors with a majority meeting the criteria for independence and financial literacy established by applicable laws and the rules of the TSX Venture Exchange, including Multilateral Instrument 52-110 – Audit Committees. In addition, a majority of directors will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment.
- (c) The Board will appoint one of the Members to act as the Chairman of the Committee. The corporate secretary of DMG (the “Corporate Secretary”) will be the recording secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. In the absence of the Corporate Secretary at any meeting, the Committee will appoint another person who may, but need not, be a Member to be the recording secretary of that meeting.

### 3.0 Meetings

- (a) Meetings of the Committee will be held at such times and places as the Chairman may determine, but in any event not less than four (4) times per year. Twenty-four (24) hours advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call.
- (b) At the request of the external auditors of DMG, the Chief Executive Officer or the Chief Financial Officer of DMG or any member of the Committee, the Chairman may convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.
- (c) The Chairman, if present, will act as the Chairman of meetings of the Committee. If the Chairman is not present at a meeting of the Committee, then the Members present may select of one their number to act as Chairman of the meeting.
- (d) Two Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chairman will

not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolution signed by all Members.

- (e) The Committee may invite, from time to time, such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee will meet *in camera* without management at each meeting of the Committee.
- (f) In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Corporate Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of DMG to produce such information and reports as the Committee may deem appropriate in order to fulfil its duties.

#### **4.0 Duties and Responsibilities**

The duties and responsibilities of the Committee as they relate to the following matters are to:

##### **4.1 Financial Reporting and Disclosure**

- a. Review, and recommend to the Board for approval, the audited annual financial statements including the auditors' report thereon, the quarterly financial statements and the annual and quarterly management discussion and analyses.
- b. Review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual report to shareholders, management proxy materials, material change disclosures of a financial nature and similar disclosure documents.
- c. Disclosure Controls: satisfying itself that procedures are in place for the review of the Corporation's public disclosure of financial information and assessing the adequacy of those procedures annually.
- d. Review with management of DMG and with external auditors significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("IFRS") all with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly DMG's financial position and the results of its operations in accordance with IFRS.
- e. Annually review DMG's corporate disclosure policy and recommend any proposed changes to the Board for consideration.

##### **4.2 Internal Controls and Audit**

- a. Review and assess the adequacy and effectiveness of DMG's system of internal control and management information systems through discussions with management and the external auditor to ensure that DMG maintains: (i) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect DMG's transactions; (ii) effective internal control systems; and (iii) adequate processes for assessing the risk of material misstatement of the financial statement and for detecting control weaknesses or fraud. From time to time the Committee will assess whether a formal internal audit department is necessary or desirable having regard to the size and stage of development of DMG at any particular time.
- b. Satisfy itself that the adequacy of internal controls, systems and procedures has been periodically assessed in order to ensure compliance with regulatory requirements and recommendations.
- c. Review and discuss DMG's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities.
- d. Review and assess, and in the Committee's discretion, make recommendations to the Board regarding the adequacy of DMG's risk management policies and procedures with regard to identification of DMG's principal risks and implementation of appropriate systems to manage such risks including an assessment of the adequacy of insurance coverage maintained by DMG.

- e. Review and assess annually, and in the Committee's discretion, make recommendations to the Board regarding DMG's investment policy.

#### **4.3 External Audit**

- a. Recommend to the Board a firm of external auditors to be engaged by DMG.
- b. Ensure the external auditors report directly to the Committee on a regular basis.
- c. Review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards.
- d. Review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors.
- e. Review the audit plan of the external auditors prior to the commencement of the audit.
- f. Establish and maintain a direct line of communication with DMG's external and internal auditors.
- g. Meet *in camera* with only the auditors, with only management, and with only the members of the Committee at every Committee meeting whose purpose is to review the Annual Financial Statements of the Company.
- h. Review the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditors team.
- i. Oversee the work of the external auditors appointed by the shareholders of DMG with respect to preparing and issuing an audit report or performing other audit, review or attest services for DMG, including the resolution of issues between management of DMG and the external auditors regarding financial disclosure.
- j. Review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of DMG, the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences.
- k. Discuss with the external auditors their perception of DMG's financial and accounting personnel, records and systems, the cooperation which the external auditors received during the course of their review and availability of records, data and other requested information and any recommendations with respect thereto.
- l. Review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board.

#### **4.4 Associated Responsibilities**

Review and approve DMG's hiring policies regarding employees and partners, and former employees and partners of the present and former external auditor of DMG.

#### **4.5 Non-Audit Services**

Pre-approve all non-audit services to be provided to DMG or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such member or members so delegated shall be presented to the full audit committee at its first scheduled meeting following such pre-approval.

#### **4.6 Whistle-Blowing Procedures**

Overseeing the implementation, operation and effectiveness of DMG's mechanisms for: the receipt, retention, and treatment of complaints received by DMG regarding accounting, internal controls, and auditing matters; and the confidential, anonymous submission of complaints by employees of DMG of concerns regarding questionable accounting or auditing matters.

#### **4.7 Conflict of Interest**

If a Member faces a potential or actual conflict of interest relating to a matter before the Committee, other than matters relating to the compensation of directors, that member shall be responsible for alerting the Committee Chairman. If the Committee Chairman faces a potential or actual conflict of interest, the Committee Chairman shall advise the Chairman of the Board. If the Committee Chairman, or the Chairman of the Board, as the case may be, concurs that a potential or actual conflict of interest exists, the Member faced with such conflict shall disclose to the Committee the Member's interest and shall not participate in consideration of the matter and shall not vote on the matter.

#### **4.8 Oversight Function**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that DMG's financial statements are complete and accurate or are in accordance with IFRS and applicable rules and regulations. These are the responsibilities of Management and the external auditors. The Committee, the Chairman and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of DMG, and are specifically not accountable or responsible for the day-to-day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of DMG's financial information or public disclosure.

#### **5.0 Reporting**

The Chairman will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report for inclusion in the management proxy circular. The Corporate Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

#### **6.0 Access to Information and Authority**

The Committee will be granted unrestricted access to all relevant information regarding DMG and all directors, officers and employees will be directed to cooperate as requested by members of the Committee. The Committee has the authority to retain, at DMG's expense and at a reasonable cost, independent legal, financial and other advisors, consultants and experts, where necessary, to assist the Committee in fulfilling its duties and responsibilities. The Committee also has the authority to communicate directly with internal and external auditors.

#### **7.0 Review of Charter**

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

Approval Date: December 17, 2025

Approved by: Audit Committee & Board of Directors

## SCHEDULE “B” – COMPENSATION COMMITTEE CHARTER



### DMG Blockchain Solutions Inc. (the “Corporation”)

#### PURPOSE

The purpose of the Compensation Committee (the “Committee”) is to develop and monitor the Corporation’s approach to the compensation of directors and officers of the Corporation and assist Board oversight of executive and director compensation.

#### COMPOSITION, PROCEDURES AND ORGANIZATION

The Committee shall consist of at least two and, where practical, at least three members of the board of directors of the Corporation (the “**Board**”), the majority of whom should be, in the determination of the Board, “independent” (as such term is defined in both National Policy 58-201 – *Corporate Governance Guidelines* and the TSX Venture Exchange Corporate Finance Manual, as amended from time to time).

The Board, at its organizational meeting following each annual meeting of shareholders, shall appoint the members of the Committee (the “**Members**”) for the ensuing year. The Board may at any time remove or replace any Member and may fill any vacancy in the Committee. Unless the Board shall have appointed a chair of the Committee (the “**Chair**”), the Members shall select a Chair from amongst their number. The Committee shall meet at such times as the Chair shall determine. Meetings will be held virtually unless held in conjunction with an in-person meeting of the Board. Any Member of the Committee, or any member of the Board, may request a meeting of the Committee by making notice of their request to the Chair.

#### DUTIES OF THE COMMITTEE

The duties of the Committee are as follows:

- (a) develop and monitor the Corporation’s overall approach to compensation and, subject to approval by the Board, implement and administer a system of compensation that reflects appropriate standards of compensation practices for the Corporation;
- (b) review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO’s performance and, either as a committee or together with other independent directors, determine and approve the CEO’s compensation level based on this evaluation;
- (c) in consultation with the CEO, review the performance of and recommend to the Board other (non-CEO) executive compensation;
- (d) in consultation with the CEO, implement and administer compensation policies approved by the Board concerning non-CEO executive compensation, employment and related contracts, stock option plans, deferred share plans and other incentive and equity-based plans;
- (e) in consultation with the CEO, recommend for approval to the Board the granting of stock options to eligible participants under the Corporation’s stock option plan and restricted share units to eligible participants under the Corporation’s restricted share unit plan;
- (f) review periodically and make recommendations to the Board of Directors on the adequacy and form of the compensation of the directors of the Corporation with a view to ensuring that such compensation reflects the workload, responsibilities and risks of being a director of the Corporation; and

- (g) consider any other questions or matters of compensation referred to it by the Board and to advise the Board of any other compensation issues that the Committee determines should be considered by the Board.

**COMPENSATION-RELATED PUBLIC DISCLOSURE**

The Committee shall review and recommend to the Board for approval any public disclosure of information relating to the Corporation's executive compensation, including the disclosure to be included in the Corporation's information circular and any statement of executive compensation.

**ACCESS TO PERSONNEL & INFORMATION**

The Committee shall have access to such officers and employees of the Corporation and, subject to prior discussion with and approval by the Board of Directors, to the Corporation's independent auditors and its legal counsel, to separate legal counsel and advisors and to such information respecting the Corporation as it considers to be necessary or advisable in order to perform its duties and responsibilities. The Committee shall have authority, subject to approval by the Board of Directors, to engage, and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.

**COMMITTEE REVIEW AND EVALUATION**

The Committee shall review and assess the adequacy of this Charter and the performance of the Committee on a regular basis, no less than annually, and recommend to the Board any changes it deems appropriate.

**APPROVED AND ADOPTED BY THE BOARD OF DIRECTORS ON 05 JANUARY 2023.**

## SCHEDULE “C” – GOVERNANCE COMMITTEE CHARTER



### DMG Blockchain Solutions Inc. (the “Corporation”)

#### Purpose

The purpose of the Governance Committee (the “**Committee**”) is to oversee the Corporation’s approach to governance issues, to recommend to the Board corporate governance practices consistent with the Corporation’s commitment to high standards of corporate governance and to address potential risk related to governance matters. The Committee also reviews and makes recommendations to the Board on governance matters related to the Corporation’s subsidiaries.

#### Composition, Procedures and Organization

The Committee shall consist of at least three members of the board of directors of the Corporation (the “**Board**”) a majority of whom should be, in the determination of the Board, “independent” (as such term is defined in both National Policy 58-201 – *Corporate Governance Guidelines* and the TSX Venture Exchange Corporate Finance Manual, as amended from time to time).

Members of the Committee shall be appointed by the Board and shall serve as members at the pleasure of the Board. The Board shall also appoint the chair of the Committee (the “**Chair**”). The Committee shall meet at such times and at such locations as the Chair shall determine. Any member of the Committee, or any member of the Board, may request a meeting of the Committee by making notice of their request to the Chair.

#### Duties of the Committee

The duties of the Committee shall include the following:

- (a) regular review and, as required, recommending to the Board for approval the charters for the Board of Directors and the various Board committees;
- (b) recommending to the Board the establishment of appropriate Board committees and the composition and appropriate sizes for the Board and for committees of the Board;
- (c) regular review and, where required, recommending to the Board for update or approval key governance documents, including but not limited to the *Code of Conduct* and board-approved policies;
- (d) working with the Chief Executive Officer and other members of management to ensure that the Corporation has a strong corporate governance culture and strong governance processes;
- (e) monitoring developments in the area of corporate governance and undertaking other initiatives that may be desirable to maintain high standards of corporate governance;
- (f) review and, as required, recommending actions and improvements related to subsidiary operations and governance to the Board with a view to ensuring visibility and alignment between subsidiary objectives and overall corporate strategy;
- (g) review and consider possible conflicts of interests that may arise between the Corporation and any director that may impair a director’s independence and to review other potential conflict of interest matters regarding the directors or officers that may be brought to the Committee’s attention; and
- (h) considering any other questions or matters referred to it by the Board and to advise the Board of any other governance-related issues which the Committee determines ought to be considered by the Board.

**Compensation-RELATED PUBLIC Disclosure**

The Committee shall review and recommend to the Board for approval any public disclosure of information relating to the Corporation's corporate governance, including the disclosure to be included in the Corporation's information circular.

**Access to Personnel & Information**

The Committee shall have access to such officers and employees of the Corporation, to the Corporation's independent auditors and its legal counsel, to separate legal counsel and advisors and to such information respecting the Corporation as it considers to be necessary or advisable in order to perform its duties and responsibilities. The Committee shall have authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties

***Adopted January 10, 2024***