



DMG Blockchain Solutions Reports First Quarter 2025 Results and February Operations Update

News Release - Vancouver, BC, March 3, 2025 – DMG Blockchain Solutions Inc. (TSX-V: DMGI) (OTCQB: DMGGF) (FRANKFURT: 6AX) ("DMG" or the "Company"), a vertically integrated blockchain and data center technology company, today announces its fiscal first quarter 2025 financial results. All financial references are in Canadian Dollars unless specified otherwise. Readers are encouraged to review the Company's December 31, 2024 quarterly unaudited financial statements and management's discussion and analysis thereof for a fulsome assessment of the Company's performance and applicable risk factors, available at www.sedarplus.ca.

Q1 2025 Financial Results Highlights

- **Revenue:** \$11.6 million in Q1 2025, up 97% from \$5.9 million in Q4 2024 and up 20% from \$9.7 million in Q1 2024.
- **Bitcoin Mined:** 97 bitcoin mined in Q1 2025, up 49% from Q4 2024.
- **Cash Flow from Operations:** -\$2.7 million in Q1 2025, versus +\$1.3 million in Q4 2024, as the Company sold \$4 million less bitcoin than it earned.
- **Hashrate:** 1.62 EH/s for Q1 2025, up 65% sequentially and 68% year-over-year; now operating at 1.8 EH/s with the goal to reach 2.1 EH/s in March 2025.
- **Fleet Efficiency:** 22.9 J/TH in Q1 2025, an improvement of 7% from Q4 2024; targeting 21 J/TH when hydro miners are fully energized.
- **Cash and Digital Assets:** \$58.2 million as of quarter-end Q1 2025, up 62% from Q4 2024 and up 110% from Q1 2024.
- **Net Loss:** -\$0.02 per share in Q1 2025, versus -\$0.05 per share in Q4 2024 and \$0.04 in Q1 2024.

Preliminary February Operational Results

- **Bitcoin Mined:** 27 BTC (vs 31 BTC in Jan 2025, in line with 28 days and curtailment)
- **Hashrate:** 1.71 EH/s (vs 1.75 EH/s in Jan 2025)
- **Bitcoin Holdings:** 443 BTC (vs 431 BTC in Jan 2025)
- **Days non-firm power curtailed:** 3 (vs 0 in Jan 2025); average hashrate was 1.81 EH/s for period excluding curtailment

DMG's CEO, Sheldon Bennett, commented: "In addition to growing our hashrate, the first part of our financial year 2025 marks a major step forward in our Core+ strategy and Generative Artificial Intelligence ambitions. With Systemic Trust now a Qualified Digital Asset Custodian, we are focused on onboarding new customers and ramping revenue. Our near-term roadmap to offer Systemic Trust custodial wallets that support DMG's Petra technology along with the integration of both Helm Data Center Infrastructure Management and Reactor into Terra Pool, position us to fully enable our carbon neutral Bitcoin ecosystem. Furthermore, we have expanded our AI initiatives, with a memorandum of understanding for a 10 MW prefabricated data center in addition to our MOU to establish a joint venture with the Malahat Nation for 30 MW of AI compute capacity. We remain committed to growth in areas that can deliver the most long-term value for our shareholders."

Financial First Quarter 2025 Financial Results Review

Revenue increased by \$1,942,061 in Q1 2025 from \$9,690,764 Q1 2024. The increase in revenue is attributable to increases in digital currency mining revenues of \$1,489,833 due to increases in the average

bitcoin price in the period of \$116,580 versus \$49,006 during the same period in the prior year. These increases were offset by increases in network difficulty from the same period last year.

Operating and maintenance expenses for Q1 2025 was \$6,679,843, up from \$5,147,651 in Q1 2024. This increase is primarily attributed to a \$1,368,217 rise in utilities expenses, driven by expanded digital currency mining operations related to additional operating miners.

Research costs for Q1 2025 were \$553,964, having increased by \$115,785 compared to Q1 2024. Research in fiscal 2025 continues to focus on software and relates to work on Systemic Trust, Helm, Reactor and Blockseer Explorer.

General and administrative costs for Q1 2025 was \$1,836,680 in comparison to \$886,061 for Q1 2024. General and administrative costs consist mostly of wages, professional fees, consulting fees and interest expense. The overall increase of \$950,619 is attributable mainly to an increase of \$178,958 in consulting fees, \$171,595 in wages and \$422,645 in interest expense related to the Company's credit facility with Sygnum Bank.

Depreciation for Q1 2025 was \$4,349,470 compared to \$4,341,782 in Q1 2024.

Net income decreased by \$10,075,491 to a net loss of \$3,103,001 for Q1 2025 versus net income of \$6,972,490 in Q1 2024. The decrease in net loss is mainly a result of a large unrealized gain on revaluation of digital currencies in the prior year of \$8,162,860 in the statement of profit and loss. A gain of \$15,319,443 was recorded through other comprehensive income in the current period related to an unrealized gain on the revaluation of the balance held of digital currency. Gains related to the increase in digital currency in the prior year were offset against historical losses incurred in prior periods. Gains are recognized to the extent of any historical losses, after which gains are recognized through other comprehensive income under the accounting policies of IAS 38. Resulting in a large difference in net income between the two periods.

Total assets as of December 31, 2024 were \$137,128,716, an increase of \$33,259,735 versus September 30, 2024. The increase is mostly attributable to a net increase in digital currency of \$19,615,571, due to the revaluation of digital currency balances at an increased price of bitcoin, \$132,949 as of December 31, 2024 as compared to \$88,673 as of September 30, 2024.

In Q1 2025, DMG sold 78 bitcoin, generating \$7,305,976 cash, thus selling 81% of the bitcoin mined versus 143% in the prior quarter.

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

First Quarter 2025 Results Conference Call Details

The Company will host a conference call to review its results and provide a corporate update on Tuesday, March 4, 2025 at 4:30 PM ET. Participants should register for the call via the [registration link](#).

In addition to a live Q&A session via chat, management will also address pre-submitted questions. Those wishing to submit a question may do so via email at investors@dmgblockchain.com, using the subject line 'Conference Call Question Submission,' through 2:00 PM ET on March 4, 2025.

About DMG Blockchain Solutions Inc.

DMG 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 blockchain and generative artificial intelligence compute ecosystems. DMG's businesses are segmented

into two business lines under the Core (data center infrastructure) and Core+ (software and services) strategies and unified through DMG's vertical integration.

For more information on DMG Blockchain Solutions visit: www.dmgblockchain.com
Follow @dmgblockchain on X and subscribe to DMG's YouTube channel.

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DMG Blockchain Solutions Inc.**Condensed Consolidated Interim Statements of Financial Position****(Expressed in Canadian Dollars)**

		As at December 31, 2024 (unaudited)	As at September 30, 2024 (audited)
	Notes	\$	\$
ASSETS			
Current			
Cash and cash equivalents		4,273,533	1,679,060
Amounts receivable	6	4,802,944	4,910,251
Digital currency	5	53,943,274	34,327,703
Prepaid expense and other current assets		402,787	337,042
Marketable securities	8	359,833	316,803
Short-term investment	9	5,516,500	-
Total current assets		69,298,871	41,570,859
Long-term deposits	10	10,743,511	2,047,682
Property and equipment	12	50,194,530	53,798,978
Intangible asset		276,040	-
Long-term investments	13	45,000	45,000
Amount recoverable	7	6,570,764	6,406,462
Total assets		137,128,716	103,868,981
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Trade and other payables	14	3,748,608	5,183,107
Deferred revenue	19	7,355	-
Current portion of lease liability	15	40,071	43,483
Current portion of loans payable	16	20,020,520	13,928,462
Total current liabilities		23,816,554	19,155,052
Long-term lease liability	15	41,534	51,842
Total liabilities		23,858,088	19,206,894
Shareholders' Equity			
Share capital	17(a)	120,326,738	113,086,455
Reserves	17(b)(c)	55,036,328	45,853,100
Accumulated other comprehensive income		25,736,645	10,448,614
Accumulated deficit		(87,829,083)	(84,726,082)
Total shareholders' equity		113,270,628	84,662,087
Total liabilities and shareholders' equity		137,128,716	103,868,981

DMG Blockchain Solutions Inc.

Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)

(Expressed in Canadian Dollars, except for number of shares)

(Unaudited)

	Notes	For the three months ended December 31,	
		2024	2023
		\$	\$
Revenue	19	11,632,825	9,690,764
Expenses			
Operating and maintenance costs	20(a)	6,679,843	5,147,651
General and administrative	20(b)	1,836,680	886,061
Stock-based compensation	17(b)	678,528	368,494
Research	20(c)	553,964	438,179
Bad debt (recovery) expense	6	(4,743)	3,764
Depreciation	12	4,349,470	4,341,782
Total expenses		14,093,742	11,185,931
Operating loss before other items		(2,460,917)	(1,495,167)
Other income (expense)			
Interest and other income	7	164,302	165,781
Impairment of non-current assets		37,819	-
Foreign exchange loss		(909,388)	(94,585)
Loss on fair value of investments	10	-	(609,120)
Provision of sales tax receivable	6	(307,739)	(253,900)
Unrealized revaluation gain on digital currency	5	28,083	8,162,860
Realized gain on sale of digital currency		301,809	851,870
Gain on change in fair value of marketable securities	8	43,030	244,751
Net income (loss)		(3,103,001)	6,972,490
Other comprehensive income			
Items that may be reclassified subsequently to income or loss:			
Revaluation gain on digital assets	5	15,319,443	-
Cumulative translation adjustment		(31,412)	10,082
Net income and comprehensive income		12,185,030	6,982,572
Basic earnings (loss) per share	17(d)	\$(0.02)	\$0.04
Diluted earnings (loss) per share	17(d)	\$(0.02)	\$0.04
Weighted average number of shares outstanding	17(d)		
- basic		185,799,634	168,147,570
- diluted		185,799,634	170,175,939

DMG Blockchain Solutions Inc.**Condensed Consolidated Interim Statements of Cash Flows**

(Expressed in Canadian Dollars)

(Unaudited)

For the three months ended December 31,	2024	2023
	\$	\$
OPERATING ACTIVITIES		
Net income (loss) for the period	(3,103,001)	6,972,490
Non-cash items:		
Accretion	1,867	11,460
Depreciation	4,349,472	4,338,369
Share-based payments	678,528	368,494
Unrealized gain on revaluation of digital currency	(28,083)	(8,162,861)
Unrealized foreign exchange (gain) loss	926,984	(16,272)
Impairment of non-current assets	(37,819)	-
Unrealized gain on marketable securities	(43,030)	(244,751)
Impairment of investment	-	609,120
Provision for sales tax receivable	307,739	253,900
Bad debt (recovery) expense	(4,743)	3,764
Digital currency related revenue	(11,266,187)	(8,744,492)
Digital currency sold	7,305,976	9,445,176
Realized gain on sale of digital currency	(301,809)	(851,870)
Non-cash interest income	(164,302)	(164,632)
Accrued interest	329,604	-
Changes in non-cash operating working capital:		
Prepaid expenses and other current assets	(65,745)	30,629
Amounts receivable	(101,051)	(781,682)
Deferred revenue	7,355	14,302
Trade and other payables	(1,523,145)	668,276
Net cash (used in) provided by operating activities	(2,731,390)	3,749,420
INVESTING ACTIVITIES		
Purchase of property and equipment	(343,976)	(381,773)
Purchase of intangible assets	(276,040)	-
Deposits on mining equipment	(9,554,087)	(2,570,515)
Purchase of short-term investment	(5,516,500)	(609,120)
Refund of security deposit	457,325	-
Net cash used in investing activities	(15,233,278)	(3,561,408)
FINANCING ACTIVITIES		
Proceeds from issuance of units	17,254,945	-
Share issuance costs	(1,570,875)	-
Proceeds from option exercises	60,913	269,776
Principal lease payments	(15,356)	(45,276)
Repayment of loan payable	(1,000,000)	-
Proceeds from secure loan	5,829,013	-
Net cash provided by financing activities	20,558,640	224,500
Impact of currency translation on cash and cash equivalents	501	(206)
Cash and cash equivalents, change	2,594,473	412,306
Cash and cash equivalents, beginning	1,679,060	1,789,913
Cash and cash equivalents, end	4,273,533	2,202,219

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Cautionary Note Regarding Forward-Looking Information

This news release contains forward-looking information or statements based on current expectations. Forward-looking statements contained in this news release include statements regarding the planned conference call, DMG's strategies and plans, increasing hashrate and the anticipated timelines, the expected arrival and operation of the hydro miners and containers, growing the Company's hashrate to 2.1 EH/s by March 2025, the development of Systemic Trust including generating revenues, the potential for a 10-megawatt prefabricated data center in addition to the MOU to establish a potential joint venture with the Malahat Nation for 30 megawatts of AI compute capacity, improving fleet efficiency and continuing to execute on Core+ software initiatives, onboarding of new clients to Terra Pool, the opportunity and plans to monetize bitcoin transactions, the continued investment in Bitcoin network software infrastructure and applications, developing and executing on the Company's products and services, increasing self-mining, efforts to improve the operation of its mining fleet, the launch of products and services, events, courses of action, and the potential of the Company's technology and operations, among others, are all forward-looking information.

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

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

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

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