DMG Blockchain Solutions Issues Statement Regarding the Binance Security Incident and Provides Update on Patents Granted

written by Raj Shah | October 31, 2026

October 31, 2026 (Source) – DMG Blockchain Solutions Inc. (TSX-V: DMGI) (OTCQB US: DMGGF) (FRANKFURT: 6AX) ("DMG"), a vertically integrated data center and digital assets technology company, today announced that the Company and its affiliates have not been affected by the recent Binance security incident and that all client assets remain secure.

DMG and its affiliates prioritize information security, fraud prevention and asset protection. The Company's security framework combines restricted access, separation of duties and multiple levels of transaction approval. Together, these controls are designed to ensure that a single compromised device does not provide a user the authority needed to initiate, approve or complete an unauthorized transaction.

Building Enterprise Value Through Intellectual Property

Beyond ensuring robust security for digital assets, DMG continues to advance its proprietary infrastructure solutions. DMG has strategically developed a patent portfolio to differentiate itself from commoditized digital asset infrastructure providers and transition to an enterprise-grade blockchain technology provider. By systematically securing intellectual property across institutional compliance, network

verification and proprietary transaction routing, DMG directly supports the enablement of institutional blockchain adoption.

For shareholders, this comprehensive IP portfolio establishes a defensible competitive position for DMG's digital asset platform and helps position DMG to capture specialized transaction processing revenues across global blockchain ecosystems. Accelerating this strategy, DMG was granted two foundational U.S. patents in 2026:

U.S. Patent No. 12,548,012: Custom Mempool Protocol Associated with Processing of Cryptographic Events (Granted: February 10, 2026)

This patent establishes a proprietary custom mempool protocol that secures and accelerates how cryptographic events and ordinals are routed, batched and confirmed on-chain. Rather than exposing unconfirmed transactions to public peer-to-peer networks, the technology creates a direct pipeline between applications and participating mining nodes, while maintaining full compliance with public blockchain consensus algorithms.

"Securing U.S. Patent 12,548,012 validates the groundbreaking architecture that DMG developed to bring institutional-grade predictability to blockchain networks," stated Sheldon Bennett, CEO of DMG. "By bypassing public node congestion and routing transactions through a controlled mempool pipeline, our approach sets a new benchmark for how enterprises can securely transact with complete confidence and compliance."

U.S. Patent No. 12,744,684: Multiple Ordinals in One Transmission (Granted: September 22, 2026)

DMG's newest patent modernizes how digital assets and data are inscribed onto the blockchain. By embedding multiple ordinals directly into transaction data fields and hashing them

simultaneously into each block, the system significantly increases batch-processing efficiency, lowers transaction overhead and enables seamless on-chain storage without network congestion.

Issued Patent Portfolio Overview

DMG’s global intellectual property holdings currently include 9 issued patents, 2 allowed applications and 13 pending applications across the United States, Canada, Europe, Australia and WIPO:

Patent Number	Grant Date	Technology Domain	Strategic Value and Commercial Application
US 11,188,899	Nov 30, 2021	Off-Network Identity Attribution	Maps public wallet addresses to cryptocurrency exchanges to satisfy institutional AML/KYC requirements and regulatory transparency.
US 11,257,089	Feb 22, 2022	Cryptographic Taint Tracking	Provides real-time detection and quarantining of wallet addresses associated with illicit and criminal funds.
US 11,373,170	Jun 28, 2022	Custom Mempool Protocol (“Green Miners”)	Enables direct miner transaction routing to support ESG-tailored, compliance-focused transaction processing.

US 11,810,103	Nov 7, 2023	Custom Mempool Protocol (“Ordinals”)	Specialized mempool channels engineered to process and batch non-standard digital asset transactions.
US 12,067,572	Aug 20, 2024	Advanced Forensic Taint Tracking	Multi-wallet distribution analysis and automated risk-scoring to quarantine illicit funds prior to on-chain execution.
US 12,200,137	Jan 14, 2025	Hash Rate Validation	Real-time, packet-level network verification of miner computing capacity for operational auditing and pool transparency.
US 12,315,009	May 27, 2025	“Clean Block” Technology	Dynamic allow/deny list filtering that purges unwanted transactions and prevents illicit transfers from entering mined blocks.
US 12,548,012	Feb 10, 2026	Enterprise Mempool Pipeline	Private-to-miner transaction routing that bypasses the public mempool, eliminating front-running and fee volatility.
US 12,744,684	Sep 22, 2026	Multi-Asset Inscription Protocol	High-density batching and simultaneous hashing of multiple ordinals into a single transaction to maximize block-space efficiency.

Grant of Stock Options and RSUs

DMG announces the granting of stock options and RSUs to employees and directors of the Company. A total of 105,100 stock options ("Options") and 1,045,500 restricted stock units ("RSUs") have been granted. The Options are exercisable over five years at a price of $0.40 per share, with vesting in 25% increments on the six-, 12-, 18-, and 24-month anniversaries of the grant date. The RSUs vest in one year; these grants are designed to create an incentive structure that aligns longer-term performance with the Company's growth.

About DMG Blockchain Solutions Inc.

DMG is a sustainable, vertically integrated data center and digital assets technology company that develops, manages and operates comprehensive platform solutions to monetize the artificial intelligence (AI) and blockchain ecosystems. The Company's operations are driven by two strategic pillars: Data Center Infrastructure (Core) and Digital Asset Financial Services (Core+). DMG is expanding its platform to include AI and sovereign compute solutions, supporting government, enterprise and research organizations across Canada.

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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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 the Company's strategy for growth, the planned monetization of certain product and service offerings, developing and executing on the Company's products, services and business plans and the potential of the Company's technology and operations, among others, are all forward-looking information.

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

Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations, or intentions regarding the future. Such information can generally be identified by the use of forward-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; the demand and pricing of AI data centers and usage; 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 and services, 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 and/or infrastructure 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 AI and blockchain technology generally, failure to develop new and innovative products, litigation, lack of demand for the Company's products and services, 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.