DMG Blockchain Solutions Reports Third Quarter 2026 Financial Results

written by Raj Shah | August 27, 2026

August 27, 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 announces its fiscal third quarter 2026 unaudited financial results. All financial references are in Canadian Dollars unless specified otherwise. Readers are encouraged to review the Company's June 30, 2026 quarterly unaudited financial statements and management's discussion and analysis thereof for an assessment of the Company's performance and applicable risk factors, available at www.sedarplus.ca.

Q3 2026 Financial Results Highlights

- **Revenue:** $6.4 million, down 13% from $7.3 million in Q2 2026 and down 45% from $11.6 million in Q3 2025
- **Bitcoin Received from Mining:** 61.9 bitcoin, down 10% from 68.8 bitcoin in Q2 2026 and down 27% from 84.3 bitcoin in Q3 2025
- **Hashrate:** 1.47 EH/s, down 14% from Q2 2026 with fleet efficiency of 21.9 J/TH, a 3% decline
- **Cash, Short-term Investments and Digital Assets:** $41.6 million at the end of Q3 2026, down 12% from $47.4 million at the end of Q2 2026
- **Total Assets:** $102.3 million at the end of Q3 2026, down 7% from $109.9 million at the end of Q2 2026
- **Net Loss :** -$3.9 million or -$0.02 per share

DMG’s CEO, Sheldon Bennett, commented, “In Q3 2026, we focused on realizing our vision to transition our flagship Christina Lake facility to operate as an AI data center. Regarding our previously announced letter of intent to offer 50 megawatts of AI data center colocation services at our Christina Lake facility to a single tenant, we are actively working towards a definitive agreement. In parallel, we are moving forward with key project execution steps, including selecting our contractors and engineering design partners, strengthening our vendor relationships, applying for the necessary permits, exploring multiple financing options and addressing concerns from the local community. We remain committed to project success and enabling our off-take client to begin operating its servers in a timely manner.”

Third Quarter 2026 Financial Results Review

Revenue for Q3 2026 was $6.4 million, compared to $11.6 million in Q3 2025. The decrease in revenue is attributable to a decrease in digital currency mining revenue of $5.2 million, which is primarily the result of a decrease in both the amount of digital currency mined and the average price of digital currency.

Operating and maintenance expenses for Q3 2026 were $4.4 million, compared to $6.5 million in Q3 2025. This decrease is primarily due to a $2.0 million decrease in utilities expenses driven by favourable non-firm energy rates realized during the recent period and the retirement of inefficient digital currency miners.

General and administrative costs for Q3 2026 were $1.5 million, compared to $1.9 million in Q3 2025. General and administrative costs consist mostly of wages, professional fees, consulting fees and financing costs.

Depreciation for Q3 2026 was $2.6 million, compared to $4.5 million in Q3 2025. Additions to property and equipment during the nine months ended June 30, 2026 totaled $1.6 million, compared to $19.5 million and $21.9 million in the fiscal years ended September 30, 2025 and 2024 respectively. The relatively low level of recent additions has limited the offsetting impact on depreciation expense, contributing to the lower depreciation expense for the current period.

Net loss for Q3 2026 was $3.9 million compared to a net loss of $0.4 million for Q3 2025.

Total assets as of June 30, 2026 were $102.3 million (September 30, 2025 – $132.0 million), a decrease of $29.7 million. The decrease is mostly attributable to a $22.9 million decrease in the fair value of digital currency balances between the periods, as well as a reduction in property and equipment of $8.7 million, which resulted from normal course depreciation and the disposition of decommissioned miners, only partially offset by property and equipment additions during the period.

Third Quarter 2026 Results Conference Call Details

The Company will host a conference call to review its results and provide a corporate update on August 27, 2026 at 4:30 PM ET. Participants should register for the call via the 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 August 27, 2026.

About DMG Blockchain Solutions Inc.

DMG is a sustainable, vertically integrated data center and digital asset 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 Software and 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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DMG Blockchain Solutions Inc. Condensed Consolidated Interim Statements of Financial Position (Expressed in Canadian Dollars)					
	Notes	**As at June 30, 2026 (unaudited)**		**As at September 30, 2025 (audited)**	
ASSETS		**$**		**$**	
Current Cash and cash equivalents		2,788,470		1,681,448	
Amounts receivable	6	4,622,326		4,045,161	
Digital currency	5	31,585,358		54,440,600	
Prepaid expense and other current assets		247,132		330,077	
Marketable securities	8	238,539		479,426	
Short-term investments	9	7,216,500		9,116,500	
Assets held for sale	10	30,408		30,408	
Total current assets		**46,728,733**		**70,123,620**	
Long-term deposits	11	203,641		138,415	
Property and equipment	13	44,768,849		53,450,285	
Intangible assets	12	2,821,019		1,181,414	
Long-term investments	14	245,000		45,000	

Amount recoverable	7	7,522,287		7,091,351	
Total assets		**102,289,529**		**132,030,085**	
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Trade and other payables	15	5,123,881		6,370,626	
Deferred revenue		4,891		–	
Current portion of lease liability	16	76,901		106,619	
Current portion of loans payable	17	19,713,551		10,885,374	
Total current liabilities		**24,919,224**		**17,362,619**	
Long-term lease liability	16	25,724		78,296	
Total liabilities		**24,944,948**		**17,440,915**	
Shareholders' Equity Share capital	18(a)	121,957,185		121,210,082	
Reserves	18(b-d)	56,921,844		56,316,695	
Accumulated other comprehensive income		3,102,067		32,056,444	
Accumulated deficit		(104,636,515)		(94,994,051)	
Total shareholders' equity		**77,344,581**		**114,589,170**	
Total liabilities and shareholders' equity		**102,289,529**		**132,030,085**	

DMG Blockchain Solutions Inc. Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (Expressed in Canadian Dollars, except for number of shares) (Unaudited)											
		For the 3 months ended June 30,					**For the 9 months ended June 30,**				
	Notes	**2026**			**2025**		**2026**			**2025**	
Revenue	20	**$ 6,364,212**			**$ 11,614,710**		**$ 24,849,511**			**$ 35,892,109**	
Expenses Operating and maintenance costs	21(a)	4,408,556			6,519,599		16,300,195			20,824,539	
General and administrative	21(b)	1,465,351			1,930,372		4,730,942			5,703,453	
Share-based compensation		557,663			735,540		1,661,662			2,151,182	
Research and development		323,108			487,309		330,778			1,649,721	
Bad debt recovery	6	792			(231)		(968)			(6,950)	
Depreciation	13	2,615,545			4,483,564		8,946,266			13,147,142	
Total expenses		**9,371,015**			**14,156,153**		**31,968,875**			**43,469,087**	
Operating loss before other items		**(3,006,803)**			**(2,541,443)**		**(7,119,364)**			**(7,576,978)**	
Other income (expense) Interest and other income	6, 7	62,539			174,705		430,935			505,655	
Provision of sales tax receivable		(303,043)			(171,905)		(1,014,451)			(1,148,329)	
Foreign exchange gain (loss)		(413,922)			849,711		(470,485)			(52,264)	

Loss on disposition of assets	(266,857)	(375,907)	(1,327,449)	(377,525)
Realized gain (loss) on sale of digital currency	(108,256)	1,520,910	(168,249)	1,741,020
Gain on change in fair value of marketable securities	101,226	162,775	26,599	77,915
Net loss before income taxes	**(3,935,116)**	**(381,154)**	**(9,642,464)**	**(6,830,506)**
Income tax expense (recovery)	–	–	–	–
Net loss	**(3,935,116)**	**(381,154)**	**(9,642,464)**	**(6,830,506)**
Other comprehensive income Items that may be reclassified subsequently to income or loss: Revaluation gain (loss) on digital currency	(4,395,549)	10,109,144	(28,955,335)	18,597,831
Cumulative translation adjustment	1,445	(6,251)	958	(38,472)
Comprehensive income	**(8,329,220)**	**9,721,739**	**(38,596,841)**	**11,728,853**

Basic and diluted loss per share	18(f)	($0.02)			($0.00)		($0.05)			($0.03)	
Weighted average number of shares outstanding											
– basic and diluted		206,901,497			203,242,018		206,218,073			197,363,999	

The accompanying notes are integral to these consolidated financial statements

DMG Blockchain Solutions Inc. Condensed Consolidated Interim Statements of Cash Flows (Expressed in Canadian Dollars) (Unaudited)				
	For the 9 months ended June 30,			
	2026		**2025**	
OPERATING ACTIVITIES	**$**		**$**	
Net loss for the period	**(9,642,464)**		**(6,830,506)**	
Non-cash items:				
Accretion	3,591		11,764	
Depreciation	8,946,266		13,147,142	
Share-based payments	1,661,662		2,151,182	
Unrealized gain on revaluation of digital currency	–		(28,083)	
Unrealized foreign exchange (gain) loss	347,392		648	
Loss on disposition of assets	1,327,449		377,525	
Gain on fair value change of marketable securities	(26,599)		(77,915)	

Gain on fair value of investment	–		(37,819)	
Provision for sales tax receivable	1,014,451		1,148,329	
Bad debt recovery	(968)		(6,950)	
Digital currency related revenue	(22,880,907)		(34,848,860)	
Digital currency sold	16,613,625		38,794,110	
Realized loss (gain) on sale of digital currency	168,249		(1,675,118)	
Lease adjustment	8,275		–	
Non-cash interest income	(553,256)		(505,655)	
Accrued interest expense	1,071,143		1,062,627	
Changes in non-cash operating working capital:				
Prepaid expenses and other current assets	82,945		617,227	
Amounts receivable	(1,344,720)		(102,595)	
Deferred revenue	4,891		43,795	
Trade and other payables	(1,259,093)		1,053,742	
Net cash (used in) provided by operating activities	**(4,458,068)**		**14,294,590**	
INVESTING ACTIVITIES Purchase of property and equipment	(1,497,985)		(10,824,859)	
Deposits on mining equipment	(167,795)		(8,908,076)	
Disposition of short-term investments	2,000,000		–	

Purchase of short-term investments	(100,000)		(9,116,500)	
Purchase of long-term investments	(200,000)		–	
Disposition of marketable securities	148,566		–	
Refund of security deposit	–		1,792,907	
Purchase of intangible assets	(1,639,605)		(276,040)	
Net cash used in investing activities	**(1,456,819)**		**(27,332,568)**	
FINANCING ACTIVITIES Proceeds from options exercises	65,395		60,913	
Principal lease payments	(85,881)		(65,320)	
Tax remittance on net settlement of equity awards	(374,805)		–	
Proceeds from secured loan	7,407,369		5,829,013	
Repayment of loan payable	–		(8,128,048)	
Proceeds from issuance of units	–		17,254,945	
Share issuance costs	–		(1,570,875)	
Net cash provided by financing activities	**7,012,078**		**13,380,628**	
Impact on currency translation on cash and cash equivalents	**9,831**		**181**	
Cash and cash equivalents, change	**1,107,022**		**342,831**	
Cash and cash equivalents, beginning	**1,681,448**		**1,679,060**	
Cash and cash equivalents, ending	**2,788,470**		**2,021,891**	

Supplemental cash flow information (Note 25)		

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 hosting a conference call, potential AI opportunities, the Company's plan to convert its Christina Lake data center into an AI data center, entering into a definitive agreement with a potential tenant to offer 50 megawatts of AI data center colocation services at the Christina Lake facility, 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, the launch of products and services, events, courses of action, and the potential of the Company's technology and operations, among others, are all forward-looking information.

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

Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations, or intentions regarding the future. Such information can generally be identified by the use of 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.