



NEWS RELEASE

UPDATE ON DISPUTE INVOLVING PURCHASED CLOUD COMPUTING ASSETS

Vancouver, British Columbia; June 12, 2020 – TAAL Distributed Information Technologies Inc. (CSE:TAAL | FWB:9SQ) (“**TAAL**” or the “**Company**”) provides an update regarding the dispute between the sellers of the cloud computing assets recently purchased by TAAL and their former hosting provider (the “**Hosting Provider**”).

On March 9, 2020 TAAL closed the asset purchase transaction with Tansley Equipment Limited (“**Tansley**”), Fractical Sense Limited and Laser Lollypop Limited, three companies affiliated with Mr. Calvin Ayre (the “**Principal**”), to acquire over 50,000 non-operational cloud computing units (the “**Cloud Computing Assets**”).

Further to the Company’s press release of March 31, 2020, the Hosting Provider has now claimed amounts owing from Tansley and another entity in relation to the termination of hosting contracts between the applicable parties. Arbitration has commenced and the Hosting Provider has named the Company and several other entities as parties, alleging that the Company and these other parties are jointly and severally liable with Tansley for a claim of US\$3.9 million.

TAAL’s position is that it is not subject to the jurisdiction of the arbitration and intends to dispute the claim. In addition, the Principal has agreed to indemnify TAAL for any award against TAAL. The shares that were issued to the Principal in connection with the acquisition of the Cloud Computing Assets are currently held by TAAL and pledged as security pending the release of the Cloud Computing Assets by the Hosting Provider to TAAL free and clear of any liens.

TAAL is currently focused on the design of its next generation blockchain transaction processing strategy and vision on the Bitcoin SV public blockchain and this process is not impacted by this dispute and associated delay. Transaction processing and enterprise scaling are critical features for growth and success in blockchain computing industry and TAAL is positioning itself as a leader in this arena.

About TAAL Distributed Information Technologies Inc.

TAAL Distributed Information Technologies Inc. (CSE:TAAL) delivers value-added blockchain services, providing professional-grade, highly scalable blockchain infrastructure and transactional platforms to support businesses building solutions and applications upon the Bitcoin SV platform, and developing, operating, and managing distributed computing systems for enterprise users.

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The CSE accepts no responsibility for the adequacy or accuracy of this release.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION:

Certain statements included in this news release constitute "forward-looking information" as defined under applicable Canadian securities legislation. The words "will", "intends", "expects" and similar expressions are intended to identify forward-looking information, although not all forward-looking information will contain these identifying words. Specific forward-looking information contained in this news release includes, but is not limited to statements regarding: TAAL's intention to dispute the claim. These statements are based on factors assumptions related to historical trends, current conditions and expected future developments. Since forward-looking information relates to future events and conditions, by its very nature it requires making assumptions and involves inherent risks and uncertainties. TAAL cautions that although it is believed that the assumptions are reasonable in the circumstances, these risks and uncertainties give rise to the possibility that actual results may differ materially from expectations. Material risk factors include the future acceptance of Bitcoin SV and other digital assets and risks related to information processing using those platforms, the ability for TAAL to leverage intellectual property into viable income streams and other risks set out in Item 20 Risk Factors of TAAL's Form 2A – Listing Statement dated July 31, 2018 and elsewhere in TAAL's continuous disclosure filings available on SEDAR at www.sedar.com. Given these risks, undue reliance should not be placed on the forward-looking information contain herein. Other than as required by law, TAAL undertakes no obligation to update any forward-looking information to reflect new information, subsequent or otherwise.