



NEWS RELEASE

TAAL FILES SECOND PATENT FOR LAYER 1 TOKEN TECHNOLOGY TO ENABLE SMART CONTRACTS BUILT ON BITCOIN SV AND IN DIRECT COMPETITION TO ETHEREUM ERC-20 TOKENS

Vancouver, British Columbia; August 6, 2020 – [TAAL Distributed Information Technologies Inc.](#) (CSE:TAAL | FWB:9SQ | OTCQB: OTC:TAALF) (“**TAAL**” or the “**Company**”) announces that its operating subsidiary has filed a second patent application (the “**Patent Application**”) with the United Kingdom patent office with respect to its newly acquired Layer 1 token blockchain technology for the BSV (Bitcoin SV) network.

Layer 1 tokens are validated by computers operating on the blockchain directly, unlike more common Layer 2 token systems which require separate Layer 2 protocol servers. Processing transactions directly on the network is synergistic with TAAL’s vision and roadmap for its core business of blockchain transaction processing as it allows different ways of creating more transactions and thus facilitates an expansion of the fee market available to TAAL. The fee market is an important pillar of TAAL’s revenue strategy.

Bitcoin SV has proven scalability in both transaction volume/capacity and block size that has been demonstrated on the BSV stress test network (1 gigabyte sustained) and BSV main network (360 megabyte peak) that is unequaled by any other blockchain technology. Jerry Chan, TAAL’s CEO, said “We are proud to be involved in delivering this groundbreaking initiative to market and look forward to working with our enterprise clients and development partners to expand the ecosystem for smart contract technology on the Bitcoin SV platform.”

Layer 1 tokens, to this point, has been primarily the domain of Ethereum, whose ecosystem of Layer 1 tokens is currently recognised as the largest in the blockchain

industry, and this technology opens the door for the migration of legitimate tokens that require enterprise level scaling to the Bitcoin SV network.

In April 2020, TAAL entered into a US\$1m licensing deal with nChain Group Holdings Limited (“nChain”) to secure access to critical IP to support its development of transaction processing capabilities. This patent builds on top of nChain’s extensive intellectual property portfolio and creates an array of opportunities for innovative and disruptive solutions which are at the heart of the blockchain technology delivered by Satoshi Nakamoto when he published his Bitcoin white paper in 2008.

The Patent Application will underpin the launch of associated technologies and platforms and reinforces Bitcoin SV’s position as the leader for enterprise use cases.

In consideration of acquiring the intellectual property underlying the Patent Application, TAAL’s operating subsidiary has entered into a royalty agreement with the inventor.

Developers and enterprise clients wanting to discuss use cases and/or access to this Layer 1 token technology should contact TAAL via stastoken@taal.com.

About TAAL Distributed Information Technologies Inc.

TAAL is a Canadian-based technology company leading in enterprise scale blockchain based information management and security through Bitcoin SV and other SHA-256 based digital asset platforms.

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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: the expansion of the transaction processing fee market, the launch of technologies and platforms associated with Layer 1 tokens and the viability of the BSV network as an alternative to the Ethereum network. These statements are based on factors and 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 contained herein. Other than as required by law, TAAL undertakes no obligation to update any forward-looking information to reflect new information, subsequent or otherwise.