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Valereum Blockchain PLC
25 October 2021

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25th October 2021

Valereum Blockchain Plc
AQSE: VLRM
("Valereum" or the "Company")

Option to Acquire 80% stake in Gibraltar Stock Exchange

- **Valereum plans to establish the GSX as the world's first fully regulated, integrated fiat and digital exchange**
- **This will enable fiat debt and equity instruments to be bought with cryptocurrencies passing full AML requirements**

Valereum Blockchain Plc, the Gibraltar-based blockchain technology group, announces that it has signed an option (the "Option") to purchase 80% of the Gibraltar Stock Exchange ("GSX"). The Global Stock Exchange Group, current owner of the GSX, will retain the remaining 20% shareholding and Valereum has an option on 20% of the Global Stock Exchange Group. As with many exchange transactions the full details remain confidential.

The exercise of the Option and the acquisition of 80% of the GSX (the "Acquisition") are subject to approval by the Gibraltar Financial Services Commission ("GFSC"). In connection with the exercise of the Option, Valereum will seek approval from GFSC to establish the GSX as one of the world's first fully regulated, integrated fiat and digital exchanges. In due course, if the Acquisition successfully completes, Valereum intends to nominate directors to the board of the GSX, subject to regulatory approval.

The transaction involves establishing the GSX as the world's first fully regulated, integrated fiat and digital exchange. The Directors of Valereum believe that this could have far reaching implications for the world, as it would introduce

cryptocurrencies into the mainstream. Under this strategy, the Directors of Valereum intend that the GSX will accept all major cryptocurrencies including Bitcoin, Dogecoin, Cardano, Ethereum and Tether - which it will treat just like any other currency.

The GSX will be the world's first exchange to create a seamless and fully regulated bridge that links the fiat and crypto markets. The Directors of Valereum believe that this will give listed instruments on the GSX access to a regulated pool of crypto capital that is not available anywhere else, and that it will give crypto currency holders the ability to have a direct, verifiable holding in fiat securities.

The GSX will harness proven exchange technology from established providers and will be updated with full front to back trading and clearing functionality on a significant scale and expandability.

Commenting on the transaction, Richard Poulden, Chairman of Valereum, said: "This deal represents the next stage in the evolution of digital assets becoming globally accepted and tradeable. It brings crypto closer to the mainstream and opens it up to be used in transactions with other asset classes. Just as The Rock of Gibraltar has been a physical port for centuries, GSX will encourage the next generation of digital assets to see Gibraltar as a virtual node in digital trade."

James Levy, CBE, QC, Senior Partner of Hassans International Law Firm in Gibraltar, said: "Hassans is very proud to be acting for Valereum in connection with this very exciting development for Gibraltar as it introduces multiple benefits and puts our jurisdiction at the forefront of the digital world. The new exchange expands the territory as a financial centre giving it a global footprint and will create an enhanced financial services industry in Gibraltar."

Nick Cowan, CEO of both the GSX and the GSX Group, said: "We have grown GSX into an attractive destination for high grade issuers and have to date admitted over 2,500 securities totalling almost US$5 billion in value. We welcome Valereum's option to acquire an 80% stake in the GSX and we look forward to contributing towards Valereum's goals."

The transaction is subject to necessary regulatory approvals.

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