DMG Blockchain Provides Power Update on Flagship Cryptocurrency Mining Facility

Facility will be one of the largest in North America

Key Highlights

- Flagship facility will make it one of the largest crypto mining facilities in North America with expected power capacity of up to 85 megawatts
- 40 megawatts of near-term power capacity planned to be online mid-year
- Mining facility to accommodate additional Mining-as-a-Service (MaaS) customers as well as DMG's own mining and address substantial demand from Asia

Vancouver, B.C. – February 26, 2018 – DMG Blockchain Solutions Inc. (TSX-V: DMGI) ("**DMG**" or the "**Company**") is pleased to announce that Phase 1 of its state-of-the-art cryptocurrency mining facility is nearly complete and ready to add power as well as infrastructure for more capacity for cryptocurrency miners. DMG's facility is expected to accommodate a total power capacity of up to 85 megawatts with near-term expectations of 40 megawatts by mid-2018.

DMG's crypto mining facilities and power access will be used for its Mining-as-a-Service (MaaS) clients and for DMG's own use. This hybrid approach allows DMG to scale at a faster pace than a pure mining model, optimizing the use of its recently raised capital - it balances the capital requirements and high returns of the traditional mining model with the low capital intensity and calculable revenue generation of the MaaS model.

"DMG's team has extensive experience working on industrial scale cryptocurrency mining and blockchain projects. Together with experienced local partners, we have access to the personnel, expertise, equipment, and power to expand our flagship facility to accommodate more miners for our MaaS customers and for ourselves," said Daniel Reitzik, CEO and Director of DMG.

Sheldon Bennett, DMG's COO added, "We believe this new facility will not only be one of the largest in North America in terms of electrical power capacity, but also it will employ proven technologies to improve the efficiency of mining. The collective support from local government, specialized contractors and British Columbia's power providers has helped greatly to expedite this large project."

*This photo is a section of DMG’s flagship facility that is being set up for additional miners.

About DMG

DMG Blockchain Solutions Inc. is a diversified blockchain and cryptocurrency company that manages, operates and develops end-to-end solutions to monetize the blockchain ecosystem. DMG intends to be the global leader in bitcoin mining hosting - Mining as a Service (MaaS), bitcoin mining, blockchain forensics/analytics, and blockchain platform development.

On behalf of the Board of Directors,

Daniel Reitzik, CEO & Director

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Cautionary Note Regarding Forward-Looking Information

This news release contains forward-looking information based on current expectations. Statements about the Company's plans and intentions, other potential transactions, the expansion and build-out of the flagship facility, adding more megawatts of power, product development, events, courses of action, and the potential of the Company's technology and operations, among others, are all forward-looking information. 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 forwarding 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, 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 bitcoins; security threats, including a loss/theft of DMG's bitcoins; 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, 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 achieve goals and the price of bitcoin. Given these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements.

There can be no assurance that DMG will add additional megawatts of power to its flagship facility or that it will add additional cryptocurrency miners to its flagship facility.

The securities of DMG are considered highly speculative due to the nature of DMG's business.

Factors that could cause the 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 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, competition, security threats including stolen bitcoins from DMG or its customers, consumer sentiment towards DMG's products, services and blockchain technology generally, failure to develop new and innovative products, litigation, increase in operating costs, increase in equipment and labor costs, 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.

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