DMG Blockchain Announces

Global Supply Chain Management Platform for Cannabis

Highlights:

- The supply chain technology provides DMG and its partners with a “first mover” advantage as a global cannabis blockchain solution
- DMG’s platform will have the capability to provide immediate product traceability, as well as automating transactions and information flow among licensed producers, licensed distributors, regulators, retailers, shippers, and reporting and auditing systems
- DMG’s global technology partner has commercially deployed multiple blockchain-enabled supply chain management systems for Fortune 100 clients

VANCOUVER, British Columbia, October 16, 2018 -- DMG Blockchain Solutions Inc. (TSX-V: DMGI) (DMGGF:OTC US) (FRANKFURT:6AX) (“**DMG**” or the “**Company**”), a diversified blockchain and cryptocurrency company, is pleased to announce that development is now underway with our technology partner to build a global supply chain management platform with a focus on the legal cannabis industry. Deployment will begin in Canada, and subsequently expand globally.

DMG, together with its technology and finance partners, is currently in discussions with cannabis industry players, including major licensed producers, quality assurance labs, retail distributors, and government regulators. This global blockchain initiative is a collaboration among industry stakeholders and is being tailored to meet industry players’ specific requirements. DMG intends to onboard significant industry participants as it launches its cannabis supply chain solution.

DMG’s CEO Dan Reitzik, commented: "The emerging cannabis industry demands product management solutions and blockchain is the most logical choice. We want to be the first to offer an enterprise grade solution in partnership with leading technology providers and cannabis producers, processors and distributors. The first use of blockchain was bitcoin, but the perfect use is supply chain management for controlled products such as cannabis. Canada is being positioned to be *the* global supplier of cannabis, and our blockchain platform can help enable this by way of product traceability for rapid recalls, ensuring a legal source of product, enhancing product safety, as well as facilitating and automating legal and taxation compliance.”

Market size

- Cannabis represents a $23 billion dollar[1] industry in Canada alone, including an estimated $6 billion in revenue from 13 million recreational users
- Various market reports indicate the global cannabis market could exceed $500 billion

Key planned capabilities of the new global supply chain management solution include:

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[1] Deloitte Recreational Marijuana: Insights and Opportunities

- Supply chain automation on blockchain, applying artificial intelligence, IoT, machine learning and tight integration across the entire supply chain
- Development of interfaces between the blockchain platform and legacy systems, allowing for automated transactions and process flows, utilizing smart contracts
- Integration of existing ERP systems with the blockchain platform, supporting automated triggering of events such as defective product recall or the resupply process
- Integration with licensed producers, licensed distributors, retailers, shippers, as well as reporting and auditing systems
- Onboarding of new participants

About DMG Blockchain Solutions Inc.
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, with its R&D engineering team located in Silicon Valley, intends to be the global leader in industrial scale crypto mine hosting - Mining as a Service (MaaS), crypto mining, blockchain forensics/analytics, and blockchain platform development.

For more information on DMG Blockchain Solutions visit: dmgblockchain.com

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 development of the supply chain platform, 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.

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.