Bitmain Selects DMG to Manage North American Facility

Highlights:

- Bitmain is the industry-leading fabless manufacturer of computing chips
- Bitmain has been developing a facility with 300MW in Texas
- DMG selected to manage and assist Bitmain with expansion and overall management

VANCOUVER, British Columbia, October 21, 2019 — DMG Blockchain Solutions Inc. (TSX-V: DMGI) (DMGGF:OTC US) (FRANKFURT:6AX) ("**DMG**" or the "**Company**"), a diversified blockchain and technology company, is pleased to announce that after an extensive selection process, it has entered into a preliminary agreement with Bitmain Technologies ("**Bitmain**") to provide hosting and management services for Bitmain's Texas facility.

50MW of power are currently available, with the potential to expand to 300MW, making it one of, if not the largest bitcoin mining facilities in the world. Bitmain and DMG will work together to expand the capacity and to ensure efficient operations of Bitmain's newest technology ASIC miners.

DMG's CEO, Dan Reitzik commented, "Being chosen by the world's leading bitcoin mining company is a great testament to the capabilities of DMG's mining team. Over the past several months, Bitmain visited many large facilities throughout North America including DMG's flagship facility in British Columbia, Canada. We look forward to working together to build and manage North America's largest and most efficient mining facility, running the world's most advanced crypto mining technologies."

"This mining facility marks a major milestone in the development of the mining farm industry. We are proud to partner with Bitmain, the leading innovator in this sector", said Sheldon Bennett, COO of DMG, which will manage and operate the mining facility in Texas. "Having led large projects in Alberta and recently completing DMG's 60MW facility, this 300MW facility is an exciting opportunity for DMG to truly demonstrate economies of scale. While the task of managing what we believe will be the world's largest bitcoin data centre is daunting, we are confident that together with Bitmain, we will complete on time and on budget."

DMG is not providing additional capital for the construction of the facility, but instead is providing facility management, expertise and experience to the partnership. A long-term definitive agreement is expected by end of 2019.

Bill Zhu, Managing Director Global Marketing Sales & Services for Bitmain commented "Bitmain is the industry-leading fabless manufacturer of computing chips, developer of the most advanced cryptography computing technology, and operator of the leading mining pools. We take our global leadership role very seriously, and as such, we are delighted to engage DMG as our facility partner. DMG has consistently demonstrated an ability to expertly engineer and construct large scale crypto mining data centres, as well as to navigate the regional political and corporate landscape to ensure widespread acceptance of our new, energy consuming industry."

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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 Blockseer division 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: www.dmgblockchain.com

On behalf of the Board of Directors,
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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, entering into a long-term definitive agreement with Bitmain, expansion of Bitmain's Texas mining facility, acquisition of customers, 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 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.