DMG adds New Industrial Mining Client, Ceases Management of Texas Operation, and Provides Update from recent AGM

Highlights:

- Bitmain has shipped 1,000 new miners (approximately 1.5MW of power) to DMG's Christina Lake facility on behalf of a new US-based crypto mining client

- Management of Texas Operation has not proven to be cost efficient or effective for both partners, but both companies are actively exploring other opportunities for collaboration

- All matters voted on at AGM approved by shareholders

VANCOUVER, British Columbia, January 6, 2020 — 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 it has been engaged to host 1,000 new miners for a new client based in the US. Bitmain shipped the miners on behalf of the client to DMG's Christina Lake facility in late December and DMG has now completed the installation and has the miners fully operational.

This shipment from DMG's new client will consume approximately 1.5MW of power. DMG's COO Sheldon Bennett commented "We are excited to begin working with this new client and are confident that they will be one of many we add during 2020. DMG made a decision to focus on attracting large scale hosting clients as profitable crypto-mining is a function of creating cost efficiencies, and our mining facility is well suited for industrial miners."

As part of an exploratory agreement announced in October 2019, DMG has been managing Bitmain's Texas facility and installed approximately 15,000 next generation miners. DMG and Bitmain have mutually terminated the existing management agreement as cost and operational efficiencies have not materialized as planned. DMG and Bitmain continue to explore opportunities for collaboration including DMG's Christina Lake facility, and new sites that are of joint interest.

DMG also announces that all resolutions at the recent Annual General Meeting of shareholders passed overwhelmingly.

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

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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 with Bitmain, , 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.