MATERIAL CHANGE REPORT

Item 1. **Name and Address of Company** – **DMG Blockchain Solutions Inc.** (TSX-V: DMG), #490 – 1090 Homer Street, Vancouver, BC V6B 2W9

Item 2. **Date of Material Change** – March 5, 2021.

Item 3. **News Release** – A news release was issued and disseminated on March 5, 2021 through a newswire distribution service and filed on SEDAR. A copy of the news release is attached hereto as Schedule "A".

Item 4. **Summary of Material Change** – **DMG Blockchain Solutions Inc. (TSX-V: DMG)** (the "Company") announces that it has closed its previously announced sale to U.S. and foreign institutional investors of its common shares and warrants to purchase common shares for aggregate gross proceeds to the Company of approximately Cdn$70 million.

Item 5. **Full Description of Material Change –**

A news release was issued and disseminated on March 5, 2021 through a newswire distribution service and filed on SEDAR. A copy of the news release is attached hereto as Schedule "A".

DMG Blockchain Solutions Inc. is pleased to announce that it has closed its previously announced sale to U.S. and foreign institutional investors of its common shares ("Common Shares") and warrants to purchase common shares ("Warrants") for aggregate gross proceeds to the Company of approximately Cdn$70 million (the "Private Placement"). Pursuant to the Private Placement, the Company issued 23,333,334 Common Shares and Warrants to purchase up to 11,666,667 Common Shares at a purchase price of Cdn$3.00 per Common Share and associated half Warrant. Each whole Warrant entitles the holder thereof to purchase one Common Share at an exercise price of Cdn$3.55 per Common Share at any time on or before March 5, 2024 (totaling another Cdn$41.4 million once exercised).

H.C. Wainwright & Co. acted as the exclusive placement agent for the Private Placement.

H.C. Wainwright & Co. received (i) a cash commission of approximately Cdn$3.85 million (equal to 5.5% of the gross proceeds of the Private Placement) and (ii) 1,283,333 non-transferable compensation warrants (the "Agent Warrants"). Each Agent Warrant entitles the holder thereof to purchase one Common Share at an exercise price of Cdn$3.75 per Common Share at any time on or before March 5, 2024.

The Company intends to use the net proceeds of the Private Placement for infrastructure expansion (i.e., continued retrofitting of initially 30 and up to 60 MW capacity from air cooling to immersion cooling and general upgrades to the facility), equipment purchases (i.e., necessary technologies to expand DMG's self-mining infrastructure and hashrate at its Christina Lake facility to 2.0 EH/s in 2021 with the first 1.0 EH/s planned by this summer), investment in cryptocurrencies (i.e., buying Bitcoin), potential future acquisitions, equity interests and partnerships, software development (i.e., further advancements of Blockseer and Walletscore as part of DMG's ongoing Bitcoin mining pool efforts), immersion cooling research and prototyping (i.e., including all required technical components of various suppliers), expansion of marketing and sales activities and working capital and general corporate purposes. Details as to the intended specific allocation of the proceeds are disclosed in the Prospectus Supplement referred to below and further business development announcements will be made by DMG in due course as they arise.

The Common Shares and Warrants issued under the Private Placement were qualified by way of a prospectus supplement dated March 4, 2021 under the Company's base shelf prospectus dated March 1, 2021 (collectively, the "Prospectus Supplement") which was filed in each of the provinces of Canada, except Québec, copies of which are available under the Company's profile at www.sedar.com. The Common Shares and Warrants were offered and sold in the United States on a private placement basis pursuant to exemptions from the registration requirements of the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and all applicable state securities laws, and in certain other jurisdictions in accordance with applicable securities laws. No securities were offered or sold to Canadian purchasers.

The securities issued under the Private Placement are subject to resale restrictions in the United States under applicable U.S. federal and state securities laws with no resale restrictions in Canada.

Item 6. **Reliance on Section 7.1(2) or (3) of National Instrument 51-102** – Not applicable.

Item 7. **Omitted Information** – No significant facts remain confidential in, and no information has been omitted from, this report.

Item 8. **Executive Officer** – Mr. Daniel Reitzik, Director & CEO of the Issuer, is knowledgeable about the material change and this report. He can be contacted at (778) 385-2235.

Item 9. **Date of Report** – Dated March 5, 2021 at Vancouver, British Columbia.

SCHEDULE "A"

DMG
BLOCKCHAIN SOLUTIONS

NOT FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

DMG Announces Closing of Cdn$70 Million Private Placement Offering with Institutional Investors

News Release - Vancouver, British Columbia, March 5, 2021 - DMG Blockchain Solutions Inc. (TSX-V: DMGI) (DMGGF:OTCQB US) (FRANKFURT:6AX) ("DMG" or the "Company"), a vertically integrated blockchain and cryptocurrency technology company, is pleased to announce that it has closed its previously announced sale to U.S. and foreign institutional investors of its common shares ("**Common Shares**") and warrants to purchase common shares ("**Warrants**") for aggregate gross proceeds to the Company of approximately Cdn$70 million (the "**Private Placement**"). Pursuant to the Private Placement, the Company issued 23,333,334 Common Shares and Warrants to purchase up to 11,666,667 Common Shares at a purchase price of Cdn**$3.00** per Common Share and associated half Warrant. Each whole Warrant entitles the holder thereof to purchase one Common Share at an exercise price of Cdn**$3.55** per Common Share at any time on or before March 5, 2024 (totaling another Cdn$41.4 million once exercised).

> *"**We are very pleased to complete this equity financing above current market prices. The net proceeds from this financing will allow DMG to rapidly advance its business plan, its operations and pursue a variety of new projects. We are also very pleased to expand our institutional presence in the United States and abroad**",* commented Dan Reitzik, CEO and Sheldon Bennett, COO, who jointly managed this process for DMG.

H.C. Wainwright & Co. acted as the exclusive placement agent for the Private Placement.

H.C. Wainwright & Co. received (i) a cash commission of approximately Cdn$3.85 million (equal to 5.5% of the gross proceeds of the Private Placement) and (ii) 1,283,333 non-transferable compensation warrants (the "**Agent Warrants**"). Each Agent Warrant entitles the holder thereof to purchase one Common Share at an exercise price of Cdn$3.75 per Common Share at any time on or before March 5, 2024.

The Company intends to use the net proceeds of the Private Placement for infrastructure expansion (i.e., continued retrofitting of initially 30 and up to 60 MW capacity from air cooling to immersion cooling and general upgrades to the facility), equipment purchases (i.e., necessary technologies to expand DMG's self-mining infrastructure and hashrate at its Christina Lake facility to 2.0 EH/s in 2021 with the first 1.0 EH/s planned by this summer), investment in cryptocurrencies (i.e., buying Bitcoin), potential future acquisitions, equity interests and partnerships, software development (i.e., further advancements of Blockseer and Walletscore as part of DMG's ongoing Bitcoin mining pool efforts), immersion cooling research and prototyping (i.e., including all required technical components of various suppliers), expansion of marketing and sales activities and working capital and general corporate purposes. Details as to the intended specific allocation of the proceeds are disclosed in the Prospectus Supplement referred to below and further business development announcements will be made by DMG in due course as they arise.

The Common Shares and Warrants issued under the Private Placement were qualified by way of a prospectus supplement dated March 4, 2021 under the Company's base shelf prospectus dated March 1, 2021 (collectively, the "Prospectus Supplement") which was filed in each of the provinces of Canada, except Québec, copies of which are available under the Company's profile at www.sedar.com. The Common Shares and Warrants were offered and sold in the United States on a private placement basis pursuant to exemptions from the registration requirements of the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and all applicable state securities laws, and in certain other jurisdictions in accordance with applicable securities laws. No securities were offered or sold to Canadian purchasers.

The securities issued under the Private Placement are subject to resale restrictions in the United States under applicable U.S. federal and state securities laws with no resale restrictions in Canada.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This news release shall not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the U.S. Securities Act and such securities may not be offered or sold within the United States absent registration under U.S. federal and state securities laws or an applicable exemption from such U.S. registration requirements.

About DMG Blockchain Solutions Inc.

DMG is a vertically integrated blockchain and cryptocurrency company that manages, operates, and develops end-to-end digital solutions to monetize the blockchain ecosystem. DMG's businesses are segmented into three main divisions: data centre operations, data analytics and forensics and developing enterprise blockchains. DMG's data centre operations focus on earning revenues from block rewards and transaction fees by mining primarily bitcoin as well as providing hosting services for industrial mining clients. DMG's data analytics and forensic services provide technical expertise software products such as Blockseer Pool, Mine Manager and Walletscore, as well as working with auditors, law firms, and law enforcement organizations. DMG's permissioned blockchain technology is focused on developing enterprise software for the supply chain management of controlled products. DMG's strategy is to become the domain experts across the business verticals it focuses on. DMG's management team includes seasoned crypto experts, forensic & financial professionals and blockchain developers with deep relationships throughout the industry.

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

On behalf of the Board of Directors,

Daniel Reitzik, CEO & Director

For further information, please contact:

DMG Blockchain Solutions Inc.
Email: investors@dmgblockchain.com
Web: www.dmgblockchain.com

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Cautionary Note Regarding Forward-Looking Information

This news release contains forward-looking information based on current expectations. Forward-looking statements contained in this news release include statements regarding the intended use of proceeds from the Private Placement, and the expected timelines to complete its business objectives. 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, market and other conditions, volatility in the trading price of the Common Shares, 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 secure sufficient capital to complete its business plans, 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, the impact of Covid-19 or other viruses and diseases on the Company's ability to operate, secure equipment, and hire personnel, 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, decrease in the price of Bitcoin, 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.