DMG Blockchain Solutions Announces Strategic Investment in Crypto Custodian Brane Capital

This new partnership will align DMG and Brane in developing industry-leading, environmentally sustainable blockchain technology solutions and enhance shareholder value

Vancouver, British Columbia – June 8, 2021 – DMG Blockchain Solutions Inc. (TSX-V: DMGI) (DMGGF: OTCQB) (FSE: 6AX) ("DMG" or the "Company"), a vertically integrated blockchain and cryptocurrency technology company, is pleased to announce a $3-million strategic investment in Ottawa-based Brane Capital, a leading cryptocurrency and digital asset custodian.

DMG has agreed to purchase 8.0 million units of Brane at a unit price of $0.375 per unit. Each unit is composed of one common share in the capital of the Brane and one half of a common share purchase warrant. Each whole warrant will entitle DMG to purchase one additional common share of Brane at an exercise price of $0.50 per common share for a period of 24 months.

As disclosed on DMG's management call on April 22, 2021, and its recent Q2 earnings call, the Company is executing on its use of proceeds strategy. DMG is focused on its rapidly developing Core+ strategy. This investment and partnership with Brane will allow DMG's custody solutions, under the Blockseer portfolio, to enter the market sooner than anticipated and complement other technology investments DMG is currently planning.

"DMG considers Brane to be a unique and promising company in the global crypto custody space, and we're excited about the opportunities this investment will achieve for both companies," said Sheldon Bennett, DMG's Chief Executive Officer. "DMG and Brane share strong commitments to innovation, integrity, and sustainability. This new partnership will position both companies as setting new standards of excellence in the blockchain sector."

"Brane Vault is the best user experience I've seen for a multiple signature wallet, coupled with security best practices, and a technology approach that is native bitcoin to the core. We believe Brane's technology will integrate into our Breeze and Freeze products to accelerate these products time-to-market and revenue sooner than planned. We are also investigating Brane's technology for securing the pool payouts that DMG manages via Blockseer, as well" stated Adrian Glover, DMG's CTO.

Together with DMG's strategic investment in Brane, Mr. Bennett will join Brane's board of directors – bringing over 20 years of management experience in international companies, including PwC, Ernst & Young, Baker & McKenzie, and Cisco Systems. In addition to world-class blockchain technology expertise, Mr. Bennett brings deep experience in environmental, social, and governance (ESG) strategy to Brane's board. In May 2021, DMG became one of the first signatories of the Crypto Climate Accord (CCA) to promote the decarbonization of the cryptocurrency industry through emissions reduction and transition to renewable energy sources.

As a director of Brane, Mr. Bennett will join distinguished board members including the Hon. Dalton McGuinty, Ontario's 24th Premier and Dave Revell, former EVP and Global CIO of CIBC.

"We are long-time admirers of DMG and its leadership team, so we are thrilled to realize this partnership and welcome Sheldon Bennett to our board of directors," said Adam Miron, Brane's Chairman and Interim CEO, and co-founder of HEXO Corp. "Working together, Brane and DMG have an opportunity to make Canada a global leader in developing a well-regulated, sustainable blockchain industry that unlocks economic opportunity while protecting all market participants."

DMG's strategic investment in Brane will accelerate the market traction of both companies and facilitate cooperation on development of advanced blockchain technologies, as well as continued progress toward leadership in environmental sustainability. The relationship between the companies will not affect Brane's independence as a custodian, which Brane maintains through strict separation from any cryptocurrency trading operations.

Brane currently offers a crypto asset self-custody technology solution for IIROC-regulated securities dealers and is working toward becoming Canada's first qualified custodian for digital assets. Brane's leadership team includes experienced executives from finance, technology, and government, including former Bank of New York Mellon Canada CEO Jerome Dwight as President, and Charlie Millar, former Vice President of Content Acquisition at Rogers Communications, as Chief Revenue Officer.

Brane's custody technology is certified ISO 27001, ISO 27017, and NIST CSF Tier 4 – the highest practical level of assurance for information security – for digital assets under custody, with SOC 2 certification in progress by audit firm MNP. Earlier this year, Brane announced an industry-first partnership with Computershare Trust Company to provide backup cold storage solution for its institutional clients.

Backgrounder – Brane Capital
Brane Capital is a blockchain innovation company focused on bringing assurance, credibility, and trust to the blockchain economy as a trusted partner in the safekeeping of digital assets for institutional clients. The company has recruited respected leaders from financial institutions, government, law enforcement, and the technology sector – leveraging their knowledge and experience to keep crypto safe.

Management Team:

- **Adam Miron (Chairman & Interim CEO):** Co-Founder of HEXO Corp., a NYSE/TSX-listed, award-winning, consumer packaged goods cannabis company.
- **Jerome Dwight (President):** Former CEO of Bank of New York Mellon (Canada), former Global Market Head at RBC, Chartered Accountant (CA-CPA and Chartered Financial Analyst (CFA).
- **Patrick McLaughlin (Founder and Chief Innovation Officer):** Former House of Commons analyst and RCMP blockchain and crypto asset expert.
- **Daniel Bowering (Senior Compliance Advisor):** Over 30 years in financial services with a focus on regulatory compliance, including Chief Compliance Officer for several large independent wealth management firms and senior compliance positions in banking and independent retail.
- **Charlie Millar (Chief Revenue Officer):** Former Vice President, Content Acquisition at Rogers Communications.
- **Chris Carmichael (Chief Financial Officer):** Over 20 years in financial management and compliance.
- **Christian Desjardins (Vice President, Product):** President of Ictinus Inc., an Ottawa user experience and design company.
- **Kirsten Paquette (Vice President, People & Culture):** Experienced public company and technology sector people and culture leader.

Board of Directors:

- **Dalton McGuinty:** 24th Premier of Ontario.
- **David Revell:** Former Executive Vice President and Chief Innovation Officer at CIBC.
- **Matt Torigian:** Former Ontario Deputy Minister of Community Safety and Corrections.
- **Jason Ewart:** Co-Founder, Director, and EVP Capital Markets for fintech company Uptempo Inc.
- **Brian McIntomny**: Senior Corporate Counsel at Mann Lawyers.
- **Suzanne Larsen:** Executive leader in public safety, telecommunications, aerospace, and defense.
- **Adam Miron** (see above)
- **Patrick McLaughlin** (see above)

Advisory Board:

- **Bruno Saccomani:** Canada's former Ambassador to Jordan and Iraq, and retired RCMP Superintendent.
- **Nick Koolsbergen:** Former Chief of Staff to the Premier of Alberta and senior advisor to the Prime Minister of Canada.
- **Nathalie Bourque:** Former Vice President, CAE.

- **Gianluca Cairo:** Former Chief of Staff to Canada's Ministers of Innovation, Science and Economic Development, and Public Services and Procurement.
- **Sylvain Viau:** Retired Lieutenant Colonel, Canadian Armed Forces Communications Branch.
- **Devan Pennell:** Chief Financial Officer, Flow Water Inc.
- **Martin Lantaigne:** Partner and Federal Cluster Leader, IBM
- **Dominique Jones:** Experience Human Resources leader and C-suite executive.

About DMG Blockchain Solutions Inc.

DMG is an environmentally friendly vertically integrated blockchain and cryptocurrency company that manages, operates, and develops end-to-end digital solutions to monetize the blockchain ecosystem. DMG's sustainable businesses are segmented into three main divisions: data centre operations, data analytics and forensics and developing enterprise blockchains. DMG's non-polluting data centre operations focus on earning eco-friendly revenues from block rewards and transaction fees by mining primarily bitcoin as well as providing hosting services for industrial mining clients entirely powered by renewable energy. 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 environmentally committed management team includes seasoned crypto experts, forensic & financial professionals and blockchain developers with deep relationships throughout the industry and a strong ecological consciousness.
Future changes in the Bitcoin network-wide mining difficulty rate or Bitcoin hashrate may materially affect the future performance of DMG's production of Bitcoin, and future operational results could also be materially affected by the price of Bitcoin and an increase in hashrate mining difficulty.

On behalf of the Board of Directors,
Sheldon Bennett, CEO & Director

For further information, please contact:
DMG Blockchain Solutions Inc.
Email: investors@dmgblockchain.com
Web: www.dmgblockchain.com

Investor Relations Contact:
CORE IR 516-222-2560

For Media Inquiries:
Jules Abraham, Head of Public Relations
CORE IR
jabraham@coreir.com

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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 expectations of the relationships and integration with Brane and the benefits therefrom, the development of its Core+ strategy, the ability to enter the market sooner than anticipated with certain products and services, 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, 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.

All information in this new release concerning Brane has been provided for inclusion herein by Brane. Although DMG has no knowledge that would indicate that any information contained herein concerning Brane is untrue or incomplete, DMG assumes no responsibility for the accuracy or completeness of any such information.