DMG Purchases 2,450 Bitcoin Miners from Bitmain

VANCOUVER, British Columbia, July 14, 2021 -- DMG Blockchain Solutions Inc. (TSX-V: DMGI) (DMGGF:OTCQB US) (FRANKFURT:6AX) ("DMG" or the "Company"), a publicly traded, vertically integrated blockchain and cryptocurrency technology company, is pleased to announce the purchase of 2,450 Bitcoin ASIC miners from Bitmain which is expected to add approximately 245 additional Petahash per second (PH/s) to DMG's Bitcoin mining capacity following anticipated installation by the end of August, 2021. Delivery of these miners to DMG's facility are subject to change given macro factors including but not limited to shipping logistics and customs processing.

Once fully installed and operating, DMG estimates that these miners (Antminer S19J Pro) will have a nine (9) month payback period which is well within the Company's stated 12-month return on investment (ROI) strategy for Bitcoin mining hardware[1]. Additionally, DMG expects these miners to contribute positively to the Company's revenues and cash flow[1].

"DMG is capitalizing on the declining mining equipment prices in Asia by spot purchasing new-generation bitcoin mining equipment at an approximately 60% lower price than just a month ago," stated DMG's CEO, Sheldon Bennett. "While it was hard to resist purchasing Bitcoin miners over the past few months during their all-time high cost, DMG held strong knowing, from our past buying experiences, that, although the hardware market remains extremely active, it is important to secure the appropriate equipment at the right price to receive optimum value. We believe this purchase, along with other purchases that DMG is currently negotiating, will greatly improve our self-mining goals in the near term."

DMG's Bitcoin Reserve

DMG currently holds approximately 260 Bitcoins. These newly purchased miners, once fully operating, are expected to add approximately 50 additional Bitcoin per month.

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[1] Company estimates based on internal projections; subject to operating costs, price of Bitcoin, network-wide mining difficulty rate, and assumes maximum operational efficiencies.

DMG's ESG Commitment
Terra Pool, DMG's partnership with Argo Blockchain, is planned to be used for this allotment of Bitcoin miners, which again shows DMG's commitment to sustainability sourced power in Bitcoin mining and adhering to the policies of a Signatory of the Crypto Climate Accord.

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.

Difficulty Rate / Hashrate
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. Additionally, all discussions of metrics assume mining difficulty rates as of July 2021.

On behalf of the Board of Directors,

Sheldon Bennett, CEO & Director

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Cautionary Note Regarding Forward-Looking Information

This news release contains forward-looking information or statements based on current expectations. Statements about the Company’s installation and operation of additional Bitcoin miners, acquiring additional Bitcoin mining equipment, plans and goals to increase petahash (PH), expected increase in computing power, payback period on Bitcoin miners, revenues, price of Bitcoin, DMG’s ability to successfully mine digital currency, plans and intentions, other potential transactions, 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 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. Future-oriented financial information and financial outlooks, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to the risks and factors set out herein. DMG’s actual financial position and results of operations may differ materially from its current expectations.

The securities of DMG are considered highly speculative due to the nature of DMG's business. For further information concerning these and other risks and uncertainties, refer to the Company' s filings on www.SEDAR.com including the annual information form for the year ended September 30, 2020, filed on January 28, 2021.

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, expansion may not materialize as currently anticipated, or at all, the digital currency market, the ability to successfully mine digital currency, revenue may not increase as currently anticipated, or at all, an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labor and international travel and supply chains, decrease in the price of Bitcoin and other cryptocurrencies, 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.