



## **DMG Blockchain Signs 7 - Megawatt Bitcoin Mining Contract**

*DMG's Industrial-Scale Mining Operation uses Efficient Power from its Wholly-Owned Substation to Successfully Onboard New Mining as a Service (MaaS) Customers even at Low Bitcoin Prices*

**VANCOUVER, British Columbia, December 5, 2018 — DMG Blockchain Solutions Inc.** (TSX-V: DMGI) (DMGGF:OTC US) (FRANKFURT:6AX) ("**DMG**" or the "**Company**"), a diversified blockchain and cryptocurrency company, announced that it has signed a Mining as a Service (MaaS) contract with a major blockchain industry company to host approximately 7 megawatts of bitcoin mining capacity.

Pursuant to the terms of the agreement, the new customer will pay DMG's hosting fee for approximately 4,200 newer-model bitcoin miners. The agreement term is three months, with automatic renewals every three months.

Supporting DMG's ability to fill its mining capacity is the recent large drop in Bitcoin network computing power (hash rate), which enables large-scale industrial miners, like DMG customers, to still be profitable on an operational basis, even at current bitcoin pricing.

DMG CEO, Dan Reitzik stated, "We are pleased that, just as we energized our new substation, we added a significant new client and we are now filling our capacity in accordance with DMG's MaaS growth strategy. We have been very careful to preserve capital in our first year as a public company by focusing on our MaaS hosting model. Given our solid position, we are thus prepared to fill the remainder of our capacity with new generation mining equipment in the new year, which should result in additional cash flow generation for both DMG and our clients."

The Company also announced that an existing client is expanding its hosting contract with DMG to include an additional 1,850 miners (approximately 2.5 megawatts).

As well, 1,650 older-model bitcoin miners (approximately 2 megawatts) from previous MaaS contracts have recently been turned off for up to 90 days for two clients with the option to turn back on at any time during the 90 days before their contracts would terminate.

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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](http://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, product development, events, acquiring new customers, 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 the 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, pricing of 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.

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.