DMG Blockchain Solutions Launches 'BitScore' AML Risk API for Crypto Exchanges and Payment Platforms

Fraud and AML Risk Evaluation for Bitcoin Wallets Delivered via SaaS Model

VANCOUVER, British Columbia, May 7, 2018 -- DMG Blockchain Solutions Inc. (TSX-V: DMGI) ("**DMG**" or the "**Company**"), a diversified blockchain and cryptocurrency company, announced today the official launch of its 'BitScore' cryptocurrency deposit and withdrawal risk-scoring web API for Anti-Money Laundering (AML) and anti-fraud compliance.

The BitScore cloud-based API risk-scoring technology is used by crypto exchanges and enterprise payment platforms to quantify and manage their risk of legal non-compliance. The API, which was engineered by DMG's Blockseer development team, is powered by sophisticated artificial intelligence (AI) and machine learning models that examine the flow of cryptocurrency through the blockchain in order to establish the provenance of funds in any crypto wallet.

Customers can submit a cryptocurrency source or destination address to the BitScore API, and the algorithm returns a risk score evaluating the source of funds sent to that address, or if that address has sent funds to other high risk parties such as known hacks, dark markets, or money laundering services.

The BitScore algorithm looks at several generations of transactions -- or hops -- in both directions, and then applies a weighting function that captures the proportion of questionable cryptocurrency flowing through the transactions. BitScore currently supports Bitcoin and will add support for Ethereum and ERC20 tokens this summer, and Litecoin and Bitcoin Cash in fall 2018.

"Understanding the provenance of source and destination addresses is imperative for any exchange or payment platform sensitive to regulatory compliance," said Danny Yang, CTO of DMG Blockchain Solutions. "Allowing an address that accepts deposits from, or makes payments or deposits to, disreputable networks is potentially abetting their activity, which creates legal liability for banks, exchanges and traders."

Detailed information about the BitScore API service can be found at:
https://DMGblockchain.com/BitScore/

The Company also announces it has appointed Diana Mark as Corporate Secretary and has moved its registered and records office to its head office, #490 - 1090 Homer Street, Vancouver, BC V6B 2W9.

About DMG Blockchain Solutions

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 intends to be the global leader in bitcoin mine hosting - Mining as a Service (MaaS), bitcoin mining, blockchain forensics/analytics, and blockchain platform development.

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

On behalf of the Board of Directors,

Daniel Reitzik, CEO & Director

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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, BitScore and the addition of other digital currencies, 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 and power; market conditions and the demand and pricing for products; the demand and pricing of bitcoins and litecoins; security threats, including a loss/theft of DMG's bitcoins; DMG's relationships with its customers, distributors and business partners; 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, that there will be sufficient power to operate its cryptocurrency mining machines, 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 and litecoin. 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, lack of supply of power, 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.

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 release.