

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 – August 29, 2019
- Item 3.** News Release – News Release issued August 29, 2019 at Vancouver, BC.
- Item 4.** Summary of Material Change – **DMG Blockchain Solutions Inc. (TSX-V: DMG)** (the “Company”) announces revocation of cease trade order & other corporate updates.
- Item 5.** Full Description of Material Change – **DMG Blockchain Solutions Inc. (TSX-V: DMGI)** (DMGGF:OTC US) (FRANKFURT:6AX) (“DMG” or the “Company”), is pleased to announce that the British Columbia Securities Commission, as principal regulator, has revoked the cease trade order (the “**CTO**”) issued against the Company as a result of the delay in the filing of the Company’s audited financial statements for the year ended September 30, 2018, and related filings (together, the “**Filings**”). The Company has applied to the TSXV for the reinstatement of trading of its common shares and anticipates it will resume trading shortly.

New Director

DMG has also appointed experienced crypto mining entrepreneur Nick Seto as an independent director to replace Mr. Neil Cave, who has resigned. The Company thanks Mr. Cave for his expertise as the Company completed the arduous regulatory review process. Ryan Cheung (Chief Financial Officer) has been appointed as Corporate Secretary to replace Diana Mark, who has also resigned but continues to assist DMG as a part-time consultant. Mrs. Mark’s professionalism and diligence has been very much appreciated by the Company and we wish her the very best in her future endeavors.

Chris Filiatrault v. DMG et al

DMG further announces that it and two founding directors, Daniel Reitzik and Sheldon Bennett, have been named as defendants in a petition filed in the Supreme Court of British Columbia (Christopher Filiatrault v. DMG Blockchain Solutions Inc., Daniel Reitzik and Sheldon Bennett) (the "Petition"). Mr. Filiatrault, a former director of DMG, is seeking a declaration that the affairs of DMG have been conducted, or that the powers of Mr. Reitzik and Mr. Sheldon as directors are being or have been exercised, in a manner that is oppressive or alternatively that is unfairly prejudicial to the shareholders, particularly including Mr. Filiatrault. Mr. Filiatrault seeks to replace Daniel Reitzik and Sheldon Bennett with himself and Mr. Simon Padgett who is also a former director of DMG.

DMG intends to vigorously defend these actions by Mr. Filiatrault and is reviewing all legal options available to determine its next course of action, including considering taking action against Mr. Filiatrault.

DMG continues to defend the other previous action brought by Mr. Filiatrault wherein he alleges that DMG owes him funds for his expenses and finder’s fees.

As previously disclosed, Bitmaster Inc. (a current hosting customer of DMG) withdrew its claim against DMG. DMG discovered that Mr. Filiatrault (who previously worked at Bitmaster Inc.) was assisting Bitmaster with its claim against DMG. Bitmaster has informed DMG that portions of its claim against DMG were not approved by them; however, the claim was nevertheless filed on behalf of Bitmaster without its full knowledge of the contents of the claim and with the assistance and involvement of Mr. Filiatrault.

DMG also discovered that Mr. Filiatrault contacted both the British Columbia Securities Commission and the TSXV, which may have further lengthened the CTO review process.

DMG regrets that these claims by Mr. Filiatrault are taking place; however DMG continues to remain focused on developing its business.

- 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. Dan Reitzik, President & 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 August 29, 2019 at Vancouver, British Columbia.