



DMG Invests US\$2M in Bosonic's Crypto Trading Platform

Vancouver, BC, Canada, July 29, 2021 -- DMG Blockchain Solutions Inc. (TSX-V: DMGI) (OTCQB: DMGGF) (FSE: 6AX) ("DMG" or the "Company"), a vertically integrated blockchain and cryptocurrency technology company, announces a US\$2-million strategic investment in Bosonic Inc. ("Bosonic") a leading Silicon Valley technology company based in San Francisco, California. Bosonic provides critical infrastructure eliminating counterparty credit and settlement risk in Digital Asset Markets. DMG's investment in Bosonic is a strategic initiative targeted at institutional adoption of cryptocurrencies and is synergistic with its recent investment in Brane Capital.

DMG's investment is laser focused on accelerating the development of its Blockseer Core+ strategy. The investment in, and resulting partnership with Bosonic, facilitates DMG's access to Bosonic's two primary technology infrastructures: (1) institutional exchange; (2) Layer-2 blockchain-powered clearing and settlement solutions designed to eliminate counterparty credit and settlement risk. Bosonic is currently the only non-custodial marketplace technology infrastructure for institutions and fiduciaries to transact from the safety of their own custodial accounts with zero counterparty credit and settlement risk.

"By completing this transaction, DMG's new partnership will help the Company develop more financial service-related functionality for the Blockseer Ecosystem. This initiative represents significant potential monetization of existing Blockseer clients and the ability of DMG, for the first time, to aggressively enter the consumer market for Blockseer platforms," noted Sheldon Bennett, DMG's CEO.

The DMG investment is part of a larger strategic investment into Bosonic that eventually converts into Bosonic preferred shares. DMG receives these preferred shares based on a 25% discount to a pre-money valuation in Bosonic's next equity financing round or a US\$200M market capitalization, whichever is lower. Mr. Bennett will serve a term on the Bosonic Board of Directors as part of the transaction.

DMG views this as a critical move in reaching its strategic goal to become truly vertically integrated. This investment offers DMG the possibility for Blockseer to add to its development road map the future ability to offer its customers access to a Blockseer based crypto exchange platform. Additionally, with the investment in Brane Capital and DMG's agreements to onboard Brane's technology to the Breeze and Freeze wallets, DMG will soon have a custody solution adding to Bosonic's suite of services, thus providing incremental potential revenue to both partners.

DMG's planned Petra release (in Beta testing) has also been negotiated as a future product available to all users of Bosonic via Blockseer's exchange. Lastly, DMG has some unique "exchange add-ons" in development that, when proven and tested, will be released via Bosonic's infrastructure, which is similar to Petra.

"We are extremely excited to partner with DMG, whose Blockseer platform will power the world's first digital asset ecosystem consisting entirely of clean energy mined and OFAC clean crypto. We believe this will help accelerate adoption of cryptocurrencies by institutions and fiduciaries with its integrated mining, independent custody, and various trade execution facilities within a single environment. This initiative will set a new standard for ESG conscious investors interested in digital assets," said Rosario Ingargiola, CEO and founder of Bosonic.

The wide-ranging benefits of the investment in Bosonic will facilitate an all-inclusive marketplace available to Blockseer that can command a premium on crypto pricing that will benefit users and drive participation in Blockseer's platforms.

- Allows crypto miners and users to make instant payments 24x7 (including Layer-2 crypto payment) on DMG's Blockseer platforms.
- Integrates with existing Blockseer platforms like Explorer, Walletscore, Pool and soon-to-be-released Breeze, Freeze and Petra.
- Improves the Blockseer Ecosystem, allowing clients to conduct crypto-related activities using Blockseer platforms, including trading, lending, borrowing and hedging.
- Expands Blockseer's platform usage, attracting new crypto mining clients and institutional participants.
- Unearths more cryptocurrency-related financial service opportunities.

Roth Capital advised Bosonic on the transaction and is active in the North American FinTech and Digital Assets space. Roth Capital Partners, LLC is a relationship-driven, full-service investment bank that provides strategic and financial advisory services to emerging growth companies.

DMG also announces that with the approval of DMG's Board of Directors, it issued 2,478,00 stock options to managing directors and employees at an exercise price of \$0.84 for a three-year term pursuant to the Company stock option plan.

About Bosonic

Founded in 2016, BOSONIC is a leading technology company based in San Francisco that provides the infrastructure to eliminate counterparty credit and settlement risk in Digital Asset markets. Our custodian-agnostic infrastructure, the BOSONIC Network™, provides member institutions with patent-pending solutions for the cryptographic digitization of collateral, cross-custodian trading and payments transactions, as well as cross-margining, trade netting, clearing, and settlement automation. With over 60 member institutions, ranging from custodians to exchanges, to the world's largest market-makers, and billions of US Dollars in transactions processed, the BOSONIC Network is already delivering infrastructure that's reshaping the future of Digital Asset markets.

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 two business lines under the Core and Core+ strategies and unified through DMG's vertical integration.

For more information visit the DMG website [here](#) to learn more.

Follow [@dmgblockchain on Twitter](#) and subscribe to [DMG's YouTube channel](#).

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

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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.

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.

Cautionary Note Regarding Forward-Looking Information

This news release contains forward-looking information or statements based on current expectations. Forward-looking statements contained in this news release include statements regarding the expectations of the relationships and integration with Bosonic and Brane and the benefits therefrom, the development of its Core+ strategy, the planned release of Petra, 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. 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, 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.

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