

IMINING BLOCKCHAIN AND CRYPTOCURRENCY INC.

(Formerly Parlane Resource Corp.)

MANAGEMENT'S DISCUSSION & ANALYSIS For the period ended February 28, 2018

Directors and Officers as at April 25, 2018

Directors:

Robert Eadie
Gary Arca
Anders Nilsson
Tanya Lutzke

Officers:

President & Chief Executive Officer – Robert Eadie
Chief Financial Officer & Corporate Secretary – Gary Arca

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TSX Venture Exchange Symbol: IMIN-V

IMINING BLOCKCHAIN AND CRYPTOCURRENCY INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the period ended February 28, 2018

1.1 Date of This Report

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim consolidated financial statements of iMining Blockchain and Cryptocurrency Inc. (Formerly Parlane Resource Corp.) (the "Company" or "iMining") for the period ended February 28, 2018. All dollar amounts herein are expressed in Canadian Dollars unless stated otherwise.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board of Directors' Audit Committee meets with management quarterly to review the financial statements and the MD&A and to discuss other financial, operating and internal control matters. The reader is encouraged to review the Company's statutory filings on www.sedar.com.

This MD&A is prepared as of April 25, 2018.

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, operational successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

The Company does not undertake to update or revise any forward-looking information, except as, and to the extent, required by applicable securities laws. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

1.2 Overall Performance

Description of Business

The Company was incorporated in the Province of British Columbia on June 1, 2007 under the Business Corporations Act of British Columbia. The Company completed a change of business transaction on the TSX Venture Exchange (the “Exchange”) (see Section 1.4.1 *Change of Business to mine of Cryptocurrency* below) on April 17, 2018 and changed its name from Parlane Resource Corp. to iMining Blockchain and Cryptocurrency Inc. The Company is listed on the Exchange, having the symbol IMIN-V as a Tier 2 issuer and is in the process of becoming a blockchain and cryptocurrency company (*see also www.sedar.com for the Company’s Filing Statement filed on April 6, 2018*).

Recent Events

a) Approval of Change of Business (“COB”)

The Company announced that it closed its COB and received final acceptance from the Exchange covering its COB, name change and related transactions (see Section 1.4.1 *Change of Business to mining of Cryptocurrency*.)

Effective at the opening on Friday, April 20, 2018, the common shares of iMining Blockchain and Cryptocurrency Inc. commenced trading on the TSX Venture Exchange and the common shares of Parlane Resource Corp. were delisted.

There is no consolidation or change in the share capital of the Company. Shareholders are not required to exchange their existing share certificates for new certificates bearing the new company name and Company shares held electronically in Direct Registration System will be booked automatically.

The Company's new CUSIP number is 45250F108 and its new ISIN number is CA45250F1080.

b) Appointment of new Directors

The Company’s Board of Directors announced the appointment of Tanya Lutzke as an additional director. Ms. Lutzke’s background in banking, finance and law enforcement will be a valuable addition to the Company’s new business.

In addition the Company also announced the appointment of Mr. Anders Nilsson as an additional director, effective upon closing of the COB. Mr. Nilsson is a certified Systems Engineer, who provides management and technology consulting services. He is presently engaged by the largest helicopter operator in Sweden to develop and implement a safety and operations management platform for compliance with European legislation. He also currently mines for cryptocurrencies on his own behalf, having researched and implemented a business model for his operations. Previously, from April 2008 to January 2010 he assisted with the design and construction of a real estate investment funds based in Switzerland but domiciled in Liechtenstein.

1.3 **Selected Annual Information**

The highlights of financial data for the Company's three most recently completed year-ends are as follows:

	May 31, 2017	May 31, 2016	May 31, 2015
(a) Total other income (losses)	\$ 9,001	\$ (80,300)	\$ (103,460)
(b) Total expenses	(363,228)	(101,746)	(209,696)
(c) Net loss	(354,227)	(182,046)	(313,156)
(d) Loss per share – basic and diluted	(0.03)	(0.02)	(0.04)
(e) Total assets	2,222,468	1,676,174	1,621,335
(f) Total long-term liabilities	Nil	80,064	Nil
(g) Cash dividends declared per share	\$ Nil	\$ Nil	\$ Nil

1.4 **Results of Operations**

Discussion of Acquisitions, Operations and Financial Condition

The following should be read in conjunction with the February 28, 2018 unaudited consolidated financial statements of the Company and notes attached thereto.

1.4.1 **Change of business to mining of Cryptocurrency**

On January 9, 2018, the Company entered into a binding letter of intent (“Agreement”) to purchase cryptocurrency mining rigs and will engage a third party to host cryptocurrency mining activities on behalf of the Company.

Pursuant to the Agreement, the Company will initially acquire 500 S9 Antminer mining rigs at a cost of US\$2,000,000 (paid subsequent to February 28, 2018) and will engage a company (the “Provider”) to set-up, host and operate the cryptocurrency mining activities. In exchange for such services, the Provider will receive (i) 6,000,000 shares of the Company (issued subsequent to February 28, 2018) (the “Payment Shares”), and (ii) 10% of all net profits generated by the mining activities. The Company will be responsible for all operating costs, to be at an all-in cost of US\$0.10 per kilowatt hour per mining rig. The Company may add additional mining rigs from time to time. The shares of the Company to be received by the Provider will be subject to resale restrictions such that 25% (1,500,000) of the Payment Shares will be restricted for four months, 25% will be restricted for six months, 25% will be restricted for 12 months, and 25% will be restricted for 18 months.

The above transactions constituted a Change of Business (“COB”) for the Company, as such term is defined in Exchange policies, in that the Company will be involved in mining for cryptocurrencies rather than exploring for minerals. Consequently, the Company halted trading of its common shares from January 10, 2018 until April 20, 2018, upon receiving Exchange approval for the change of business pursuant to completing a Filing Statement on April 6, 2018 (www.sedar.com).

The Company had approximately C\$2,500,000 of cash resources and raised an additional \$765,000 to finance the transactions outlined above. To that end, the Company completed a non-brokered financing and issued 5,100,000 Subscription Receipts (the “Receipts”) at \$0.15 per Receipt; each Receipt convertible at no additional cost into Units of the Company. Each Unit is comprised of one common share and one-half warrant (“Warrant”). Each whole Warrant will entitle the holder thereof to acquire one additional common share of the Company at a price of \$0.25 for a period of 12 months from the date of issuance of the Warrant.

Finder's fees were paid in the form of a cash payment of \$41,850 and 278,699 brokers' warrants with the same terms and conditions as the warrants comprising part of the units were issued.

In conjunction with the COB, the Company also acquired the intellectual property rights to the "iMining" brand, including worldwide tradename, trademarks, and URL site. The cost to acquire these rights was \$550,000, subsequently paid as to \$250,000 in cash and 2,000,000 shares of the Company at a fair value of \$0.15 per share. The Company changed its name to reflect the change in business focus accordingly.

1.4.2 Property Activity

Big Bear Project

During the period ended February 28, 2018 the Company sold its interest in the Big Bear and Nechako properties, comprised of 62 mineral claims totalling 27,469.77 hectares, for a total cash consideration of \$2.5 million. On July 5, 2017 the Company completed the sale of its interest after TSX approval was obtained, \$2.5 million cash was received and a gain of \$726,128 is reported on the Statement of Income and Comprehensive Income.

Bearcat Project

The Company acquired through staking a new property, *the Bearcat*, in January 2015. The Bearcat is comprised of 1 claim, a 389-hectare block situated 76 kilometres west of Quesnel, six kilometres northwest of the village of Nazko and 90 kilometres southeast of the Big Bear. The claim block covers a prospective area identified during Geoscience BC's TREK (Targeting Resources through Exploration and Knowledge) 2014 till sampling project. The original TREK till sample taken in the area returned values greater than the 98th percentile (from a 677-sample set) for gold, silver, lead, zinc and nickel. The Company carried out a small sampling project in November 2014 and followed up in August 2015 with an additional 60-soil sample grid. The Bearcat claims are in good standing until September 5, 2018.

1.5 Results of Operations

The expenses and other items relating to the gain for the period ended February 28, 2018 of \$533,916 and for the loss of the comparative period ended February 28, 2017 of \$184,551 are as follows:

For the period ended	February 28, 2018	February 28, 2017
Accounting and audit fees	\$ (16,206)	\$ (1,973)
Finance revenue (costs)	13,320	(13,578)
Foreign exchange loss	261	(1,483)
Legal and corporate services	(84,900)	(16,510)
Management services	(104,766)	(47,848)
Office, rent and administration	(38,952)	(10,918)
Shareholder communications	(13,970)	(75,081)
Transfer agent and filing fees	(23,526)	(17,160)
Gain on sale of Big Bear and Nechako	726,128	-
Gain on sale of subsidiary	65,537	-
Gain on sale of marketable securities	10,990	-
Total income (loss) for the period	\$ 533,916	\$ (184,551)

During the current period, the Company incurred higher corporate overhead expenses compared to prior period due to increased activity in relation to the sale of the Big Bear and Nechako properties. These expenses include accounting and audit fees which increased by \$14,233 legal and corporate services and management services which increased by \$68,390 and \$56,918 respectively due to the COB Section 1.4.1 *Change of Business to mine of Cryptocurrency*.

Finance revenue includes \$12,370 of interest accrued on the Company's Guaranteed Investment Certificate ("GIC") and \$1,334 related to interest gain on the redeemed reclamation bond. A gain on sale of Big Bear and Nechako projects of \$726,128, a gain on sale of the Mexican subsidiary of \$65,537 and a gain on sale of marketable securities of \$10,990 were recognized.

Investor Relations Activities

During the period ended February 28, 2018, the Company responded directly to investor inquiries.

Financings, Principal Purposes & Milestones

During the period ended February 28, 2018, pursuant to the COB transaction (*see Section 1.4.1 Change of Business to mine of Cryptocurrency*), the Company received subscriptions for 5,100,000 Receipts at \$0.15 for total subscription proceeds of \$765,000.

Subsequent to February 28, 2018 the Company completed its COB and issued 5,100,000 Units at \$0.15 for gross proceeds of \$765,000, pursuant to the non-brokered financing. Each Unit is comprised of one common share and one-half warrant ("Warrant"). Each whole Warrant will entitle the holder thereof to acquire one additional common share of the Company at a price of \$0.25 for a period of 12 months from the date of issuance of the Warrant

Finder's fees were paid in the form of a cash payment of \$41,850 and 278,699 brokers' warrants with the same terms and conditions as the warrants comprising part of the units were issued.

1.5 Summary of Quarterly Results

The following is a summary of the Company's financial results for the most recent eight quarterly periods:

	Q3 <u>28-Feb-18</u>	Q2 <u>30-Nov-17</u>	Q1 <u>31-Aug-17</u>	Q4 <u>31-May-17</u>
Total Revenue:	\$ -	\$ -	\$ -	\$ -
Net Gain (Loss):				
Total	\$ (42,946)	\$ (61,099)	\$ 637,961	\$ (173,473)
Per share – basic and fully diluted gain (loss) – post consolidation	\$ (0.00)	\$ (0.00)	\$ 0.04	\$ (0.02)
	Q3 <u>28-Feb-17</u>	Q2 <u>30-Nov-16</u>	Q1 <u>31-Aug-16</u>	Q4 <u>31-May-16</u>
Total Revenue:	\$ -	\$ -	\$ -	\$ -
Net Loss:				
Total	\$ (44,420)	\$ (91,577)	\$ (48,554)	\$ (90,506)
Per share – basic and fully diluted (loss) – post consolidation	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.02)

Discussion

For the discussion of results for the period ended February 28, 2018, see Section 1.4 *Results of Operations*.

1.6 Liquidity and Capital Resources

In management's view, given the nature of the operations under the COB, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent upon the extent to which it can operate its cryptocurrency mining operations profitably. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine.

As at February 28, 2018, the Company had \$901,756 in cash, short term investments of \$2,212,370 and a working capital of \$3,182,591. The Company has sufficient cash resources to meet its immediate obligations for at least twelve months from the end of the reporting period. While the Company has been successful in obtaining the necessary financing through the issuance of common shares and loans from related parties in the past, if management believes that additional funds are required, there is no assurance it will be able to raise funds in this manner in the future.

Management has estimated that the Company's existing working capital is adequate to meet corporate, development, administrative and property obligations for the coming year.

1.7 Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed or to which the Company is a party.

1.8 Transactions with Related Parties

The following is a summary of charges incurred by the Company with related parties:

For the period ended February 28,	2018	2017
Accounting fees	\$ 4,500	\$ 1,000
Legal fees	500	6,000
Management services	65,000	47,500
Office, rent and administration	9,500	10,000
Shareholder Communication	500	1,000
Total	\$ 80,000	\$ 65,500

During the period ended February 28, 2018, the Company incurred expenses of \$80,000 (February 28, 2017 - \$65,500) from companies controlled by directors and officers of the Company.

Included in accounts payable at February 28, 2018 is \$43,624 (May 31, 2017: \$155,125) due to directors of the Company and to a company controlled by a director. These balances are in respect of management activities and reimbursable expenses.

1.9 Critical Accounting Estimates

See section 1.10.

Digital currency valuation

Digital currencies consist of cryptocurrency denominated assets such as Bitcoin and are considered current assets. Digital currencies are carried at their fair market value determined by an average spot rate of the most liquid digital currency exchanges. The digital currency market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital currencies would have a significant impact on the Company's earnings and financial position.

1.10 Changes in Accounting Policies and upcoming policies not yet effective

Management is in the process of developing accounting policies in respect of the recent COB approval to cryptocurrency mining. While this is a relatively new industry, management will assess industry standards and policies within the IFRS framework and will develop policies, particularly in respect of revenue recognition, inventory of cryptocurrencies and treatment of capital expenditures, among others.

1.11 Third Quarter

The third quarter February 28, 2018 results differ from the previous quarter due to increased activity at the head office and the gain in respect of the sale of all of the Company's interest in the Big Bear and Nechako properties to New Gold, sale of the Company's subsidiary Minera Mexicana and the COB. See Review discussion in Section 1.5 – Results of Operations.

1.12 Financial and Other Instruments

a) Interest Rate Risk

The Company's cash and cash equivalents earns interest at a variable interest rate. Because of the nature of this financial instrument, fluctuations in market rates do not have a significant impact on estimated fair values as of February 28, 2018. Future cash flows from interest income on cash and reclamation deposit will be affected by interest rate fluctuations. Interest rate risk consists of two components:

- (i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (ii) To the extent that changes in prevailing market interest rates differ from the interest rates in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's exposure to interest rate fluctuations is minimal.

b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk with respect to its cash and short term investments, the balance of which at February 28, 2018, are \$901,756 and \$2,212,370 respectively. Cash and GIC are held at a chartered Canadian financial institution, accordingly management believes credit risk is minimal.

c) Liquidity Risk

Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. As at February 28, 2018 the Company was holding cash of \$901,756 and short term investments of \$2,212,370. The Company's trade and other payables are due in the short term. As at February 28, 2018, the Company had a working capital of \$3,182,591 exclusive of assets held for sale. The Company has sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period. *See Section 1.6 - Liquidity and Capital Resources.*

1.13 Proposed Transaction

The Company entered into a binding letter agreement whereby it will engage a third party to host cryptocurrency mining activities on behalf of the Company. *See Section 1.4.1 – Change of business to mine Cryptocurrency.*

1.14 Other

N/A

1.14.1 Disclosure of Outstanding Share Capital as at April 25, 2018:

See Section 1.4.1 – Change of business to mine Cryptocurrency for terms of additional 5,100,000 Subscription Receipts issued at \$0.15, which were converted on April 18, 2018 into Units of the Company, pursuant to completion of the COB. These Units include ½ warrant per Unit exercisable at \$0.25 per whole warrant for a period of 12 months from date of issuance.

The Company also issued 278,699 broker warrants in conjunction with this financing on the same terms as the Unit warrants. The Company also issued 6,000,000 shares pursuant to the assets acquisition and issued 2,000,000 shares pursuant to the acquisition of the intellectual property rights to the “iMining” brand.

The Company also issued 1,000,000 shares upon exercise of warrants by an officer and director of the Company.

	Number	Book Value
Common Shares	29,036,265	\$ 8,189,937

The Company has the following outstanding warrants exercisable to purchase one common share for each warrant held:

Number of Warrants	Exercise Price	Expiry Date
703,889	\$0.20	August 2, 2018
436,278	\$0.20	October 4, 2018
360,000	\$0.20	April 20, 2019
520,000	\$0.30	December 7, 2021
2,828,699	\$0.25	April 17, 2019
4,848,866	\$0.24	

1.14.2 Approval

The Board of Directors, upon the recommendation of the Audit Committee, has approved the disclosure contained in this MD&A.