Form 51-102-F1

IMINING BLOCKCHAIN AND CRYPTOCURRENCY INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended May 31, 2020

Directors and Officers as at September 23, 2020

Directors:

Robert Eadie
Gary Arca
Anders Nilsson
Tanya Lutzke

Officers:

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

Contact Name: Robert Eadie

Contact telephone: 604-602-4935
Contact e-mail: info@imining.com

TSX Venture Exchange Symbol: IMIN-V

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IMINING BLOCKCHAIN AND CRYPTOCURRENCY INC.

MANAGEMENT'S DISCUSSION & ANALYSIS
For the year ended May 31, 2020

1.1 Date of This Report

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements of iMining Blockchain and Cryptocurrency Inc. (the "Company" or "iMining") for the year ended May 31, 2020. 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 September 23, 2020.

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 of cryptocurrencies, 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 statement, except as, and to the extent, required by applicable securities laws. The forward-looking statements contained in this MD&A is expressly qualified by this cautionary statement.

In March 2020 the World Health Organization declared coronavirus **COVID-19** a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

1.2 Recent Activity

The Company completed a non-brokered private placement in August 2020. The Company issued 9,372,000 units at $0.05 per unit for gross proceeds of $468,600. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.10 per share for a period of 2 years.

The Company incurred finders' fees in connection with the non-brokered private placement of $35,088 and issued 350,880 finders' warrants. Each finders' warrant has the same exercise terms as the unit warrants.

1.3 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 1.5.1 *Cryptocurrency Mining* 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 a blockchain and cryptocurrency company *(see also www.sedar.com for the Company's Filing Statement filed on April 6, 2018).*

1.4 Selected Annual Information

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

	May 31, 2020	May 31, 2019	May 31, 2018
(a) Revenues	$ -	$ 304,420	$ 28,526
(b) Total other income (losses)	-	(896,536)	796,485
(c) Total expenses	(153,919)	(337,021)	(534,137)
(d) Net profit/ (loss)	(861,981)	(3,985,447)	192,959
(e) Income (loss) per share – basic and diluted	(0.03)	(0.14)	0.01
(f) Total assets	16,012	806,180	4,718,034
(g) Total long-term liabilities	Nil	Nil	Nil
(h) Cash dividends declared per share	Nil	Nil	Nil

1.5 Results of Operations

Discussion of Acquisitions, Operations and Financial Condition

The following should be read in conjunction with the May 31, 2020 audited financial statements of the Company and notes attached thereto.

1.5.1 Cryptocurrency Mining

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

Pursuant to the Agreement, the Company acquired 500 S9 Antminer mining rigs at a cost of US$2,000,000 and engaged a company (the "Provider") to set-up, host and operate the cryptocurrency mining activities.

The Provider received (i) 6,000,000 shares of the Company (the "Payment Shares"), and (ii) 10% of all net profits generated by the mining activities. The Company was responsible for all operating costs, expected to be at an all-in cost of US$0.10 per kilowatt hour used.

The above transactions constituted a Change of Business ("COB") for the Company, as such term is defined in Exchange policies, in that the Company is 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 COB pursuant to completing a Filing Statement on April 6, 2018 (www.sedar.com).

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 $610,000, subsequently paid as to $250,000 in cash and 2,000,000 shares of the Company at a fair value of $0.18 per share. The Company changed its name to reflect the change in business focus accordingly.

The Company commenced operations of this business in May 2018 and, as a result, realized revenue from the production of Bitcoins commencing May 24, 2018. In October 2018, management determined that, due to the declining market prices of the Bitcoin cryptocurrency, operations were suspended until such time as the market price of Bitcoins improved. The suspension was made with the support of the hosting company. By February 2019, management determined that, due to the fact that the data centre equipment had been dormant since the second quarter, this equipment had no value as cryptocurrency mining rigs. As a result, the value of this equipment was written down to $1 and the write off of $826,970 plus the prepaid deposits on the contract of $72,109 were written off for a total write down loss of $899,079, which was recorded in profit or loss for the year ended May 31, 2019.

During the current year ending May 31, 2020, management determined that, as operations had not re-commenced for over 18 months, the intellectual property would be written down to $1 and $609,999 expensed to profit or loss.

Future Farm Letter of Intent

The Company signed a non-binding Letter of Intent ("LOI") with Future Farm Developments Ltd., ("Future Farm") for iMining to acquire all of Future Farm's interests in its crypto-mining facility near Merritt, British Columbia. Subsequently, the Company and Future Farm have mutually agreed to terminate the LOI and, in accordance with the terms of the LOI, the initial payment of US$75,000 to Future Farm is refundable. The Company is pursuing the repayment of this deposit; however, as repayment has not occurred and cannot be assured, the Company has recognized an allowance against the full amount until payment is collected.

1.6 <u>Results of Operations</u>

The expenses relating to the loss for the year ending May 31, 2020 of $861,981 and for the loss for the comparative year ended May 31, 2019 of $3,985,447 are as follows:

For the year ended May 31,		**2020**		2019		Variance
Revenue	**$**	**-**	$	304,420	$	(304,420)
Operating and maintenance cost		**-**		(291,312)		291,312
Depreciation		**-**		(2,706,450)		2,706,450
Gross Loss		**-**		(2,693,342)		2,693,342
Revaluation of digital currencies loss		**-**		(58,548)		58,548
Expenses:						
Accounting and audit fees		**(24,708)**		(15,300)		(9,408)
Foreign exchange gain (loss)		**(2,888)**		7,933		(10,821)
Legal and corporate services		**(18,181)**		(22,389)		4,208
Finance cost		**(629)**		(274)		(355)
Management services		**(64,157)**		(69,069)		4,912
Consulting fees		**(1,124)**		(31,500)		30,376
Office, rent and administration		**(19,977)**		(131,360)		111,383
Shareholder communications		**(4,382)**		(67,054)		62,672
Transfer agent and filing fees		**(17,873)**		(8,008)		(9,865)
Total Expenses		**(153,919)**		(337,021)		183,102
Other gains/ (loss):						
Write off data centre equipment		-		(899,079)		899,079
Income tax credit		-		2,543		(2,543)
Write off advance		(98,063)		-		(98,063)
Write off intangible asset		(609,999)		-		(609,999)
Total other loss		(708,062)		(896,536)		188,474
Net loss for the year	**$**	**(861,981)**	$	(3,985,447)	$	3,123,466

The Company commenced operations of its Cryptocurrency Mining business in May 2018 and, as a result, realized revenue from the production of Bitcoins commencing May 24, 2018 until October 2018 when operations were suspended and the final inventoried Bitcoins were sold in April, 2019.

During the current year, the Company incurred lower corporate overhead expenses, compared to the comparative year, largely due to reduced operations upon suspension of the cryptocurrency mining rigs in October, 2018, resulting in no revenues and cost of sales for cryptocurrency mining in the current year. The cryptocurrency equipment was completely depreciated or written off in the prior year ended May 31, 2019 and therefore there are no related expenses for this in the current year. Of the remaining expenses, the most significant decrease was in Office, rent and administration as the Company had sublet the lease on the head office, which was subsequently terminated as of February 29, 2020. Additional reductions in Consulting fees and shareholder communications were as a result of ceasing operations in the prior year.

Investor Relations Activities

During the year ended May 31, 2020, the Company responded directly to investor inquiries.

1.7 Summary of Quarterly Results

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

	Q4 31-May-20	Q3 29-Feb-20	Q2 30-Nov-19	Q1 31-Aug-19
Total Revenue:	$ -	$ -	$ -	$ -
Net Loss:				
Total	$ (739,706)	$ (30,948)	$ (46,333)	$ (44,994)
Per share – basic and fully diluted	$ (0.03)	$ (0.00)	$ (0.00)	$ (0.00)

	Q4 31-May-19	Q3 28-Feb-19	Q2 30-Nov-18	Q1 31-Aug-18
Total Revenue:	$ -	$ -	$ 56,043	$ 248,377
Net Gain (Loss):				
Total	$ 1,336	$ (1,877,566)	$ (1,004,003)	$ (1,105,214)
Per share – basic and fully diluted	$ 0.00	$ (0.06)	$ (0.03)	$ (0.01)

Discussion

For the discussion of results for the period ended May 31, 2020, see Section 1.4 *Results of Operations.*

1.8 Liquidity and Capital Resources

In management's view, given the nature of the operations, 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 re-start its cryptocurrency mining operations. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine.

As at May 31, 2020, the Company had $1,217 in cash and a working capital deficit of $254,097. 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.

The Company did complete a non-brokered private placement in August 2020. The Company issued 9,372,000 units at $0.05 per unit for gross proceeds of $468,600. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.10 per share for a period of 2 years. These funds may be adequate to meet the Company's needs for the coming year.

1.9 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.

1.10 Transactions with Related Parties

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

For the year ended May 31,		**2020**		2019
Accounting fees	$	**10,500**	$	**6,000**
Management services		**60,000**		**60,000**
Office, rent and administration		**12,000**		**14,000**
Shareholder Communication		**-**		**2,000**
Total	$	**82,500**	$	**82,000**

During the year ended May 31, 2020, the Company incurred expenses of $82,500 (May 31, 2019 - $82,000) from directors and from companies controlled by directors and officers of the Company.

Key management personnel compensation

During the year ended May 31, 2020, the Company incurred $60,000 (2019 - $60,000) for compensation to key management personnel which includes the Company's directors, officers and a former director.

Included in accounts payable at May 31, 2020 is $219,671 (2019 - $125,750) 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

1.11 Critical Accounting Estimates

Classification and valuation of digital currencies

The Company's determination to classify its holding of digital currencies as current assets is based on management's assessment that its digital currencies held can be considered to be commodities, the availability of liquid markets to which the Company may sell a portion of its holdings and that the Company is actively selling its digital currencies in the near future to generate a profit from price fluctuations.

The digital currency market is a new market and is highly volatile; historical prices are not necessarily indicative of future value and a significant change in the market prices would have a significant impact on the carrying value of digital assets and on the Company's earnings and financial position.

Revenue recognition

There is currently no specific definitive guidance in IFRS or alternative accounting frameworks for the accounting for the mining and strategic selling of digital currencies and management has exercised significant judgement in determining appropriate accounting treatment for the recognition of revenue for mining of digital currencies. Management has examined various factors surrounding the substance of the Company's operations, including the stage of completion being the completion and addition of a block to a blockchain and the reliability of the measurement of the digital currency received. When the IASB enacts guidance for cryptocurrencies, the Company may be required to changes its policies which could result in a significant impact to the Company's financial statements.

1.12 Changes in Accounting Policies and upcoming policies not yet effective

The following standard was adopted by the Company effective June 1, 2019 but had no material impact on these financial statements:

IFRS 16 – Leases ("IFRS 16") IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation and disclosure of leases, including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as was required by IAS 17 – Leases and, instead, introduces a single lessee accounting model.

The following accounting standards have been issued or amended but are not yet effective. The Company has not early adopted these new and amended standards. The Company continues to evaluate the new standards but currently no material impact is expected as a result of the adoptions of these new and amended standards:

- IAS 1 "Presentation of Financial Statements"
- IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"
- IAS 16 "Property, Plant and Equipment"

1.13 Fourth Quarter

The fourth quarter May 31, 2020 results differ significantly from the previous quarter due to the write down of $609,999 for the intangible asset and an allowance against an advance for $98,063. See Review discussion in Section 1.6 – *Results of Operations* and Section 1.5.1 – *Cryptocurrency Mining.*

1.14 Financial and Other Instruments

a) Interest Rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's financial instruments 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 financial instruments, the Company is exposed to interest rate price risk. The Company's exposure to interest rate fluctuations is minimal.

The Company's cash 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 May 31, 2020. Future cash flows from interest income on cash will be affected by interest rate fluctuations.

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, the balance of which at May 31, 2020 is $1,217 and advance to Future Farm. Cash is held at a chartered Canadian financial institution, and the Company has recognised an allowance against the full amount of the Future Farm advance, 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 May 31, 2020 the Company was holding cash of $1,217. The Company's trade and other payables are due in the short term. As at May 31, 2020, the Company had a working capital deficit of $254,097. The Company may not have sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting year. The Company did complete a financing subsequent to year end (see *1.2 Recent Activity*)

1.15 Disclosure of Outstanding Share Capital as at September 23, 2020:

	Number	Book Value
Common Shares	38,458,265	$ 8,703,401

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

Number of Warrants	Exercise Price	Expiry Date
520,000	$0.30	December 7, 2021
4,686,000	$0.10	August 17, 2022
350,880	$0.10	August 17, 2022

During the year ended May 31, 2020, 382,700 warrants expired unexercised.

1.16 Approval

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