

IMINING BLOCKCHAIN AND CRYPTOCURRENCY INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the period ended August 31, 2020

Directors and Officers as at October 29, 2020

Directors:

Gary Arca
Anders Nilsson
Tanya Lutzke

Officers:

Interim President, CFO & Corporate Secretary – Gary Arca

Contact Name:	Gary Arca
Contact telephone:	778-996-7195
Contact e-mail:	info@imining.com

TSX Venture Exchange Symbol:	IMIN-V
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MANAGEMENT'S DISCUSSION & ANALYSIS

For the period ended August 31, 2020

1.1 Date of This Report

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim financial statements of iMining Blockchain and Cryptocurrency Inc. (the "Company" or "iMining") for the period ended August 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 October 29, 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, have 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**

RooGold Letter of Intent

The Company entered into a Letter of Intent (“LOI”) dated October 12, 2020 with RooGold Limited of Vaduz, Liechtenstein (“RooGold”) to acquire RooGold’s interest in four silver and five gold properties held by RooGold in New South Wales, Australia (the “Properties”). The Properties are comprised of five gold-focused and four silver- focused concessions covering 787 km² in New South Wales, Australia’s second largest gold producing state. iMining will commission a NI 43-101 technical report on the Properties once a definitive agreement has been concluded.

Pursuant to the LOI, the Company will undergo a share consolidation of one new share for each four shares currently outstanding. Pursuant to this share consolidation, iMining will acquire RooGold’s interest in the Properties, subject to finalizing a definitive agreement. In consideration of the proposed acquisition, iMining will pay RooGold a refundable deposit of \$150,000 and issue 20,000,000 post-consolidated common shares to RooGold. iMining will also be required to raise \$5,000,000 through the issuance of 20,000,000 post-consolidated shares at \$0.25 a share.

The above transactions will constitute a change of business for iMining, as such term is defined in TSX Venture Exchange policies. Consequently:

- (a) the Company has halted trading of its common shares; and trading will remain halted until the transactions have closed;
- (b) closing of the transactions (including issuance of shares to RooGold) is subject to the approval of the TSX Venture Exchange (“TSXV”);
- (c) closing of the transactions is also subject to the approval of the Company’s shareholders. In this regard, iMining anticipates it will obtain such approval by way of consent resolution; and
- (d) iMining will prepare and file a TSXV Filing Statement, in the prescribed form.

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 August 31, 2020 unaudited financial statements of the Company and notes attached thereto.

1.5.1 **Cryptocurrency Mining**

During the year ended May 31, 2018, the Company acquired 500 S9 Antminer rigs (the ‘Rigs’) at a cost of US\$2,000,000 and engaged a Provider to set-up, host and operate the cryptocurrency mining activities. The Company was responsible for operating costs of approximately US\$55,000 per month offset by the value of cryptocurrency mined, for 24 months to May 2020. During the year ended May 31, 2019, the Company suspended operation of its Rigs due to the market downturn in cryptocurrency values and, subsequently, the Rigs were determined to have no economic value and were written down to \$1. The payments were suspended during the year ended May 31, 2019 and the term of the agreement lapsed as at May 31, 2020. The Company subsequently abandoned the Rigs in the period ended August 31, 2020 and, as a result, believes there are no further commitments owing by the Company.

1.6 **Results of Operations**

The expenses relating to the loss for the period ending August 31, 2020 of \$36,504 and for the loss for the comparative period ended August 31, 2019 of \$44,994 are as follows:

For the three months ended August 31,	2020	2019	Variance
<i>Expenses:</i>			
Accounting and audit fees	(1,500)	(1,500)	-
Foreign exchange gain (loss)	(47)	(871)	824
Legal and corporate services	(5,130)	(8,769)	3,639
Finance cost	(155)	(125)	(30)
Management services	(15,266)	(18,167)	2,901
Consulting fees	(765)	(1,124)	359
Office, rent and administration	(3,655)	(8,670)	5,015
Shareholder communications	(5,363)	(667)	(4,696)
Transfer agent and filing fees	(4,623)	(5,101)	478
Total Expenses	(36,504)	(44,994)	8,490
Net loss for the period	\$ (36,504)	\$ (44,994)	\$ 8,490

During the current period, the Company incurred lower corporate overhead expenses, compared to the comparative period. The most significant decrease was in Office, rent and administration and Legal fees, due to mining operations having been ceased since the year ending May 31, 2019.

Financings, Principal Purposes & Milestones

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 (“unit 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. The Company paid \$35,088 and issued 350,880 finders’ warrants, which were valued at \$10,697 using the Black Scholes model. Finders’ warrants have the same exercise terms as the unit warrants.

Investor Relations Activities

During the period ended August 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:

	Q1 <u>31-Aug-20</u>	Q4 <u>31-May-20</u>	Q3 <u>29-Feb-20</u>	Q2 <u>30-Nov-19</u>
Total Revenue:	\$ -	\$ -	\$ -	\$ -
Net Loss:				
Total	\$ (36,504)	\$ (739,706)	\$ (30,948)	\$ (46,333)
Per share – basic and fully diluted	\$ (0.00)	\$ (0.03)	\$ (0.00)	\$ (0.00)

	Q1 <u>31-Aug-19</u>	Q4 <u>31-May-19</u>	Q3 <u>28-Feb-19</u>	Q2 <u>30-Nov-18</u>
Total Revenue:	\$ -	\$ -	\$ -	\$ 56,043
Net Gain (Loss):				
Total	\$ (44,994)	\$ 1,336	\$ (1,877,566)	\$ (1,004,003)
Per share – basic and fully diluted	\$ (0.00)	\$ 0.00	\$ (0.06)	\$ (0.03)

Discussion

For the discussion of results for the period ended August 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 start its natural resource mining operations. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine.

As at August 31, 2020, the Company had \$352,118 in cash and a working capital of \$143,464. 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.

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:

<u>For the period ended August 31,</u>	<u>2020</u>	<u>2019</u>
Accounting fees	\$ 1,500	\$ 1,500
Management services	15,000	15,000
Office, rent and administration	3,000	3,000
Total	\$ 19,500	\$ 19,500

During the period ended August 31, 2020, the Company incurred expenses of \$19,500 (2019 - \$19,500) from companies controlled by officers of the Company.

Included in accounts payable at August 31, 2020 is \$222,553 (2019 - \$147,350) due to officers of the Company and to a company controlled by an officer. These balances are in respect of management activities and reimbursable expenses.

1.11 Changes in Accounting Policies and upcoming policies not yet effective

The Company continues to evaluate new and amended standards but currently no material impact is expected as a result of adoptions of new and amended standards.

1.12 First Quarter

The first quarter August 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 in the previous quarter. See Review discussion in Section 1.6 – Results of Operations and Section 1.5.1 – Cryptocurrency Mining.

1.13 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 August 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 August 31, 2020 is \$352,118 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 August 31, 2020 the Company was holding cash of \$352,118. The Company's trade and other payables are due in the short term. As at August 31, 2020, the Company had a working capital of \$143,464. The Company may not have sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting year.

1.14 Disclosure of Outstanding Share Capital as at October 29, 2020:

	Number	Book Value
Common Shares	38,458,265	\$ 8,622,428

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

<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
520,000	\$0.30	December 7, 2021
4,736,880	\$0.10	August 17, 2022
300,000	\$0.10	August 20, 2022
5,556,880		

1.15 Approval

The Board of Directors has approved the disclosure contained in this MD&A.