Form 51-102-F1

IMINING BLOCKCHAIN AND CRYPTOCURRENCY INC.

(Formerly Parlane Resource Corp.)

MANAGEMENT'S DISCUSSION & ANALYSIS
For the year ended May 31, 2018

Directors and Officers as at September 27, 2018

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

Form 51-102-F1

IMINING BLOCKCHAIN AND CRYPTOCURRENCY INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended May 31, 2018

1.1 Date of This Report

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the consolidated financial statements of iMining Blockchain and Cryptocurrency Inc. (Formerly Parlane Resource Corp.) (the "Company" or "iMining") for the years ended May 31, 2018 and 2017. 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 27, 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 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.

1.2 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)*.

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, 2018	May 31, 2017	May 31, 2016
(a) Revenues	$ 28,526	$ -	$ -
(b) Total other income (losses)	796,485	9,001	(80,300)
(c) Total expenses	(534,137)	(363,228)	(101,746)
(d) Net profit/ (loss)	192,959	(354,227)	(182,046)
(e) Income (loss) per share			
– basic and diluted	0.01	(0.03)	(0.02)
(f) Total assets	4,718,034	2,222,468	1,676,174
(g) Total long-term liabilities	Nil	Nil	80,064
(h) 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 May 31, 2018 audited consolidated financial statements of the Company and notes attached thereto.

1.4.1 Change of business to mining of 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 is responsible for all operating costs, expected 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 issued to the Provider are subject to resale restrictions such that 25% (1,500,000) of the Payment Shares are restricted for four months, 25% are restricted for six months, 25% are restricted for 12 months, and 25% are 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 is now 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 $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 was converted 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 $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.

1.4.2 Property Activity

Big Bear Project

During the year ended May 31, 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 $723,015 is reported in profit or loss.

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 if Nazko and 90 kilometres southeast of the Big Bear. Due to the change in the Company's business as outlined above under section 1.4.1, the claims were allowed to expire on September 5, 2018 and the costs of $3,057 related to this property were written off..

1.5 Results of Operations

The expenses and other items relating to the net income for the year ended May 31, 2018 of $192,959 and for the loss of the comparative year ended May 31, 2017 of $354,227 are as follows:

For the year ended May 31,	**2018**	2017	Variance
Revenue	**$ 28,526**	$ -	$ 28,526
Operating and maintenance cost	**(23,332)**	-	(23,332)
Depreciation	**(75,179)**	-	(75,179)
Gross Profit	**(69,985)**	-	(69,985)
Revaluation of digital currencies gain (loss)	**596**	-	596
Expenses:			
Accounting and audit fees	**(39,234)**	(12,283)	(26,951)
Foreign exchange gain (loss)	**20,904**	(1,576)	22,480
Legal and corporate services	**(186,546)**	(32,420)	(154,126)
Finance revenue (costs)	**20,318**	(21,353)	41,671
Management services	**(127,137)**	(62,848)	(64,289)
Consulting fees	**-**	(120,000)	120,000
Office, rent and administration	**(116,658)**	(9,918)	(106,740)
Shareholder communications	**(58,983)**	(83,511)	24,528
Transfer agent and filing fees	**(46,801)**	(19,319)	(27,482)
Total Expenses	**(534,137)**	(363,228)	(170,909)
Other gains/ (loss):			
Gain on sale of Big Bear and Nechako	**723,015**	-	723,015
Gain on settlement of convertible debenture	**-**	9,001	(9,001)
Gain on sale of subsidiary	**65,537**	-	65,537
Gain on sale of marketable securities	**10,990**	-	10,990
Write-off mineral properties	**(3,057)**	-	(3,057)
Total other gains	**796,485**	9,001	787,484
Net income (loss) for the year	**$ 192,959**	$ (354,227)	$ 547,186

In January 2018, the Company entered into an agreement to acquire cryptocurrency mining assets (see Section 1.4.1 *Change of Business to mine of Cryptocurrency)("COB")* which was completed in May, 2018. 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. The operations above record the production from the cryptocurrency mining operations as revenue of $28,526 offset by the cash costs of production of $23,332 and depreciation of the cryptocurrency mining assets of $75,179. The inventory of Bitcoins that were unsold were revalued at fair market value as at May 31, 2018 to record a further gain of $596.

During the current year, the Company incurred higher corporate overhead expenses compared to prior year due to increased activity in relation to the sale of the Big Bear and Nechako properties. In addition, in January 2018, the Company entered into an agreement to acquire cryptocurrency mining assets and incurred costs associated with the agreements relating to the COB and additional regulatory fees, accordingly. These expense increases include accounting and audit fees which increased by $26,951, legal and corporate services which increased by $154,126, management services which increased by $64,289, office, rent and administration which increased by $106,740 and transfer agent and filing fees which increased by $27,482 due to the above events. Consulting fees of $120,000 in the prior period related to the marketing and sale of the Nechako and Big Bear properties.

The Company also realized finance revenue of $21,740 related to the interest on the redeemed Guaranteed Investment Certificate ("GIC") held from the $2,500,000 in proceeds from the sale of the Big Bear and Nechako project. In addition to the gain realized on the sale of the Big Bear and Nechako project of $723,015, a gain was realized on the sale of the Mexican subsidiary of $65,537 and on the sale of marketable securities of $10,990.

Investor Relations Activities

During the year ended May 31, 2018, the Company responded directly to investor inquiries.

Financings, Principal Purposes & Milestones

During the year ended May 31, 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.

During the year ended May 31, 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 and $2.5 million cash was received.

1.6 **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-18	Q3 28-Feb-18	Q2 30-Nov-17	Q1 31-Aug-17
Total Revenue:	$ 28,526	$ -	$ -	$ -
Net Gain (Loss):				
Total	$ (340,957)	$ (42,946)	$ (61,099)	$ 637,961
Per share – basic and fully diluted gain (loss) – post consolidation	$ (0.03)	$ (0.00)	$ (0.00)	$ 0.04

		Q4 31-May-17		Q3 28-Feb-17		Q2 30-Nov-16		Q1 31-Aug-16
Total Revenue:	$	-	$	-	$	-	$	-
Net Loss:								
Total	$	(173,473)	$	(44,420)	$	(92,043)	$	(44,291)
Per share – basic and fully diluted (loss) – post consolidation	$	(0.02)	$	(0.00)	$	(0.00)	$	(0.00)

Discussion

For the discussion of results for the year ended May 31, 2018, see Section 1.4 *Results of Operations.*

1.7 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 May 31, 2018, the Company had $124,774 in cash and a working capital of $447,893. 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.

1.8 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.

1.9 Transactions with Related Parties

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

For the year ended May 31,		**2018**		2017
Accounting fees	**$**	**6,000**	$	2,500
Legal fees		**500**		6,500
Management services		**80,000**		62,500
Office, rent and administration		**12,500**		9,000
Shareholder Communication		**500**		5,000
Total	**$**	**99,500**	$	85,500

During the year ended May 31, 2018, the Company incurred expenses of $99,500 (May 31, 2017 - $85,500) from companies controlled by directors and officers of the Company.

Included in accounts payable at May 31, 2018 is $56,375 (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.

1.10 Critical Accounting Estimates

Functional Currency

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.

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.

Depreciation

Depreciation of computing equipment is an estimate of its expected life. In order to determine the useful life of computing equipment, assumptions are required about a range of computing industry market and economic factors, including required hashrates, technological changes, availability of hardware and other inputs, and production costs. The Company depreciates the cost of data equipment over its estimated useful life of one year, using the straight line method.

1.11 Changes in Accounting Policies and upcoming policies not yet effective

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:

- IFRS 9 – Financial Instruments – effective for annual periods beginning on or after January 1, 2018.
- IFRS 16 – Leases – effective for annual periods beginning on or after January 1, 2019.

The Company has early adopted the following accounting standard:

- IFRS 15 – Revenue from contracts with customers – effective for annual periods beginning on or after January 1, 2018. The adoption of IFRS 15 did not have any impact on the Company's financial statements as there were no previous revenue contracts with customers.

There are no other standards or interpretations that are not yet effective that would be expected to have a material impact on the Company.

1.12 <u>Fourth Quarter</u>

The fourth quarter May 31, 2018 results differ from the previous quarter due to the COB to mining cryptocurrencies. See Review discussion in Section 1.5 – *Results of Operations* and Section 1.4.1 - *Change of Business to mine of Cryptocurrency.*

1.13 <u>Financial and Other Instruments</u>

a) <u>Interest Rate Risk</u>

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, 2018. Future cash flows from interest income on cash 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) <u>Credit Risk</u>

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, 2018 is $124,774 and amounts receivable balance of $116,485 with $76,995 relating to the remaining balance regarding sale of Minera Mexicana. Cash is held at a chartered Canadian financial institution, and there is a sale agreement in relation to the sale of Minera Mexicana signed by both parties, therefore 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, 2018 the Company was holding cash of $124,774. The Company's trade and other payables are due in the short term. As at May 31, 2018, the Company had a working capital of $447,893. The Company has 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 September 27, 2018:

	Number	Book Value
Common Shares	29,086,265	$ 8,199,713

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

Number of Warrants	Exercise Price	Expiry Date
53,578	$0.20	October 4, 2018
382,700	$0.20	October 4, 2019
360,000	$0.20	April 20, 2019
520,000	$0.30	December 7, 2021
2,828,699	$0.25	April 17, 2019
4,144,977	$0.25	

On September 13, 2018 the Company extended the expiry of 382,700 warrants due to expire October 4, 2018, to October 4, 2019.

1.15 Approval

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