SKYCHAIN TECHNOLOGIES INC.
Management Discussion and Analysis
For the Year Ended March 31, 2020

This management discussion and analysis of the financial position and results of operation ("MD&A") for Skychain Technologies Inc. (formerly Green Valley Mine Incorporated) ("Skychain" or the "Company") is prepared as at July 29, 2020 and is intended to assist in the understanding and assessment of trends and significant changes in the results of operations and financial condition of the Company. As such, it should be read in conjunction with the audited consolidated financial statements as at March 31, 2020 and for the year then ended which were prepared in accordance with the International Financial Reporting Standards ("IFRS").

All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made.

FORWARD-LOOKING STATEMENT

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to internet and social media industry (see section "Business Risks" herein) Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, that the Company can access financing, appropriate equipment and sufficient labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements.

DESCRIPTON OF BUSINESS

Skychain Technologies Inc. ('Skychain" or the "Company") was incorporated in British Columbia and is a public company listed on the TSX Venture Exchange. The Company's registered office and principal business address is 415 – 1112 West Pender Street, BC.

On September 18, 2018, the Company completed the acquisition of MiningSky Technology Ltd. ("MiningSky") and the change of business process. MiningSky was incorporated under the Business Corporations Act (British Columbia) on November 10, 2017. On March 7, 2018 MiningSky incorporated a wholly-owned subsidiary MiningSky USA, Inc. ("MiningSky USA") in Washington, United States. MiningSky was involved in the business of providing services to cryptominers all-in-one solution by offering warehouse space, low-cost electricity, and maintenance and hosting services. The Company also markets and sells its MiningSky 8-GPU Mining Rig ("M8 Rig"), a GPU-based miner to mine Ethereum ("ETH") and other cryptocurrencies.

The Company began trading as a Tier 2 Technology Issuer on the TSX Venture exchange on September 25, 2018.

The Company currently has the following projects:

Houston, British Columbia

In March of 2018, MiningSky entered into a lease agreement (the “West Point Rail Lease”) with the West Point Rail and Timber Co. Ltd. to lease a portion of land, building and office space at West Point Rail’s Houston, B.C. property (the “Houston Facility”). The Houston Facility started operating commercially in May 2018 and generate about $150,000 revenue per month.

With respect to the Houston Facility, The Company has currently entered into hosting service agreements with several customers. The Company requires customers pay a deposit (the “Deposit”) upon signing a hosting services agreement. Customers are charged a hosting fee per MW of power provided. The amount of the Deposit is equal to at least two month’s hosting fees. The Deposit will be applied to the first month’s hosting service fee and to the final month’s hosting fee. Any amount remaining will be returned to the customer at the end of the hosting service term.

BUSINESS ACQUISITION

Acquisition of MiningSky and change of business

On September 18, 2018, both the SPA and the SEA transactions were completed and MiningSky became a wholly-owned subsidiary of the Company.

In total, as consideration for acquiring 100% interest in MiningSky, the Company paid $20,000 in cash to acquire the 1 voting shares and issued 4,181,132 common shares of the Company to the members of MiningSky to exchange for the non-voting shares on a 1:1 base. The fair value of the shares issued is assumed to be $0.35 per share ($1.73 per share post-consolidation), for total consideration of $1,442,490.

BUSINESS UPDATE

In December 2019, closed a non-brokered private placement by issuing 1,992,000 share units of the Company at $0.05 per unit for $99,600, of which $8,000 was received subsequent to year end in May 2020. Each unit consists of one common share and one common share purchase warrant (the "Warrant"), with each Warrant entitling the holder thereof to purchase one common share of the Company at an exercise price of $0.06 per share for a period of 6 months.

In December 2019, closed a non-brokered private placement by issuing 2,040,000 share units of the Company at $0.10 per unit for $204,000. Each unit consists of one common share and one common share purchase warrant (the "Warrant"), with each Warrant entitling the holder thereof to purchase one common share of the Company at an exercise price of $0.20 per share for a period of 12 months. A promissory note for $141,000 was issued to one of the places which is convertible at $.10 per share and bears interest of 3.5%.

In December 2019, issued 236,250 shares to settle accounts payable of $23,625, and 1,294,560 shares to settle due to related parties of $129,456.

On August 7, 2019, the Company appointed Tang Tang to the Board of Directors and Mr. Donald Gordon as Chief Financial Officer. Mr. James Haft resigned from the Board of Directors.

On April 18, 2019, the Company appointed Mr. Chris Chen to the Board of Directors.

On February 21, 2019, the Company consolidated its shares on a basis of one (1) post consolidated share for five (5) pre consolidated shares. After share consolidation, the Company has 6,390,197 common shares issued and outstanding. In these consolidated financial statements, reference to common shares and per share amounts has been retroactively restated.

SELECTED ANNUAL FINANCIAL DATA

The following selected financial information is taken from the audited Financial Statements and should be read in conjunction with those statements.

	March 31, 2020 $	March 31, 2019 $	March 31, 2018 $
Operations:			
Revenue	2,746,936	976,618	Nil
Net Income (Loss)	(1,341,997)	(3,401,125)*	(14,877)
Basic and Income (loss) per share	(0.17)	(0.65)	(0.00)
Balance Sheet:			
Working Capital (deficiency)	(1,330,322)	(896,475)	1,398,913
Total Assets	1,740,603	1,911,276	1,612,387
Total long-term liabilities	187,483	106,991	-

* On September 18, 2018, the Company completed the acquisition of MiningSky. The loss for the year ended March 31, 2019 included MiningSky's net loss from September 19, 2018 to March 31, 2019 and the impairment of goodwill of $2,038,738 as of March 31, 2019.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes unaudited selected financial information for each of the last eight quarters ended March 31, 2020, all in accordance with IFRS.

	Three Months Ended March 31, 2020	Three Months Ended December 31, 2019	Three Months Ended September 30, 2019	Three Months Ended June 30, 2019
Total assets	$ 1,740,603	$ 2,333,707	$ 2,276,096	$ 2,580,838
Working capital (deficiency)	(1,330,322)	(585,364)	(668,725)	(714,710)
Shareholders' equity (deficiency)	(238,768)	350,765	468,526	651,713
Net Income (loss)	(598,734)	(255,348)	(181,324)	(306,591)
Earnings (loss) per share	(0.05)	(0.04)	(0.03)	(0.05)

	Three Months Ended March 31, 2019**	Three Months Ended December 31, 2018	Three Months Ended September 30, 2018*	Three Months Ended June 30, 2018
Total assets	$ 1,911,276	$ 4,176,217	$ 4,811,227	$ 1,526,759
Working capital (deficiency)	(896,475)	(427,753)	364,744	1,460,953
Goodwill	-	1,851,483	1,851,483	
Shareholders' equity (deficiency)	621,604	2,867,556	3,506,214	1,495,953
Net Income (Loss)	(2,430,902)	(637,936)	(260,981)	(71,306)
Earnings (loss) per share	(0.47)	(0.12)	(0.05)	(0.01)

* The Company completed the acquisition of MiningSky on September 18, 2018 and became a Tier 2 technology issuer.

** The Company wrote off $2,038,738 of goodwill during the three months ended March 31, 2019.

RESULTS OF OPERATION

The Company completed its acquisition of MiningSky and the change of business process on September 18, 2018. The Company was in the junior exploration industry, and currently is a Tier 2 technology issuer. The Company obtained the control of MiningSky as of September 18, 2018; therefore, the Company's consolidated statement of loss and comprehensive loss for the year ended March 31, 2019 included MiningSky's revenue, costs and expenses from September 19, 2018 to March 31, 2019. The operation results for the year ended March 31, 2020 and 2019 are therefore not comparable.

For the year ended March 31, 2020.

During the year ended March 31, 2020, the Company incurred losses of $1,341,997 (2019 - $3,401,125). The losses are mainly comprised of the following items:

- The Company generated hosting service revenue of $2,580,164 (2019 - $976,618) and incurred operating cost of $2,530,756 (2019 - $994,801) and $793,629 (2019 - $281,795) of amortization costs related to equipment, containers, transformers and leasehold improvement at Houston site;
- The Company also generated revenue from the sales of goods of $161,772 (2019 - $Nil) and consulting income of $5,000 (2019 - $Nil). The costs of the goods sold is $85,497 (2019 - $Nil);
- Accounting fees of $96,478 (2019 - $87,777) included $27,952 (2019 - $Nil) paid to a company controlled by the current CFO and $Nil (2019 - $39,700) paid to a company controlled by the former CFO, and the remaining are audit and tax preparation fees;
- The Company recorded $43,541 (2019 - $Nil) of accretion and interest on loans and lease liabilities due to change of accounting policy on lease starting April 1, 2019;
- Consulting fee in the comparative year ended March 31, 2019 was $174,218 included $75,904 related to site investigation and machine and equipment research and testing, and a service contract of $100,000 which is currently in dispute. The Company believes that the service contract is not completed according to what was agreed and is currently engaging a lawyer to deal with the claim brought up by the party;
- Legal fees of $98,787 (2019 - $109,979) was mainly related to the corporate matters of the Company and also litigation costs;
- Marketing and corporate communication fees of $3,509 (2019 - $77,873) included $Nil (2019 - $58,796) to a company controlled by a former director for preparation of website, news release and other investor relationship work;
- Office and miscellaneous of $46,633 (2019 - 68,270) was for office telephone, internet, supplies, meals & entertainment, and etc.;
- Rent expenses in the comparative year ended March 31, 2019 was $192,805 included $120,000 for settling an office lease dispute and two Vancouver office leases. The Company changed its accounting policy for long term lease agreements starting April 1, 2019, and as a result, the Company recorded $Nil in rent expenses, but instead $59,757 of amortization of right-of-use-assets;
- Salary and benefits of $223,059 (2019 - $262,254) is paid to MiningSky employees located in the Vancouver office including $72,000 (2019 - $51,000) to the CEO;
- Registration and filing fee of $5,770 (2019 - $42,744) was much higher in the prior comparative year ended March 31, 2019 due to costs incurred from the acquisition of MiningSky;
- Transfer agent fee of $11,406 (2019 - $14,909) is moderately lower and expected to continue lower after a change in Transfer Agent;
- Travel expenses of $25,041 (2019 - $25,405) are mainly for trips between Vancouver and Houston site and MiningSky USA, and trips to investigate new potential sites; and
- During the comparative year ended March 31, 2019, the Company recorded an impairment of $2,038,738 on goodwill resulted from the acquisition of Miningsky.

For the three months ended March 31, 2020 and 2019.

During the three months ended March 31, 2020, the Company incurred losses of $598,734 (2019 –$2,430,902). The much larger loss the in the comparative three months ended March 31, 2019 is a result of impairment of goodwill of $2,038,738. The losses are mainly comprised of the following items:

- The Company generated hosting service revenue of $1,090,368 (2019 - $468,979) and incurred operating cost of $1,100,346 (2019 - $495,330) and $265,890 (2019 - $161,060) of amortization related to equipment, containers, transformers and leasehold improvement at Houston site;
- Accounting fees of $67,176 (2019 - $39,065) included $35,000 (2019 - $25,000) accrued for year-end audit;
- Legal fees of $59,567 (2019 - $7,847) increased significantly due to litigation costs;
- Rent expenses of $44,473 during the three months ended March 31, 2019 was the Vancouver office lease; The Company changed its accounting policy on longterm lease agreements starting April 1, 2019, and as a result, the Company recorded $Nil in rent expenses, but instead $14,940 of amortization of right-of-use-assets in the three months ended March 31, 2020;
- Salary and benefits of $62,332 (2019 - $61,044) is paid to MiningSky employees located in Vancouver office; and
- During the three months ended March 31, 2019, the Company recorded an impairment of $2,038,738 on goodwill resulted from the acquisition of MiningSky.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date primarily through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

	March 31, 2020	March 31, 2019
Working capital deficiency	$ (1,330,322)	$ (896,475)
Deficit	(8,848,976)	(7,497,916)

Net cash used in operating activities for the year ended March 31, 2020 was $33,926 compared to net cash of $939,066 during the comparative year. The larger amount of cash used in operating activities during the comparative year ended March 31, 2019 is mainly due to the change of business transactions and the operating loss from MiningSky.

Net cash used in investing activities for the year ended March 31, 2020 included advances of $Nil (2019 - $1,703,000) to MiningSky, purchase of property and equipment of $481,388 (2019 - $334,000) and $62,504 (2019 - $Ni) from subleasing its office. During the comparative year ended March 31, 2019, on September 18, 2018, when Skychain obtained the control of MiningSky, MiningSky had a cash balance of $416,662.

During the year ended March 31, 2020, the Company received $295,600 from issuing 4,032,000 shares, $254,025 from loans and convertible debenture, and repaid lease liabilities of $320,657.

During the year ended March 31, 2019, the Company closed two non-brokered private placements for total proceeds of $2,564,950, of which $1,413,050 was received as of March 31, 2018.

The Company will need to raise funds through debt or equity offerings in order to have sufficient working capital to sustain its operations for the 2021 fiscal year.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management compensation

The Company has identified its directors and certain senior officers of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company, as key management personnel. Key management personnel compensation is comprised of the following:

		2020		**2019**
Salaries, CEO	$	72,000	$	51,000
Accounting fees, CFO		27,952		-
Consulting fees, Former CFO		-		39,700
Total	$	99,952	$	90,700

As of March 31, 2020, the Company owes $3,725 (March 31, 2019 - $Nil) to the CFO of the Company.

Other transactions

The Company incurred $Nil (2019 - $58,796) as marketing and corporate communication expenses to a company controlled by a former director of the Company.

The Company incurred expenditures of $6,000 (2019 - $37,700) for internet service with Vling E Business (“Vling”), a company controlled by the CEO. As of March 31, 2020, an amount of $30,511 (2019 - $104,815) is included in due to related parties.

During the year ended March 31, 2020, the Company issued 617,130 shares with a fair value of $30,856 to settle accounts payable of $61,713 to a director. As the transaction involves a creditor that is also a direct shareholder of the Company acting in the capacity thereof, the resulting difference of $30,857 is recognized in the consolidated statement of equity (deficiency). As of March 31, 2020, the Company owes $35 (March 31, 2019 - $61,747) to a director of the Company.

During the year ended March 31, 2020, the Company issued 677,430 shares with the fair value of $33,872 to settle accounts payable of $67,743 to 1151152 BC Ltd., a significant shareholder controlled by the CEO and a director. As the transaction involves a creditor that is also a direct shareholder of the Company acting in the capacity thereof, the resulting difference of $33,871 is recognized in the consolidated statement of equity (deficiency). As of March 31, 2020, the Company owes $Nil (March 31, 2019 - $93,000) to 1151152 BC Ltd.

The amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

FINANCIAL AND CAPITAL RISK MANAGEMENT

As at March 31, 2020, the Company’s financial instruments comprised cash, receivables, accounts payable, due to related parties, convertible loan, long-term loan and lease liabilities. With the exception of cash, which is measured at FVTPL, all financial instruments held by the Company are measured at amortized cost. The fair values of these financial instruments approximate their carrying value due to their short-term maturities.

Financial instruments measured at fair value on a recurring basis are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data.

At March 31, 2020, cash of $118,159 is classified as Level 1. There were no transfers into or out of Level 2 or Level 3 during the period.

Currency risk

A minor portion of the Company's expenses are incurred in United States dollars and financial instrument balances are held in these currencies. A change in the currency exchange rates between the Canadian dollar relative to the United States dollar could have a negative effect on the Company's results of operations, financial position or cash flows. However, as the Company does not maintain significant cash balances in foreign currencies and settles any transactions in foreign currencies quickly, its exposure to currency risk is considered insignificant as at March 31, 2020.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's maximum exposure to credit risk is limited to its cash. The Company limits exposure to credit risk by maintaining its cash with large Canadian financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at March 31, 2020, the Company had a cash balance of $118,159 to settle current liabilities of $1,696,174. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company needs to raise additional funds to sustain its operation for the next 12 months. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Contractual undiscounted cash flow requirements for financial liabilities as at March 31, 2020 are as follows:

	<1 year	**2-3 Years**	**Total**
Accounts payable and accrued liabilities	$ 951,391	$ —	$ 951,391
Due to related parties	34,471	—	34,471
Convertible loan	142,393	—	142,393
Long-term loan	—	119,248	119,248
Lease liabilities	180,257	70,359	250,616
	$ 1,308,312	$ 189,607	$ 1,498,119

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's convertible loan bears interest at 3.5% per annum, and its long-term loan bears interest at 12% per annum. The Company's exposure to interest rate risk is insignificant.

Price risk

The Company is providing hosting services to cryptocurrency miners. Although the Company does not mine cryptocurrency by itself, the fluctuation of cryptocurrency prices will affect the Company's customers and therefore the Company's operation indirectly.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities. The Company relies mainly on equity issuances and loans from related parties to raise new capital. In the management of capital, the Company includes the components of shareholders' equity (deficiency). The Company prepares annual estimates of operating expenditures and monitors actual expenditures compared to the estimates in an effort to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to negotiate premium interest rates on savings accounts or to invest its cash in highly liquid short-term deposits with terms of one year or less and which can be liquidated at any time without interest penalty. The Company will require additional financing in order to provide working capital to fund costs for the current year. These financing activities may include issuances of additional debt or equity securities.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates on the resulting effects of the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

All of the Company's significant accounting estimates and policies are included in Notes 3 and 4 of its audited consolidated financial statements for the year ended March 31, 2020.

Adoption of new accounting policies

IFRS 16, Leases ("IFRS 16") was adopted on April 1, 2019, using the modified retrospective approach. This approach does not require restatement of prior period financial information as it applies the standard prospectively. This standard replaced IAS 17, Leases ("IAS 17"). Under IAS 17, operating lease expenditures were expensed on a straight-line basis over the lease term whereas under IFRS 16, there is an increased focus on control of the underlying asset.

Right-of-use ("ROU") asset

A lease is a contract that transfers substantially all the risks and rewards incidental to ownership of an identified asset. The Company initially recognizes a lease at its commencement date which is when an identified asset is made available for use. Right-of-use assets are measured at the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and any initial direct or estimated restoration costs. A right-of-use asset is then depreciated on a straight-line basis over the shorter of the asset's useful life or the lease term.

Net investment in sublease

If a sublease is classified as a finance lease, the original lessee derecognises the right-of-use asset on the head lease at the sublease commencement date and continues to account for the original lease liability in accordance with the lessee accounting model. The original lessee, as the sublessor, recognises a net investment in the sublease and evaluates it for impairment at period end.

Lease liabilities

Lease liabilities include the present value of future fixed payments, less any lease incentives receivable, and the exercise price of a purchase option if it is reasonably certain to be exercised. Future fixed lease payments are discounted using the Company's incremental borrowing rate if the rate implicit in the lease is not readily determinable. The term of each lease includes its non-cancellable period. The term can also include periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option. After the commencement date, the Company continually measures its lease liabilities to reflect changes in lease payments, discount rates or the leases' remaining term with an offsetting adjustment to right-of-use assets.

Each lease payment is comprised of both a financing and principal component. Financing costs are charged to the consolidated statements of operations and comprehensive loss over each lease's term. Lease payments are applied against lease liabilities using the effective interest method.

Short-term leases with an initial lease term of less than twelve months are evaluated by class of the underlying asset whereas lease payments for low-value assets are evaluated on a lease-by-lease basis. Short-term and low-value leases can be accounted for as either leases or expensed.

Adoption of IFRS 16

The Company has adopted IFRS 16 Leases from April 1, 2019 and has elected to use the modified retrospective approach. The cumulative effect of initial application is recognized in retained earnings as at April 1, 2019 and the Company will not restate comparative information for prior periods presented. The details of the changes in accounting policy are discussed below.

To determine whether a contract contains a lease, the Company applies the new definition of a lease under IFRS 16 namely if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company leases assets including mining site, office, and vehicles. Previously under IAS 17 the Company classified leases as operating or finance leases based on whether the lease transferred substantially all of the risks and rewards of ownership. The Company previously did not have any leases that were classified as finance leases. Under IFRS 16, the Company recognizes right-of-use assets and lease liabilities for all leases expect where the Company has elected to use the practical expedient to not recognize right-of-use assets and lease liabilities for low-value assets or short-term leases under 1 year that are not expected to renew. The Company has recognized low-value assets and short-term lease payments as an expense on a straight-line basis over the lease term. The Company has also elected to apply the practical expedient to not separate non-lease components from lease components for which the Company is the lessee and has accounted for the combined amounts as a single lease component.

The Company recognizes a right-of-use asset as a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The Company has elected to use the practical expedient of excluding initial direct costs from the measurement of the right-of-use asset cost at the date of initial application.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date adjusted for lease prepayments and lease incentives, discounted using the interest rate implicit in the lease, or if not readily determinable, the incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or changes in assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not be exercised.

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options, which significantly affects the amount of lease liability and right of use assets recognized.

The Company has used the practical expedient of applying hindsight in assessing certain lease extension options. The Company has also used judgement in determining the incremental borrowing rate based on the term, security, the lessee entities economic environment, credit rating, level of indebtedness and asset specific adjustments.

The impact on the balance sheet as at April 1, 2019 is as follows:

	As at April 1, 2019
Right-of-use assets	$ 139,416
Net investment in sublease	131,972
Long term lease liability	271,388
Retained Earnings	9,063

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate as at April 1, 2019 which was 12 % for office and 4.85% for motor vehicle.

Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended March 31, 2020, and have not been early adopted in preparing these consolidated financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

SUBSEQUENT EVENTS

Share Issuances

June 5, 2020 the company issued 680,000 shares in respect of warrants exercised at $.06 per share for proceeds of $40,800.

June 16, 2020 the company issued 900,000 shares in respect of warrants exercised at $.06 per share for proceeds of $54,000.

July 22, 2020 the Company issued 1,250,000 units for proceeds of $250,000 pursuant to the closing of its unit offering where each unit consists of one common share and one half common share purchase warrant. Each two warrants entitle the holder to acquire one common share at $0.30 per share for a term of six months ending January 22, 2021 in respect of 575,000 warrants and a term of one year ending May 24, 2021 in respect of 50,000 warrants.

Property Lease

The Company's wholly owned subsidiary MiningSky Technologies (Manitoba) Inc. ("Lessee") entered into a lease agreement June 16, 2020 with an arm's length party 2558239 Ontario Ltd, ("lessor") for a 1.6-acre (0.65-hectare) parcel of land in Manitoba approved for construction and operation of a 12 MW capacity crypto mining hosting facility. Monthly payments of $25,000 are to commence October 1, 2020 for a two year term. Refer to the Sbsequent event note in the audited financial statements as at March 31, 2020.

Covid -19

The Company's operations have been unaffected with no reduction in miners leasing the facilities or any change in supply of power. Financial markets have been affected making the process of raising investment capital slower and administrative and professional work conducted on behalf of the Company to be somewhat slower. The Company has not received and is not eligible for any COVID impact relief measures through utility companies or relief from Canadian Securities Regulators for periodic filing in regard to its disclosure commitments as a reporting Issuer. Management does not foresee any material effect of the COVID-19 pandemic on future financial results. Procedures to protect the Company's employees remain in place.

OFF BALANCE SHEET ARRANGEMENT

The Company has no off-balance sheet arrangements.

COMMITMENTS

MiningSky leases a facility in Houston BC under a lease agreement that completed its term and is paid on a month to month arrangement until and unless a new term is negotiated. The base rent is $6,500 per month plus provision for extra charges. The Company leases two offices, with leases expiring August 31, 2021, financed a vehicle over 36 months which ends March 31, 2021, and has an equipment lease which ends on July 31, 2021.

The total commitments on these items are as follows:

Year ended March 31, 2021	$	180,257
Year ended March 31, 2022		70,359
Total	$	250,616

LITIGATION

Questflex

In March 2018, the Company entered into a service agreement with Questflex Inc. ("Questflex"), according to which Questflex shall provide to the Company certain technology and management consulting services. The Company made the first payment of $20,000, and then withheld the remaining $80,000 as it believes that the service contract is not complate according to what was agreed. In June 2019, Questflex filed a Notice of Civil Claim at the Supreme Court of BC to claim the payment of the $80,000 balance. The Company Intends to defend itself against the claim and has engaged legal counsels to assist.

As of March 31, 2020, the Company recorded $80,000 (2019 - $80,000) in accounts payable and accrued liabilities.

OUTSTANDING SHARE DATA

The following table summarizes the Company's outstanding share data as of the date of this MD&A:

	Number of shares issued or issuable
Common shares	14,783,007
Stock options	-
Warrants	3,077,000

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

Management's Responsibility for Financial Statements

Information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

BUSINESS RISKS

The Company focuses on developing its hosting services business, providing cryptominers all-in-one solution by offering warehouse space, low-cost electricity, and maintenance and hosting services. The Company's business involves a number of business risks, some of which are beyond the Company's control.

Crypto-currency industry

The further development and acceptance of the crypto-currency industry is subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of crypto-currency may adversely affect an investment in the Company. Cryptocurrency may be used, among other things, to buy and sell goods and services which is a new and rapidly evolving industry subject to a high degree of uncertainty.

The factors affecting the further development of the crypto-currency industry include: (i) continued worldwide growth in the adoption and use of crypto-currency; (ii) government and quasi-government regulation of crypto-currency and their use, or restrictions on or regulation of access to and operation of crypto-currency systems; (iii) changes in consumer demographics and public tastes and preferences; (iv) the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies; and (v) general economic conditions and the regulatory environment relating to crypto-currency. A decline in the popularity or acceptance of crypto-currency would harm the business and affairs of the Company.

Malicious actors

If a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains a majority of the processing power dedicated to "mining" of the Company, it may be able to alter the blockchain on which crypto-currency transactions rely. In such circumstances, the malicious actor or botnet could control, exclude or modify the ordering of transactions, though it could not generate new crypto-currency or transactions using such control. The malicious actor or botnet could double spend its own crypto-currency and prevent the confirmation of other users' transactions for so long as it maintains control. Such changes could adversely affect an investment in the Company.

Insufficient miner incentives

If the award of new crypto-currencies for solving transaction blocks declines, crypto-currency miners may not have an adequate incentive to continue mining and may cease their mining operations. Crypto-currency miners ceasing operations would reduce the collective processing power on the crypto-currency network, which would adversely affect the confirmation process for transactions by decreasing the speed at which transaction blocks are added to the blockchain until the next scheduled adjustment in difficulty for transaction block solutions. Any reduction in confidence in the confirmation process or processing power of the crypto-currency network may adversely impact the business and affairs of the Company.

Fluctuations in utility and operating costs associated with cryptomining ventures

Due to the increased electricity consumption needs that cryptomining operations require, anything causing a spike or alteration in the behaviour of the utilities necessary to maintain operations will have an effect the Company's services. Consequently, power outages will have an impact on the Issuer's profitability. Any rising costs in utility associated costs or prices will have an effect on the resources required by MiningSky to supply cryptomining services.

Intellectual property rights claims may adversely affect operations

Third parties may assert intellectual property claims relating to the holding and transfer of crypto-currency and their source code. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in the crypto-currency network’s long-term viability or the ability of end-users to hold and transfer crypto-currency may adversely affect an investment in the Company. As a result, an intellectual property claim could adversely affect the business and affairs of the Company. Regulatory agencies could shut down or restrict exchanges Regulatory agencies could shut down or restrict the use of platforms or exchanges that use virtual currencies. This could lead to a loss of any investment made in the Company and may trigger regulatory action by regulators.

Crypto-currency price fluctuations

The price of crypto-currency has fluctuated widely over the past three years. There is no assurance that crypto-currency will maintain long-term value in terms of purchasing power in the future or that the acceptance of crypto-currency payments by mainstream retail merchants and commercial businesses will continue to grow. In the event that the price of crypto-currency declines, the value of an investment in the Company will likely decline.

Competition from other crypto-currency companies

While the Miningsky Business is new, Miningsky already has competitors, and an expectation that additional competitors may enter the marketplace. Competition in this industry occurs on many fronts, including developing and bringing new products to market before others, developing new technologies to improve existing products, developing new products to provide the same benefits as existing products at less cost, developing new products to provide benefits superior to those of existing products, and acquiring or licensing complementary or novel technologies from other companies or individuals.

The Company may be unable to contend successfully with current or future competitors which include well capitalized technology companies, many of which are large, well-established companies with access to financial, technical and marketing resources significantly greater than the Company.

The Company’s competitors may develop or acquire new or improved products that are similar to those offered by the Company, while not necessarily being direct competitors currently, or may make technological advances that reduce their cost of production so that they may engage in price competition.

Infringement of intellectual property rights

While the Company believes that its intellectual property does not infringe upon the proprietary rights of third parties, its commercial success depends, in part, upon the Company not infringing intellectual property rights of others. A number of the Company’s competitors and other third parties have been issued or may have filed patent applications or may obtain additional patents and proprietary rights for technologies similar to those utilized by the Company. Some of these patents may grant very broad protection to the owners of the patents.
The Company may become subject to claims by third parties that its technology infringes their intellectual property rights due to the growth of products in its target markets, the overlap in functionality of those products and the prevalence of products.

Litigation may be necessary to determine the scope, enforceability and validity of third party proprietary rights or to establish the Company’s proprietary rights. Some of its competitors have, or are affiliated with companies having, substantially greater resources than the Company and these competitors may be able to sustain the costs of complex intellectual property litigation to a greater degree and for a longer period of time than the Company.

Regardless of their merit, any such claims could be time consuming to evaluate and defend, result in costly litigation, divert management's attention and focus away from the business, subject the Company to significant liabilities and equitable remedies, including injunctions, require the Company to enter into costly royalty or licensing agreements and require the Issuer to modify or stop using infringing technology.

Regulatory changes may result in extraordinary, non-recurring expenses

The Company may be required to comply with regulations that may cause the Company to incur extraordinary expenses, possibly affecting an investment in the Company in a material and adverse manner. Compliance with such regulations may result in extraordinary and non-recurring expenses that may be disadvantageous to the Company.

Expansion risk

Any expansion of the Company's business may place a significant strain on its financial, operational and managerial resources. There can be no assurance that the Company will be able to implement and subsequently improve its operations and financial systems successfully and in a timely manner in order to manage any growth it experiences. There can be no assurance that the Company will be able to manage growth successfully. Any inability of the Company to manage growth successfully could have a material adverse effect on the Company's business, financial condition and results of operations.

Technological advancements

The markets for the Miningsky Business are characterized by rapidly changing technology and evolving industry standards, which could result in product obsolescence or short product life cycles. Accordingly, the Company's success will be dependent upon its ability to anticipate technological changes in the industries it serves and to successfully identify, obtain, develop and market new products that satisfy evolving industry requirements.

The success of the Company will depend on its ability to secure technological superiority in its services and maintain such superiority in the face of new technologies. No assurance can be given that further modification of product and service offerings of the Company will not be required in order to meet demands or to remain competitive. The future success of the Company will be influenced by its ability to continue to adapt its products and hosting services. Although the Company has committed resources to improve its products and services, there can be no assurance that these efforts will increase profits.

Risk of obsolescence

New developments in technology may negatively affect the development or sale of some or all of the Company's products and services or make its products and services obsolete. The inability of the Company to enhance existing products and services in a timely manner or to develop and introduce new products and services that incorporate new technologies, conform to increasingly regulatory requirements, and achieve market acceptance in a timely manner could negatively impact the Company's competitive position. New product development or modification is costly, involves significant research, development, time and expense, and may not necessarily result in the successful commercialization of any new products.

Additional funding requirements

The Company will require additional financing to implement its business plan. The Company may raise additional funds through gap financing, debt financing and/or subsequent equity financing. The Company may also borrow funds from a financial institution(s) using the assets of the Company as security for said loan(s). The Company may also obtain additional financing through certain government subsidies or tax incentives available in certain geographic areas, if available, at the Company's discretion. Failure to obtain such additional capital on terms acceptable to the Company could restrict its ability to implement its growth plans. Further, a shortage of funds may prevent or delay the Company from getting its products to the marketplace, achieving profitability or enabling the Company to pay distributions to its shareholders. There is no assurance that the Company will have adequate capital to conduct its business or satisfy its financial obligations. The ability of the Company to arrange financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution. There can be no assurance that the Company will generate cash flow from operations necessary to support the continuing operations of the Company.

Limited operating history

The Issuer and the Target have each incurred losses since their inception. Although the Company expects to generate profit, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The Company's ability to reach and then sustain profitability depends on a number of factors, including the growth rate of the developmental lens industry, the continued market acceptance of the Miningsky Business and the competitiveness of the Company. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of its success must be considered in light of its early stage of operations.