SKYCHAIN TECHNOLOGIES INC.
Management Discussion and Analysis
For the Year Ended March 31, 2022

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 November 4, 2022 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, 2022 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 with its common shares listed for trading on the TSX Venture Exchange (TSX.V). The Company's registered office and principal business address is 605 – 1112 West Pender Street, Vancouver, British Columbia.

On September 18, 2018, the Company completed the acquisition of MiningSky Technology Ltd. ("MiningSky") and the changed its business from the junior mining exploration industry to a Tier 2 Technology issuer. 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. On March 27, 2020 and December 9, 2021, Skychain incorporated its wholly owned subsidiaries MiningSky Technologies (Manitoba) Inc. and 10117749 Manitoba Ltd. ("101 Manitoba") respectively in the province of Manitoba ("MiningSky Manitoba"). MiningSky, MiningSky Manitoba and 101 Manitoba are involved in the business of providing crypto miners with all-in-one solution with warehouse space, low-cost electricity, and maintenance and hosting services.

BUSINESS UPDATE

<u>Crypto Currency Mining Hosting Services</u>

Birtle, Manitoba Project

In June 2020, MiningSky Manitoba entered into a lease agreement with an arm's length party ("Lessor") for a 1.6-acre (0.65-hectare) parcel of land in the town of Birtle, Manitoba for a 12MW cryptocurrency mining hosting facility. Monthly payments of $25,000 were to commence October 1, 2020 for a two-year term. The term was renewable for a second term of 36 months at $40,000 per month and then renewable for a 60 month term at market price. Manitoba Hydro power permits and construction contract were assigned from the Lessor with the lease agreement. The Lessee had an option to acquire the land prior to the end of the three lease terms or March 1, 2030 at market price but not lower than $3,000,000. The lease agreement was subsequently amended on August 1, 2021 to extend the lease payment commencement date to August 1, 2021 and lease termination date to July 23, 2023. An additional payment of $50,000 was made to the Lessor as consideration for the extension.

In July, 2021, the Company and The9 Limited ("The9") completed a financing transaction whereby The9 invested $4 million with the Company through the acquisition of $2 million in equity securities and $2 million in a convertible debenture. The purpose of the transaction was to finance the development of the Company's Birtle project. The9's subsidiary NBTC Limited ("NBTC") paid the Company $2,962,748 as deposit for its hosting agreement with the Company.

On November 29, 2021, the Company was notified that its Birtle Site had been issued a "stop work" order by the City of Birtle due to various technical concerns about the Company's project. Although the Company worked diligently and incurred substantial costs attempting to resolve these technical concerns, the Company was unable to get the City of Birtle to permit the project.

On March 14, 2022, as the Birtle Project became both technically and economically unfeasible to pursue, the Company terminated the lease agreement. As part of the termination, the additional $50,000 paid to the Lessor was applied towards the final two months' rent.

Melita, Manitoba and Other Projects

During the year ended March 31, 2022 the Company sought to purchase properties in Manitoba with the goal to develop crypto miner hosting sites, and incorporated 101 Manitoba which acquired an approximately four-acre property in Melita, Manitoba. Melita, Manitoba site does not have the permit issue, its potential power capacity is approximately double the size of that of the Birtle site, and the cost to construct is significantly lower than the Birtle site. As at the date of this report, no significant work has been carried out at the Melita, Manitoba site.

In addition to constructing its wholly owned facilities in Manitoba, the Company has sought strategic partners for such projects in Alberta, Manitoba and the United States.

<u>Rendering Farm and Data Center</u>

On April 26, 2021, the Company and a joint venture partner (the "JV Partner") jointly incorporated Skyrendering Technologies Inc. ("Skyrendering") under the laws of British Columbia to establish a rendering farm and data center. On June 29, 2021 the Company and the JV Partner signed an investment agreement (the "Investment Agreement") whereby the Company and the JV Partner each agreed to make a capital investment of $600,000 and $600,001 respectively in exchange for 600,000 and 600,001 common shares of Skyrendering common shares. At any time after October 26, 2023, the JV Partner has the option to require the Company to repurchase all of the JV Partner's common shares of Skyrendering at $1.00 per share, for which the Company has the option to issue common shares of the Company subject to approval of the TSX Venture Exchange.

From Skyrendering's inception to March 31, 2022, the Company provided various services for and made payments on behalf of Skyrendering. These service contributions and payments were made in furtherance of the Company's commitments under the Investment Agreement towards an entitlement to receive Skyrendering common shares.

At present, as a result of the JV Partner's challenge to the Company's rights to the Skyrendering common shares for certain technicalities, the Company recorded a total of $188,321 in reimbursable expenditures paid on behalf of Skyrendering as doubtful receivable. The Company is seeking legal advice on recovering the investment and the receivable.

Investment in Miningsky Container Ltd.

On July 5, 2021, the Company incorporated Miningsky Container Ltd. ("Miningsky Container") under the laws of the province of British Columbia to be engaged in the business of manufacturing and marketing containers for use in cryptocurrency mining. In accordance with Miningsky Container's shareholder investment agreement executed on August 6, 2021 the Company was to make a total capital investment of US$250,000 in exchange for 25% of the total common shares issued and outstanding. As at March 31, 2022, the Company made a capital investment of $159,550 (US$125,000), representing 25% of the total share capital of Miningsky Container.

From Miningsky Container's inception to March 31, 2022, the Company provided technical knowledge towards the manufacture of containers for Miningsky Container. As at March 31, 2022 the Company had a balance of $73,010 advanced by Miningsky Container for services.

On March 31, 2022, the Company recorded an impairment loss of the entire investment of $159,550 as the investment is not recoverable due to uncertainty as to the feasibility of Miningsky Container's business plan.

In September, 2022 the Company sold its 25% equity interest in Miningsky Container for gross proceeds of $1 to the 70% equity holder of Miningsky Container, whereby Miningsky Container and the Company agreed to mutual general release of all existing and future claims and obligations.

Self-mining and Defi-NFT Business

As announced on March 18, 2022, the Company has been considering expansion from its crypto/data centre business into self-mining and Defi-NFT areas to benefit from the growth of these new businesses in the blockchain industry. On May 16, 2022 the Company incorporated its wholly owned subsidiary RBN Digitech Labs Inc. ("RBN") under the Business Corporations Act of British Columbia to be engaged in the business of developing non-fungible tokens.

On June 1, 2022 RBN invested $100,000 in exchange for 33.33% of the capital of Peterific Studios, Inc., a British Columbia corporation developing a novel application of the "movement to earn" and "share to earn" systems.

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, 2022 $	March 31, 2021 $	March 31, 2020 $
Operations:			
Revenue	-	2,565,131	2,746,936
Net loss	(6,634,695)	(1,240,591)	(1,341,997)
Basic and diluted loss per share	(0.33)	(0.09)	(0.17)
Balance Sheet:			
Working deficiency	(3,186,007)	(2,546,597)	(1,330,322)
Total Assets	7,260,517	1,518,446	1,740,603
Total long-term liabilities	-	31,306	187,483

SUMMARY OF QUARTERLY RESULTS

The following table summarizes unaudited selected financial information for each of the last eight quarters ended March 31, 2022 in accordance with IFRS.

	Three Months Ended March 31, 2022	Three Months Ended December 31, 2021	Three Months Ended September 30, 2021	Three Months Ended June 30, 2021
Total assets	7,260,517	11,256,095	6,680,547	5,172,735
Working capital deficiency	(3,186,007)	(1,944,694)	(533,144)	478,412
Shareholders' equity	511,181	3,338,956	2,009,670	1,096,151
Net loss	(3,854,644)	(1,017,004)	(1,215,516)	(549,943)
Basic and diluted loss per share	(0.18)	(0.05)	(0.07)	(0.03)

	Three Months Ended March 31, 2021	Three Months Ended December 31, 2020	Three Months Ended September 30, 2020	Three Months Ended June 30, 2020
Total assets	$ 1,518,446	$ 1,662,460	$ 1,882,205	$ 1,799,941
Working capital deficiency	(2,546,597)	(1,491,252)	(1,612,882)	(1,384,317)
Shareholders' deficiency	(1,171,992)	(495,644)	(482,244)	(232,291)
Net loss	(686,756)	(13,400)	(240,284)	(304,711)
Basic and diluted loss per share	(0.05)	(0.00)	(0.02)	(0.02)

The Company expanded its operations upon completing the financing constructing its Birtle hosting site in June, 2021. Total assets and expenses, and thus net losses, increased significantly from the quarter ended June 30, 2021 to the quarter ended December, 2021. As the project became both technically and economically unfeasible after being issued the stop work order by the City of Birtle in November, 2021, it was terminated in March, 2022, resulting in significant impairment, and thus the reduced total assets recorded in the quarter ended March 31, 2022. During the last quarter of 2022, the Company also wrote off its investments in Miningsky Container and receivables from Skyrendering. Consequently, net loss recorded in the quarter ended March 31, 2022 increased significantly from previous quarters. During the last quarter of 2022, the Company reclassified the convertible debenture issued to The9 limited from long term liability to current liability as the financing agreement for the debenture was breached when the Company was unable to deliver the hosting facility and services to The9 in accordance with the agreement. As a result, the working capital deficiency significantly increased from December 31, 2021 to March 31, 2022.

RESULTS OF OPERATION

For the year ended March 31, 2022 the Company's financial position and operation results include those of the Company and its subsidiaries, MiningSky, MiningSky USA, MiningSky Manitoba and 101 Manitoba. All inter-company transactions and balances are eliminated.

Year ended March 31, 2022 in comparison to year ended March 31, 2021

During the year ended March 31, 2022 the Company recorded a net loss of $6,634,695, a significant increase from $1,240,591 for 2021.

In 2021 the Company carried out crypto miner hosting operations and recorded hosting service revenue of $2,529,131, and related operation costs, property and equipment amortization of $154,572 and cost of sales of $48,792. In 2022 the Company generated no revenue after the termination of its operation in Houston, BC in July, 2020 and its operation in Sherbrooke, QC in March, 2021.

The Company's operation expanded significantly from the year ended March 31, 2021 to the year ended March 31, 2022 after completing the financing for its Birtle MB project in June, 2021 and commencing the construction in July 2021 and as well as the commencing the operations of Skyrendering in April, 2021 and Miningsky Container in July, 2021. As a result, total operating expenses increased from $1,380,391 to $4,836,326 as listed below. The increase in accretion and interest from $54,129 to $220,156 was largely due to the interest accretion of $158,216 and a total interest of $16,491 accrued or paid on the convertible debenture of $2 million from The9, all new expenses in 2022. Although the Company's capital assets increased significantly from 2021, the amortization expenses slightly increased from $5,953 to $7,929 as the majority of the hosting equipment was completed but not in use in 2022. In 2022 the Company recorded bad or doubtful debt of $213,259, as the total advance of $188,321 advanced to Skyrendering in 2022 was disputed by Skyrendering, and tax refund of $24,937 became stale. Depreciation of right-of-use assets increased from $143,786 to $228,799 largely due to the depreciation of $178,461 recorded on the capitalized lease of the Birtle hosting site commenced in 2022. Legal fees increased from $30,825 in 2021 to $235,688 as the Company incurred significant legal fees to resolve certain historical disputes as well as filing claims against the former CEO and defending his dismissal for cause. During 2022 communication and marketing costs increased to $322,819 from $53,415 in 2021 as the Company expanded, with more information to be communicated to shareholders and raised financing for the services. The Company recorded option based expense in 2022 as 950,000 options and 1,100,000 options were granted to directors and officers of the Company which vested in July and December, 2021 respectively, while no options were granted in 2021.

	2022	2021
OPERATING EXPENSES		
Accounting and audit	269,510	133,420
Accretion and interest on loans and lease liabilities	220,156	54,129
Amortization of property and equipment	7,929	5,953
Bad or doubtful debt	213,259	-
Business development	118,194	95,703
Depreciation of right-of-use assets	228,799	143,786
Consulting and management fees	334,686	60,673
Legal fees	235,688	30,825
Marketing and corporate communication	322,819	53,415
Office and miscellaneous	315,076	41,634
Filing and listing	114,524	14,553
Salary and benefits	1,539,384	681,687
Transfer agent	6,259	6,791
Travel	68,304	22,796
Shipping, storage and maintenance	28,203	35,026
Option based expense	813,536	-
	4,836,326	**1,380,391**

In 2022 the Company received total government assistance of $163,545 for wage and rent assistance due to COVID 19, in 2021 the total received from the government assistance was $161,743. In 2022 the Company disposed less equipment as compared to 2021, and recorded a gain on sale of assets of $69,654, a decreased from $264,385 in 2021. In 2022 the Company recorded a loss on the Birtle hosting site lease termination of $40,071, while in 2021 the Company recorded a gain on sublease of $45,734. In 2022 the Company recorded a total gain on debt settlement of $39,006 comprised of $31,887 from debt settled with the issuance of the Company's common shares and $$7,119 forgiven by a creditor; in 2021 a gain of debt settlement of $23,687 was recorded as the amount forgiven by a creditor. In 2022 the Company recorded impairment of all of its investment of $159,550 in Miningsky Container as Miningky Container incurred significant losses after its operation commencement in July, 2021 and no recovery was expected. In 2022 the Company recorded a total impairment of $330,475 on hosting equipment and $1,533,595 on impairment of the infrastructure built on the leased Birtle site upon termination of the lease agreement. No impairment was recorded in 2021.

Year ended March 31, 2021 in comparison to year ended March 31, 2020

During the year ended March 31, 2021, the Company incurred net loss of $1,240,591 (2020 - $1,341,997). The losses are mainly comprised of the following items:

- The Company generated hosting service revenue of $2,529,131 (2020 - $2,580,164) and incurred operating cost of $2,719,654 (2020 - $2,530,756) and $154,572 (2020 - $793,629) 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 $36,000 (2020 - $161,772) and consulting income of $Nil (2020 - $5,000). The costs of the goods sold was $48,792 (2020 - $85,497);
- Accounting and audit fees of $133,420 (2020 - $96,478) included $34,500 (2020 - $27,952) paid to a company controlled by the current CFO, and the remaining amount were audit and tax preparation fees;
- The Company recorded accretion and interest of $54,129 (2020 - $43,541) on loans and lease liabilities;
- Legal fees of $30,825 was mainly related to the corporate matters of the Company in the year ended March 31, 2021, compared to a total of $98,787 on litigation and corporate matters in the year ended March 31, 2020;
- Marketing and corporate communication fees of $53,415 increased from $3,509 in the year ended March 31, 2020 included, as the Company started to increase its presence in the market during the year;
- Office and miscellaneous of $41,634 (2020 - $46,633) was for office telephone, internet, supplies, meals & entertainment, and rent;

- Salary and benefits of $681,687 increased from $223,059 during the year ended March 31, 2020 as the Company expanded its operations in the current year;
- Registration and filing fees increased to $14,553 from $5,770 in 2020 as the Company had more reportable transactions during the current year;
- Transfer agent fees decreased to $6,791 from $11,406 in the previous year as the Company had fewer equity transactions in the current year; and
- Travel expenses of $22,796 (2020 - $25,041) were mainly for trips between Vancouver and Houston site and MiningSky USA, and trips to investigate new potential sites.

LIQUIDITY AND CAPITAL RESOURCES

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

The consolidated 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.

During the year ended March 31, 2022 the Company raised $7,258,235 from financing activities, while used $476,377 in operating activities and $3,623,253 in investing activities.

At March 31, 2022 the Company had a working capital deficit of $3,186,007, and no additional financing has been completed from April 1, 2022 to the date of this report. 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 next 12 months from the date of this report.

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 for the years ended March 31, 2022 and 2021:

		2022		**2021**
Management fees, CEO	$	50,000	$	-
Salaries and bonus, CFO		146,900		107,500
Salaries and bonus, former CEO		290,000		294,667
Salaries and consulting fees, a former director		72,000		-
Total	$	558,900	$	402,167

Other transactions

As at March 31, 2022, $16,667 (2021 - $Nil) was owed to the CEO of the Company for management fees, an advance of $31 (2021 - $31) was owed to a director, and advances of $115,379 (2021 - $156,477) were owed to the former CEO and private companies controlled by the former CEO. During April, 2022, $105,466 was garnished from the Company as funds for the repayment of the former CEO's advances.

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

Litigations with the former CEO

In February, 2022, after receiving the results of an investigation of the former CEO's prior conduct as the CEO of the Company and its subsidiaries, the board of directors of the Company dismissed him with cause from all his management positions with the Company and the Company's subsidiaries, and replaced him as a director of the Company's subsidiaries. In accordance with the terms and conditions of an employment agreement between the former CEO and the Company, he was deemed to have resigned from the board of directors of the Company upon his dismissal with cause.

In March, 2022, the former CEO filed a wrongful dismissal claim in the Supreme Court of British Columbia. The Company has denied the claim in its filed defence. In September, 2022, the Company filed a separate claim against the former CEO for unspecified damages arising from his conduct during his tenure as an officer of the Company. Due to the early-stage nature of these actions, neither the outcome nor damages can reasonably be assessed.

Related party loans

During the year ended March 31, 2021, the Company extended a promissory note of $250,000 from the former CEO of the Company, which bears a simple annual interest rate of 6%, is unsecured, and repayable upon demand. During the year ended March 31, 2022, interest expense of $2,712 (2021 - $493) was recorded on the loan, and the total loan principal and accrued interest of $253,205 was repaid with no balance outstanding.

During the year ended March 31, 2021, the Company extended a promissory note of $63,300 from a director of the Company, which bears a simple annual interest rate of 4%, is unsecured, and repayable upon demand. During the year ended March 31, 2022 an interest expense of $548 (2021 - $590) was recorded on the loan, and the total loan principal and accrued interest of $64,438 was repaid with no balance outstanding.

FINANCIAL AND CAPITAL RISK MANAGEMENT

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.

Fair Values and Classification of Financial Instruments

As at March 31, 2022, the Company's financial instruments comprised cash, receivables, accounts payable, due to related parties, convertible loan, government 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.

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, 2022, cash of $3,161,765 (2021 - $2,926) was classified as Level 1. There were no transfers into or out of Level 2 or Level 3 during the year.

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, 2022.

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, 2022, the Company had a cash balance of $3,161,765 to settle current liabilities of $6,749,336. The Company needs to raise additional funds to sustain its operation for the next 12 months. However, the Company's access to financing is uncertain. There can be no assurance of continued access to adequate equity funding.

Contractual undiscounted cash flow requirements for financial liabilities as at March 31, 2022 are as follows:

		<1 year
Accounts payable and accrued liabilities	$	5,395,079
Due to related parties		128,328
Advance from Miningsky Container Ltd.		73,010
Lease payments		11,962
Government loan		40,000
Convertible loan		2,000,000
Total	$	7,648,379

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 exposure to interest rate risk is insignificant.

Price risk

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

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 judgments and accounting policies are included in Notes 3 and 4 of its audited consolidated financial statements for the year ended March 31, 2022.

OFF BALANCE SHEET ARRANGEMENT

The Company has no off-balance sheet arrangements.

COMMITMENTS

The Company leases an office space at a monthly rate of $4,514 (plus GST) for the term from August 1, 2022 to July 31, 2023.

SHARE CAPITAL

Authorized

Unlimited common shares without par value

Outstanding

As at the date of this report and March 31, 2022, 26,835,601 common shares were issued and outstanding.

Common shares issued from April 1, 2021 to the date of this report

a) On June 3, 2021, the Company closed a non-brokered private placement by issuing 2,631,579 Units at $0.76 per Unit for gross proceeds of $2,000,000. Each Unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of $1.22 per share for three years from the closing date. The proceeds of $2,000,000 were allocated entirely to share capital using the residual value method. The Company paid finders' fee of $60,000 related to the private placement, which was recorded as share issuance costs.

b) On June 10, 2021, the Company issued 25,000 common shares for warrants exercised at $0.30 per share for gross proceeds of $7,500.

c) On July 16 and August 3, 2021, the Company closed a private placement by issuing a total of 516,395 Units at $0.78 per Unit for gross proceeds of $402,788. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common shares of the Company at an exercise price of $1.50 per share for six months from the closing date. The proceeds of $402,788 were allocated to share capital of $316,602 and to share purchase warrants of $86,186 using the residual value method.

d) On July 28, 2021, the Company issued 243,590 common shares with a fair value of $170,513 to settle debt of $190,000 comprised of $135,226 loan amount and $54,744 in payables with arm’s length creditors of the Company and recognized a gain on debt settlement of $19,487.

e) On August 20, 2021, the Company closed a private placement by issuing 619,500 Units at $0.80 per Unit for gross proceeds of $495,600. Each Unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common shares of the Company at an exercise price of $1.20 per share for two years from the closing date. The proceeds of $495,600 were allocated to share capital of $458,430 and to share purchase warrants of $37,170 using the residual value method.

f) On September 22, 2021, the Company closed a private placement by issuing 320,006 Units at $0.70 per Unit for gross proceeds of $224,004. Each Unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common shares of the Company at an exercise price of $1.20 per share for one year from the closing date. The proceeds of $224,004 were allocated to share capital of $217,604 and to share purchase warrants of $6,400 using the residual value method.

g) On November 17, 2021, the Company issued 177,144 common shares with a fair value of $111,600 to settle debt of $124,000 with arm’s length creditors of the Company and Skyrendering and recognized a gain on debt settlement of $12,400.

h) On December 23, 2021, the Company closed a private placement by issuing 4,761,905 common shares of the company at $0.42 per share for gross proceeds of $2,000,000.

i) On January 13, 2022, the Company closed a private placement by issuing 2,757,475 common shares of the company at $0.42 per share for gross proceeds of $1,158,140.

Common shares issued during the year ended March 31, 2021

a) On July 20, 2020, the Company closed a non-brokered private placement by issuing 1,250,000 Units of the Company at $0.20 per Unit. Each Unit consists of one common share and half a common share purchase warrant. Each whole warrant entitles the holder to acquire one common shares of the Company at an exercise price of $0.30 per share for one year from the closing date. The proceeds of $250,000 were allocated entirely to share capital using the residual value method.

Escrow shares

In connection with the acquisition of MiningSky completed during the year ended March 31, 2019, the Company entered into an Escrow Agreement dated September 18, 2018, whereby 2,086,658 post-consolidation common shares were held in escrow and are scheduled for release in accordance with the terms of the Escrow Agreement. As at March 31, 2022, there were no common shares in escrow.

Stock options

The Company has established a stock option plan for directors, employees, and consultants. The aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued shares at the time the options are granted. The exercise price of each option is based on the market price of the Company's stock for a period preceding the date of grant. The options can be granted for a maximum term of five years. The vesting periods of stock options issued under the plan are determined at the discretion of the Board of Directors.

There were no stock options outstanding as at March 31, 2021 and no stock option transactions during the year ended March 31, 2021.

On July 8, 2021, the Company granted 950,000 options to directors and officers of the Company. The options are exercisable into the Company’s common shares at $0.80 per share for two years. The fair value of $450,913 in respect of this grant was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 0.47%, expected volatility of 164.47%, an expected option life of 2 years and no expected dividends.

On December 30, 2021, the Company granted 1,100,000 options to directors and officers of the Company. The options are exercisable into the Company's common shares at $0.35 per share for five years. The fair value of $362,623 in respect of this grant was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 1.26%, expected volatility of 168.23%, an expected option life of 5 years and no expected dividends.

During June, 2022, 200,000 options exercisable into the Company's common stock at $0.80 per share and 100,000 options exercisable into the Company's common stock at $0.35 per share were forfeited due to the resignations of two of the Company's directors.

As at March 31, 2022 the following options were outstanding:

Number of Options	Exercise Price $	Expiry Date
600,000	0.80	July 8, 2023
1,100,000	0.35	December 30, 2026
1,700,000		

As at the date of this report the following options are outstanding:

Number of Options	Exercise Price $	Expiry Date
400,000	0.80	July 8, 2023
1,000,000	0.35	December 30, 2026
1,400,000		

Warrants

A summary of share purchase warrant activity is as follows:

	Number of warrants	**Weighted average exercise price** **$**
Balance, March 31, 2020	4,032,000	0.13
Exercised	(1,580,000)	0.06
Expired	(2,452,000)	0.18
Issued	312,500	0.30
Balance, March 31, 2021	312,500	0.30
Exercised	(25,000)	0.30
Expired	(803,895)	1.07
Issued	4,087,480	1.25
Balance, March 31, 2022	3,571,085	1.21
Expired	(320,006)	1.20
Balance, date of report	**3,251,079**	**1.21**

As at the date of this report, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
	$	
619,500	1.20	August 20, 2023
2,631,579	1.22	June 3, 2024
3,251,079		

SUBSEQUENT EVENTS

The9 Limited Actions

On July 21, 2021, the Company and The9 completed a financing transaction (the "Transaction") whereby The9 invested $4 million with the Company through the acquisition of $2 million in equity securities and $2 million in a convertible debenture. The purpose of the Transaction was to finance development of a cryptocurrency hosting facility at the Company's Birtle Site.

On November 29, 2021, the Company was notified that its Birtle Site had been issued a "stop work" order by the City of Birtle due to various technical concerns about the Company's project. Although the Company worked diligently and incurred substantial costs attempting to resolve these technical concerns, the Company was unable to get the City of Birtle to permit the project.

Under the terms and conditions of the Transaction, the Company was contractually obligated to obtain certain approvals and permits for the Birtle Project prior to June 30, 2021, and to complete the project by December 7, 2021. The Company failed to meet either of these target dates. On May 6, 2022 the Company announced that the Birtle Site project was terminated on the basis that it would be uneconomic for the Company to proceed with it.

On July 6, 2022, The9 brought an application for summary judgment on its claim against the Company for breach of the Financing Agreement (the "Summary Judgment Application"). On September 1, 2022, The9 filed a separate application seeking to appoint a receiver over all the assets, property, and undertakings of the Company (the "Receivership Application"). On September 20, 2022, the Supreme Court of British Columbia granted the Summary Judgment Application, ordering the Company to pay to The9 $2,006,800 inclusive of interest to July 6, 2022, plus prejudgment contractual interest of $4,164.04 from July 7, 2022, to September 20, 2022. Also on September 20, 2022, the Court dismissed The9's Receivership Application.

A subsidiary corporation of The9, NBTC Limited ("NBTC"), filed suit against the Company's wholly-owned subsidiary, Miningsky Manitoba with respect to alleged breaches of a hosting services agreement entered into between NBTC and Miningsky Manitoba. At present, NBCT's claims remain outstanding and it is too early to assess the strength of NBTC's claims against the Company.

Anova Energy Inc. Action

On January 18, 2018, Miningsky entered into an agreement (the "Supply Agreement") with Anova Energy Inc. ("Anova") pursuant to which Miningsky retained Anova to introduce energy suppliers to Miningsky. Under the terms and conditions of the agreement, Anova was to be paid a commission for power purchased from suppliers it introduced to Miningsky.

In September 2018, the Company completed its acquisition of Miningsky.

On June 22, 2022, Anova filed a Statement of Claim in the Court of Queen's Bench of Alberta against the following defendants: the Company, Miningsky, Miningsky Manitoba, Miningsky USA, 1151203 B.C. Ltd., 1151152 B.C. Ltd., Ningtao Zhang and Walson Wang. Anova claims against all of the defendants, jointly and severally, for damages in the sum of $1,000,000 as a result of breaches of contract, inducement of breach of contract, intentional interference with economic relations, conspiracy, bad faith and unjust enrichment; and punitive, or in the alternative, aggravated damages in the sum of $500,000. The Company and its subsidiaries deny any and all of the claims.

At present, Anova has not demanded a Statement of Defense from the Company or its subsidiaries, and no documents have been exchanged and no discoveries have taken place. It is too early at this stage in the proceeding to assess the strengths of Anova's claim or the defenses of Miningsky or Skychain to that claim.

New subsidiaries

On May 16, 2022, the Company incorporated its wholly-owned subsidiary RBN Digitech Labs Inc. ("RBN") under the Business Corporations Act of British Columbia to be engaged in the business of developing non-fungible tokens ("NFT").

On June 1, 2022, RBN invested $100,000 in exchange for 33.33% of the capital of Peterific Studios, Inc., a British Columbia corporation developing a novel application of the "movement to earn" and "share to earn" systems.

Forfeiture of Stock Options

During June, 2022, 200,000 options exercisable into the Company's common stock at $0.80 per share and 100,000 options exercisable into the Company's common stock at $0.35 per share were forfeited due to the resignations of two of the Company's directors.

Expiration of Warrants

During September, 2022, 320,006 warrants exercisable into the Company's common stock at $1.20 per share expired without being exercised.

Disposition of Investment in Miningsky Container

During September, 2022, the Company sold its 25% equity interest in Miningsky Container for gross proceeds of $1 to the 70% equity holder of Miningsky Container, whereby Miningsky Container and the Company agreed to mutual general release of all existing and future claims and obligations.

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.

ADDITIONAL INFORMATION

The information provided in this MD&A is not intended to be a comprehensive review of all matters concerning the Company. This MD&A should be read in conjunction with other disclosure documents provided by the Company, which can be accessed at www.sedar.com

No securities commission or regulatory body has reviewed the accuracy or adequacy of the information presented here