



The following discussion is management's assessment and analysis of the results and financial condition of HIVE Blockchain Technologies Ltd. (formerly Leeta Gold Corp.) (the "Company" or "HIVE"), and should be read in conjunction with the accompanying unaudited condensed interim consolidated financial statements and related notes. The preparation of financial data is in accordance with International Accounting Standard 34 - *Interim Financial Reporting* ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") and all figures are reported in United States dollars unless otherwise indicated.

During the period ended September 30, 2017, the Company changed its presentation currency to the United States dollar ("USD" or "\$"). Accordingly, all comparative amounts have been presented in USD using the foreign exchange rate in effect at the date of the transactions. See Note 2 to the financial statements for further detail.

This MD&A contains information up to and including February 26, 2018.

BUSINESS OVERVIEW

HIVE Blockchain Technologies Ltd. is a growth oriented, TSX.V-listed company building a bridge from the blockchain sector to traditional capital markets. HIVE is strategically partnered with Genesis Mining Ltd. ("Genesis") to build the next generation of blockchain infrastructure. HIVE owns state-of-the-art GPU-based digital currency mining facilities in Iceland and Sweden, which produce newly minted digital currencies like Ethereum continuously, and provides shareholders with exposure to the operating margins of digital currency mining as well as a growing portfolio of crypto-coins.

HIVE's corporate strategy is to rapidly acquire, develop and operate data centres for the purpose of digital currency mining in cool climates such as Iceland and Sweden, with access to reliable, clean and inexpensive power in politically safe and stable jurisdictions. The Company recognizes revenue from the provision of transaction verification services, known as 'crypto-currency mining', for which the Company receives digital currencies and records them at their fair value on the date received.

Q3 Highlights

- Expanded operations in Iceland with acquisition of second phase of GPU-based mining rigs from Genesis Mining Ltd. ("Genesis"), bringing the Company's digital currency mining footprint in Iceland to 3.8 megawatts ("MW");
- Solidified strategic partnership with Genesis with agreements to jointly construct two state-of-the-art data centres in Sweden to add a further 40.4 MW of capacity by September 2018, including 20.4 MW dedicated to mining GPU-based digital currencies such as Ethereum, Ethereum Classic and ZCash (the "Sweden GPU Data Centre") and 20.0 MW dedicated to mining SHA-256-based digital currencies such as Bitcoin and Bitcoin Cash (the "Sweden Bitcoin Data Centre");
- Raised \$147 million (CDN \$187 million) of growth capital in the quarter to finance rapid expansion and future growth opportunities and investments;
- Generated revenues of \$3,274,186, with a gross mining margin of \$2,382,687, from mining of digital currencies at Iceland facilities;
- Net income of \$149,724 for the period;
- Accumulated and held \$5,827,805 worth of newly minted Ethereum, Ethereum Classic and ZCash as at December 31, 2017;
- Return on investment of 36% by December 2017 through investment of \$16,284,690 in data centre equipment since September 2017 which has generated digital currencies with a value of \$5,827,805.

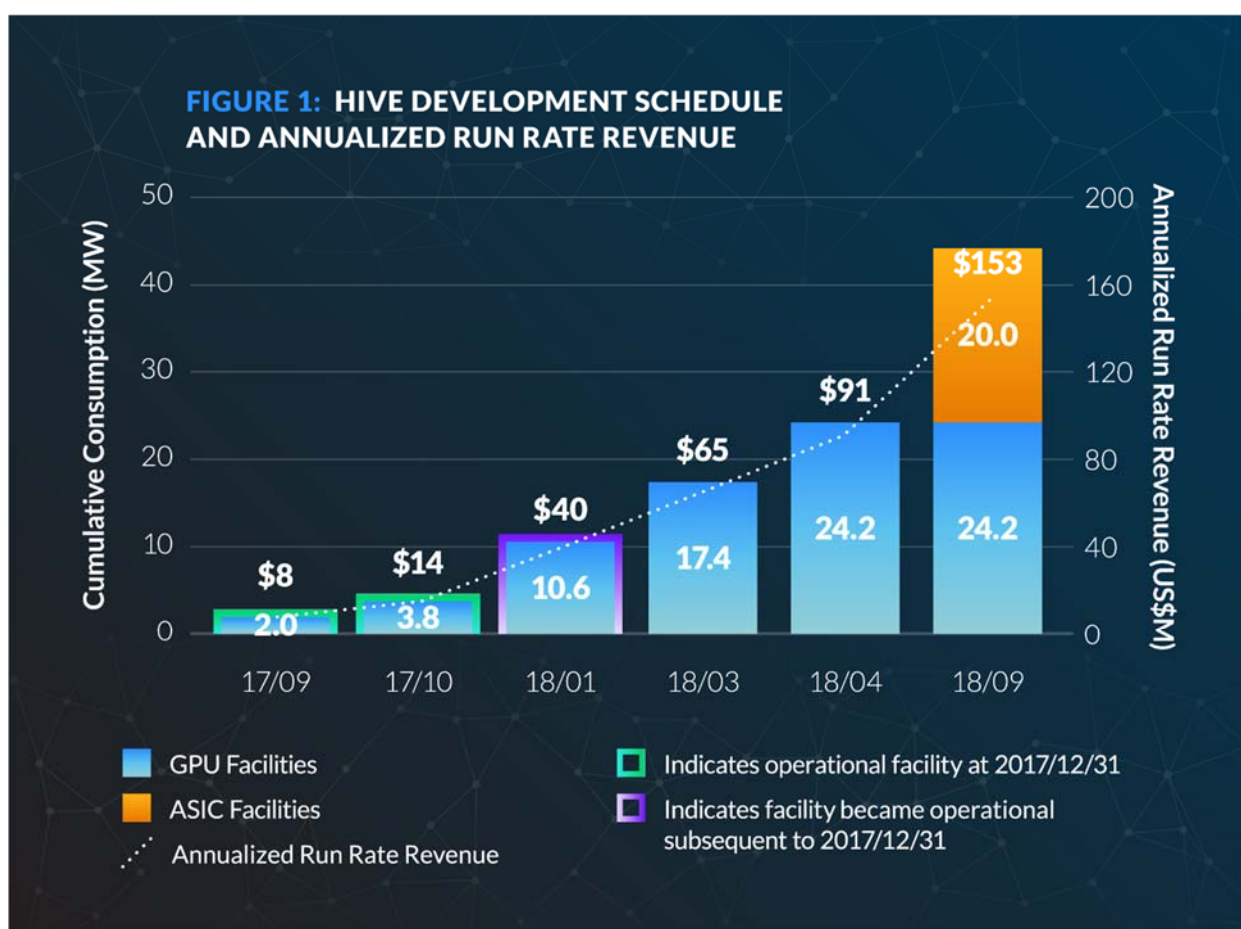
(1) Gross mining margin is a non-IFRS measure; see Non-IFRS Measures for reconciliation

The Company is a reporting issuer in the provinces of British Columbia and Alberta and is listed for trading on the TSX Venture Exchange, under the symbol "HIVE.V", as well on the OTC BB, Berlin and Frankfurt OTC under "HVBTF", "HVB.B" and "HVB.F" respectively. The Company completed a Change of Business in September 2017, and concurrently changed its name from Leeta Gold Corp. to HIVE Blockchain Technologies Ltd. See 'Genesis Partnership' below for further details. The Company's registered address is 25th floor, 700 West Georgia Street, Vancouver, BC, V7Y 1B3.

OUTLOOK

HIVE continues to execute on its aggressive growth strategy to maintain its position as a market leader in the blockchain infrastructure industry and will increase operations to 44.2 MW of data centre equipment by September 2018 with a total of \$75.5 million of the \$78 million cost for the remaining 2018 projects already paid.

HIVE's annualized run rate revenue¹ is projected to be \$153 million once its announced Sweden expansion is fully online. The annualized run rate is calculated strictly on the basis of value of the digital currency earned at the time of mining, and does not include any adjustment for revaluation gains (or losses) for digital currencies held after that date. The following chart shows the growth in HIVE's annualized run rate revenue for each phase of its announced 2018 expansion based on crypto prices and network assumptions as of February 26, 2018 noted below:



The above illustrative annualized run rate revenue is calculated using the below assumptions as at February 26, 2018:

- Ethereum Price: US\$868
- Ethereum Network Hash Rate: 247,529GH/s
- Total Daily Ethereum Rewards: 20,355 Ethereum
- Bitcoin Price: US\$10,349
- Bitcoin Network Hash Rate: 21,079PH/s
- Total Daily Bitcoin Rewards: US\$18.3M

¹ Annualized run rate revenue is a non-IFRS measure; see Non-IFRS Measures for reconciliation

The Company's annualized run rate revenue of \$153 million above is based on the completion of the Company's 2018 Sweden expansion, resulting in total capacity of 44.2 MW, being 24.2 MW of GPU mining and 20.0 MW of ASIC mining. Based on the assumptions at February 26, 2018, the annualized run rate revenue of the 24.2 MW of GPU mining is \$91 million as highlighted in the Ethereum sensitivity table below, and the annualized run rate revenue of 20.0 MW of ASIC mining is \$63 million as highlighted in the Bitcoin sensitivity table also below.

At full capacity of 24.2 MW for GPU mining, the following table shows the sensitivity of the annualized run rate revenue, assuming fixed daily Ethereum rewards of 20,355 Ethereum, and having variances in the price per Ethereum and network difficulty (hashrate). For simplicity's sake, the below analysis assumes the Company's GPU miners are allocated 100% to Ethereum, although, the Company may mine other GPU-based digital currencies if they are considered to be more profitable over time. The Company is currently mining Ethereum, Ethereum Classic and ZCash.

Annualized Run-Rate Ethereum Revenue at Full Capacity (US\$mm):

		Ethereum Blockchain Network Hashrate (MH/s)								
		150,000	175,000	200,000	225,000	247,529	275,000	300,000	325,000	350,000
Ethereum Price (US\$)	\$300	\$52	\$44	\$39	\$34	\$31	\$28	\$26	\$24	\$22
	\$450	\$78	\$66	\$58	\$52	\$47	\$42	\$39	\$36	\$33
	\$600	\$103	\$89	\$78	\$69	\$63	\$56	\$52	\$48	\$44
	\$750	\$129	\$111	\$97	\$86	\$78	\$70	\$65	\$60	\$55
	\$868	\$150	\$128	\$112	\$100	\$91	\$82	\$75	\$69	\$64
	\$1,000	\$172	\$148	\$129	\$115	\$104	\$94	\$86	\$80	\$74
	\$1,150	\$198	\$170	\$149	\$132	\$120	\$108	\$99	\$91	\$85
	\$1,300	\$224	\$192	\$168	\$149	\$136	\$122	\$112	\$103	\$96
	\$1,450	\$250	\$214	\$187	\$167	\$151	\$136	\$125	\$115	\$107

At full capacity of 20.0 MW for ASIC mining, the following table shows the sensitivity of the annualized run rate revenue, assuming fixed daily Bitcoin rewards of US\$18.3 million, and having variances in the price per Bitcoin and network difficulty (hashrate). For simplicity's sake, the below analysis assumes the Company's ASIC miners are allocated 100% to Bitcoin, although, the Company may mine other ASIC-based digital currencies if they are considered to be more profitable over time.

Annualized Run-Rate Bitcoin Revenue at Full Capacity (US\$mm):

		Bitcoin Blockchain Network Hashrate (PH/s)								
		12,500	15,000	17,500	20,000	21,079	25,000	27,500	30,000	32,500
Bitcoin Price (US\$)	\$3,500	\$36	\$30	\$26	\$23	\$21	\$18	\$16	\$15	\$14
	\$5,000	\$52	\$43	\$37	\$32	\$31	\$26	\$23	\$21	\$20
	\$6,500	\$67	\$56	\$48	\$42	\$40	\$33	\$30	\$28	\$26
	\$8,000	\$82	\$69	\$59	\$52	\$49	\$41	\$37	\$34	\$32
	\$10,349	\$107	\$89	\$76	\$67	\$63	\$53	\$48	\$44	\$41
	\$12,000	\$124	\$103	\$88	\$77	\$73	\$62	\$56	\$52	\$48
	\$13,500	\$139	\$116	\$99	\$87	\$82	\$70	\$63	\$58	\$54
	\$15,000	\$155	\$129	\$110	\$97	\$92	\$77	\$70	\$64	\$59
	\$16,500	\$170	\$142	\$121	\$106	\$101	\$85	\$77	\$71	\$65

Beyond HIVE's announced Sweden expansion, the Company is actively exploring additional opportunities and is focused on the acquisition and operation of data centres located in the Nordic countries, because of their reliable, clean and inexpensive power, flexibility on space and design of facilities, access to skilled workforce and stable, welcoming jurisdictions. In Iceland, Landsvirkjun, the National Power Company (www.landsvirkjun.com), offers up to 12 year fixed price power contracts at \$0.043 per kWh², providing long term visibility for operations and enabling better management of financial risk.

² See <https://www.landsvirkjun.com/productsservices/energyproducts/data-centers/competitive-energy/>

GENESIS PARTNERSHIP

The Company entered into an exclusive partnership with Genesis in September 2017 (see 'Genesis Transaction' below) and Genesis is a significant shareholder of HIVE, holding 25.62 % on a non-diluted basis as at December 31, 2017, with 77,412,655 shares and 2,770,560 warrants at an exercise price of C\$3.90 expiring November 14, 2019. Genesis is a world leader in cryptocurrency mining hashpower services, and through this partnership the Company is able to leverage Genesis' operating and technical experience as well as procurement power to develop new facilities and identify other Blockchain related business opportunities.

- *Genesis Transaction*

In September 2017, the Company completed its transaction with Genesis whereby the Company acquired a digital currency mining data centre in Reykjanes, Iceland from Genesis, as well as entered into certain other agreements with Genesis (the "Genesis Transaction"). The Genesis Transaction consisted of four agreements, with the Transaction Agreement encompassing the remaining three: the Investor Rights Agreement, the Master Data Centre Equipment Purchase Agreement and the Master Services Agreement, as well as supplementary purchase and service orders, described in further detail in Note 6 of the unaudited condensed interim consolidated financial statements for the nine months ended December 31, 2017.

Pursuant to the terms of the Investor Rights Agreement, Genesis is entitled to participate in future equity financings to allow Genesis to maintain its percentage ownership in the Company as well as certain other rights such as representation on the board of directors for a minimum period of two years.

Pursuant to the terms of the Master Data Centre Equipment Purchase Agreement and supplemental purchase order, the Company acquired the computing equipment at a cost of \$9,000,000; and pursuant to the terms of the Master Services Agreement and supplemental service order the Company initially agreed to pay Genesis for the maintenance and operation of the computing equipment, for a monthly fee of \$144,700 (prior to the 'Iceland Phase 2' below).

The Company expensed \$16,340,247 as transaction costs related to the Future Acquisition Rights as management determined that these rights did not meet the accounting definition of an asset due to a lack of control. Accordingly, the relative fair value of these rights has been expensed through profit and loss. The Company also incurred \$583,765 in cash transaction costs, which, combined with the finders fee of 3,398,771 shares at a value of \$817,012, have been recorded in equity as a cost of the shares issued at a total cost of \$1,400,777.

The initial equipment acquired at the Iceland Data Centre has a capacity of 2.05MW and consists of approximately 2,300 GPU based mining rigs.

- *Iceland Phase 2*

In October 2017, the Company acquired the second phase of digital currency mining rigs at the Iceland Data Centre from Genesis for total consideration (including transaction costs) of \$7,284,690, consisting of the issuance of 2,040,000 common shares valued at \$3,166,587 and \$4,118,103 of cash costs. As this expansion is in the same compound as the initial facility, the original service order was amended such that all the mining rigs currently in Iceland are monitored and maintained by Genesis at a cost of \$315,675, which includes power costs. This expansion added an additional 1.75 MW and 2,100 GPU mining rigs, for a total capacity of 3.8 MW as of December 31, 2017.

- *Sweden Expansion*

In November and December 2017, the Company entered into agreements with Genesis to expand into Sweden, for a total of 20.4 MW of GPU mining rigs and 20 MW of ASIC mining rigs in two separate facilities.

The GPU expansion of 20.4 MW will be delivered in three phases of 6.8 MW each, with expected delivery on January 15, 2018 (completed), March 31, 2018 and April 30, 2018. The cost of each phase is \$22 million, for

a total cost of \$66 million. As at December 31, 2017, and the date of this report, the Company has advanced \$32 million and \$66 million respectively to the cost of this equipment.

The ASIC expansion of 20 MW will cost \$34 million and is expected to be delivered in September 2018. As of the date of this report, the Company has advanced \$31.5 million towards the cost of this equipment.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

The Company's original 2.05 MW was fully deployed and operational as of September 18, 2017, and the 1.75 MW expansion in Iceland became fully operational on October 13, 2017, which gives a weighted average MW capacity of 3.55 MW for the three months ended December 31, 2017 and 3.38 MW for the period from the Change of Business in September 2017 to December 31, 2017. Using the weighted average MW for these periods, the revenue, cost of sales, and gross mining margin per weighted average MW is:

Revenue and costs per weighted average MW:		
	October - December 2017	September - December 2017
Weighted Average Mega Watts for period:	3.55	3.38
Revenue	921,600	1,019,435
Operation and maintenance costs (a)	(250,934)	(280,931)
Depreciation (a)	(268,569)	(306,063)
	402,097	432,441
Total costs (sum of (a))	(519,503)	(586,994)
Gross mining margin (see Note 1)	670,666	738,504

(1) Gross mining margin is a non-IFRS measure; see Non-IFRS Measures for reconciliation

Total assets increased to \$163,986,233 as at December 31, 2017 from \$478,915 at March 31, 2017, due primarily to the completion of the Genesis Transaction; the significant assets consisting of the Company's cash of \$99,082,749, digital currencies of \$5,827,805, a cash deposit of \$32,000,000, and the computing equipment in Iceland of \$15,250,404.

The increase in total assets during the nine months ended December 31, 2017 results primarily from a net \$150,100,974 raised from private placements along with the mining and revaluation of digital currencies of \$5,827,805.

Subsequent to December 31, 2017, the Company commenced digital currency mining in Sweden upon completion of the construction by Genesis of the first phase of the Sweden facility providing digital mining capacity of 6.8 MW for consideration of \$22 million.

THREE AND NINE MONTHS ENDED DECEMBER 31, 2017 AND 2016

During the three and nine months ended December 31, 2017, the Company recorded net income (loss) from continuing operations of \$149,724 and (\$19,690,038) respectively (2016 – (\$166,374) and (\$518,906) respectively). The results for the three and nine months ended December 31, 2017 are not comparable to the same periods in the prior year given the Company's Change of Business in September 2017.

Income:

- Revenues for the three and nine months ended December 31, 2017 were \$3,274,186 (2016 - \$nil) and \$3,445,005 (2016 - \$nil), from the mining of digital currencies;
- The Company mined Ethereum, Ethereum Classic and Zcash during the quarter:
 - The Company commenced mining ZCash (ZEC) on October 13, 2017 with a capacity of approximately 0.07 MW;
 - The Company allocated 25% of its capacity in November 2017 to mine Ethereum Classic commencing November 16, 2017; and



- Revaluation gains for the three and nine months ended December 31, 2017 were \$2,373,508 (2016 - \$nil) and \$2,382,801 (2016 - \$nil) for the digital currencies held at period end. The Company did not sell any digital currencies during the period, therefore the value of the digital currencies as at December 31, 2017 was \$5,827,805.

Expenses:

- Operating and maintenance costs for the three and nine months ended December 31, 2017 were \$891,499 (2016 - \$nil) and \$949,359 (2016 - \$nil) consisting of fees paid to Genesis under the Master Services agreement, which includes electricity, daily monitoring and maintenance, facility costs and all other costs directly related to the maintenance and operation of the equipment (see below);
- Depreciation for the three and nine months ended December 31, 2017 of \$954,149 (2016 - \$nil) and \$1,034,286 (2016 - \$nil) being straight line depreciation of the computing equipment over an expected life of four years;
- Share based compensation for the three and nine months ended December 31, 2017 of \$1,827,024 (2016 - \$nil) and \$4,533,663 (2016 - \$nil) in relation to the options granted in the periods;
- Marketing fees for the three and nine months ended December 31, 2017 of \$302,646 (2016 - \$nil) and \$805,994 (2016 - \$nil) in relation to marketing programs with the launch of the Company's change of name and business, which includes investor relations compensation of \$204,515 and \$676,793 for the three and nine months respectively;
- Professional fees for the three and nine months ended December 31, 2017 of \$419,167 (2016 - (\$2,747)) and \$554,939 (2016 - \$12,360) in relation to legal, auditing and tax fees indirectly related to the Company's current and future growth plans;
- Travel expenses for the three and nine months ended December 31, 2017 of \$418,945 (2016 - \$nil) incurred for visits to current and future sites and corporate development, to support the Company's growth plans as well as oversee current operations;
- Income tax expense for the three and nine months ended December 31, 2017 of \$485,000 (2016 - \$nil), being deferred taxes on the Company's profit-generating operations in Switzerland; and
- Transaction costs related to the Future Acquisition Rights in the Genesis Transaction of \$16,340,247, which have been expensed as they do not meet the accounting definition of an asset. This is a one time charge.

Operating and maintenance costs paid to Genesis include electricity, facility rental, internet supply, on site labour, security, remote monitoring and other services, with a guaranteed uptime of 93%, at a fixed cost of \$315,675 per month for the Iceland operations, renewable annually with six months notice. Pursuant to the agreements with Genesis, the Company is also entitled to a one year warranty on all of its rigs, which includes periodic replacement of GPU cards, and accordingly, the Company has spent \$nil to date on replacement and upkeep of its miners.

Electricity is one of the most significant cost elements in running a digital mining operation; in addition to access to inexpensive power costs, optimal performance is achieved through stable, consistent supply of electricity. The Company is careful to ensure its underlying power supply is not subject to fluctuations in a specific grid, as this erratic supply does not lend itself to efficient computing, even if cheap rates can be obtained for temporary consumption of oversupply. The agreement with Genesis for guaranteed consistent uptime also helps mitigate the Company's operational risk.

In October 2017, the Ethereum network had a significant technological upgrade that resulted in block time decreasing from an average of 30 seconds to an average of 15 seconds, while the corresponding Ethereum reward per block also decreased from 5 Ethereum coins ("ETH") per block mined to 3 ETH per block mined. This results in an increase in the Company's ability to earn coin rewards, as the time to complete a block decreased by a greater percentage than the reward per coin.

The Ethereum network has historically been the second largest digital currency by market capitalization, after Bitcoin. The Ethereum network is the biggest GPU based network in the cryptocurrency industry and as of December 2017, processes more transactions than all other digital currencies combined, including Bitcoin.



The Company was focused primarily on Ethereum for the period ended December 31, 2017, although has the ability to mine various digital currencies, primarily those that are performed with GPU rigs.

Timing considerations with respect to the period ended December 31, 2017

As noted above, the Genesis Transaction and Change of Business closed on September 14, 2017, after which the Company commenced its digital currency mining operations.

This gives rise to certain abnormalities including the following:

- HIVE was an inactive company in the business of exploration and evaluation of mineral properties prior to the completion of its Change of Business with minimal operations and no revenues;
- One time charge for the transaction costs related to the Future Acquisition Rights, which have been expensed as they are not considered to meet the accounting definition of an asset due to a lack of control; and
- Capacity in operation of 2.05 MW increased by 85% to 3.8 MW effective October 13, 2017 as a result of the commencement of operations of the second phase of Iceland.

Readers of these unaudited condensed interim consolidated financial statements and this MD&A are therefore cautioned about extrapolating the results for the December 31 quarterly period into annual expectations, in terms of the abnormal levels of expenses related to the period leading up to the Change of Business.

SUMMARY OF QUARTERLY RESULTS

The following tables summarize the Company's financial information for the last eight quarters in accordance with IFRS:

	2018 Q3 \$	2018 Q2 \$	2018 Q1 \$	2017 Q4 \$	2017 Q3 \$	2017 Q2 \$	2017 Q1 \$	2016 Q4 \$
Revenue	3,274,186	170,819	-	-	-	-	-	-
Net profit (loss)	149,724	(20,257,911)	(28,603)	(16,228)	(166,374)	(177,210)	(175,322)	(116,828)
Basic and diluted income (loss) per share	0.00	(0.20)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)

The above table has been restated in US dollars as a result of the Company's change in its presentation currency. There is an increase in expenses in the Q2 2018 as a result of the Company's Change of Business, the expensing of the transaction costs related to Future Acquisition Rights under the Genesis Transaction and resulting increase in operations.

LIQUIDITY AND CAPITAL RESOURCES

The Company commenced earning revenues in mid-September 2017, however it has limited history and no assurances that historical performance will be indicative of future performance. The Company is reliant on external financing to take advantage of growth opportunities and its ability to continue as a going concern is dependent on the Company's ability to efficiently mine and liquidate digital currencies.

As at December 31, 2017, the Company had a working capital balance of \$107,487,856 as compared to a working capital deficit of (\$2,644,216) as at March 31, 2017 and currently has sufficient cash and cash equivalents to fund its current operating and administrative costs.

The net change in the Company's cash position as at December 31, 2017 as compared to March 31, 2017 was an increase of \$99,051,836 as a result of the following cash flows:

- Cash used in operations of \$7,336,484, primarily due to clean up of the Company since its Change of Business and start up costs;
- Cash used in investing activities of \$45,118,103, consisting of the cash consideration paid to acquire data centres, and deposit of \$32,000,000 for the Sweden GPU expansion; and

- Cash provided by financing activities of \$151,357,440, largely due to the completion of the Company's equity financings during the period.

OUTSTANDING SHARE DATA

As December 31, 2017 and at the date of this report, the following equity were outstanding:

Total Outstanding as of:	December 31, 2017	Date of this report:	Exercise price range:
Shares outstanding	302,171,577	307,299,825	
Stock options	25,249,666	20,121,418	C\$0.30 - C\$2.00
Warrants	49,530,149	49,530,149	C\$0.30 - C\$3.90

Subsequent to December 31, 2017, 5,128,248 stock options were exercised for proceeds of C\$1,538,474 (\$1,183,442).

There are TSXV and securities laws restrictions on resale, as well as voluntary restrictions on certain shares, as detailed in the Company's Filing Statement dated September 13, 2017 filed on SEDAR and subsequent continuous disclosure filings of the Company.

NON-IFRS FINANCIAL PERFORMANCE MEASURES

The Company has presented certain non-IFRS measures in this document. The Company believes that these measures, while not a substitute for measures of performance prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

As the Genesis Transaction closed in September 2017, these measures are not available or meaningful for periods prior to this date.

Gross Mining Margin:

The Company believes that, in addition to conventional measures prepared in accordance with IFRS, it is helpful to investors to use the gross mining margin to evaluate the Company's performance and ability to generate cash flows and service debt. The Gross Mining Margin is defined as the revenues from the mining of digital currencies less direct cash costs, being operating and maintenance costs. Accordingly, this measure does not have a standard meaning and is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The following table provides illustration of the calculation of the gross mining margin for the three months ended December 31, 2017, in which the Company was operating its Iceland digital currency mining activities:

	Three months ended December 31, 2017	Nine months ended December 31, 2017
Calculation of Gross Mining Margin:		
Revenues <i>(Note 1)</i>	\$ 3,274,186	\$ 3,445,005
<i>Less:</i>		
Operating and maintenance costs:	(891,499)	(949,359)
Gross Mining Margin	\$ 2,382,687	\$ 2,495,646

(1) As presented on the unaudited condensed interim consolidated statements of loss and comprehensive loss.



Annualized Run Rate Revenue:

The Company uses the annualized run rate revenue to provide a measure of the financial performance of the Company using current financial information at a point in time. The annualized run rate revenue is a snapshot of the Company's potential revenue extrapolated over a period of one year, based on current assumptions as stated. The Company is not making projections on the future digital currency prices, network difficulty rates and network mining rewards and the annualized run rate revenue is not necessarily indicative of the Company's future earnings. The network hashrate (or 'network difficulty') is the measuring unit of the processing power of the entire network for a specific algorithm (for example, Bitcoin or Ethereum). The daily network mining rewards are the total daily rewards issued for the blocks solved that day; daily network rewards are fixed based on the specific algorithm. Actual results will vary based on change in these assumptions.

RELATED PARTY TRANSACTIONS

The Company had the following related party transactions not otherwise disclosed in this Management's Discussion and Analysis:

- (a) As at December 31, 2017, an amount of \$nil (March 31, 2017 - C\$44,010) was owed to a company controlled by the former President of the Company.
- (b) As at December 31, 2017, included in accounts payable and accrued liabilities is an amount of \$nil (March 31, 2017 - C\$3,341,269) owing to a shareholder of the Company and companies controlled by this shareholder.
- (c) As at December 31, 2017, loans payable of \$nil owed to various related and unrelated parties and accrued interest of \$nil were owed to a company owned by the Chief Executive Officer of the Company. As at March 31, 2017, \$117,180 of loans payable, including accrued interest of \$3,849 were due to former related parties of the Company.
- (d) In June 2017, a company controlled by a shareholder of the Company agreed to extinguish a total of \$1,365,798 of accounts payable. As at December 31, 2017, included in accounts payable and accrued liabilities is an amount of \$nil (March 31, 2017 - C\$1,836,589) owing to this Company.
- (e) As at December 31, 2017, the Company had \$8,000,000 due to Genesis for the VAT portion of the deposit, as well as \$61,328 due to directors for the reimbursement of expenses included in accounts payable and accrued liabilities.

Key Management Compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

For the nine months ended December 31, 2017, key management compensation includes salaries and wages (included in management fees) paid to the CEO of \$66,411 and share based payments of \$1,741,401 to directors and management.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company has prepared the accompanying unaudited condensed interim consolidated financial statements in accordance with IAS 34, using accounting policies consistent with IFRS. Significant accounting policies are described in Note 2 of the Company's annual financial statements as at and for the year ended March 31, 2017, as well as those adopted per Note 5 of the Company's unaudited condensed interim consolidated financial statements as at and for the three and nine months ended December 31, 2017.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

The Company's significant estimates and judgements for the period ended December 31, 2017 included:

Significant judgements

(a) Functional currency

The functional currency of the Company has been assessed by management based on consideration of the currency and economic factors that mainly influence the Company's digital currencies, production and operating costs, financing and related transactions. Specifically the Company considers the currencies in which digital currencies are most commonly denominated and expenses are settled by each entity as well as the currency in which each entity receives or raises financing. Changes to these factors may have an impact on the judgment applied in the determination of the Company's functional currency. The functional currency for HIVE Blockchain Technologies Ltd. is the Canadian dollar, and is the US dollar for its wholly owned subsidiaries.

(b) Asset acquisition

Management determines whether assets acquired and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. The Company completed the Genesis Transaction in September 2017 at which time, concluded that the transactions did not qualify as a business combination under IFRS 3, "Business Combinations", as management concluded that significant processes were not acquired. Accordingly, the Genesis Transaction has been accounted for as an asset acquisition.

(c) Revenue recognition

The Company recognizes revenue from the provision of transaction verification services within digital currency networks, commonly termed "cryptocurrency mining". As consideration for these services, the Company receives digital currency from each specific network in which it participates ("coins"). Revenue is measured based on the fair value of the coins received. The fair value is determined using the spot price of the coin on the date of receipt, based on the hourly volume weighted average from www.cryptocompare.com. The coins are recorded on the statement of financial position, as digital currencies, at their fair value and re-measured at each reporting date. Revaluation gains or losses, as well as gains or losses on the sale of coins for traditional (fiat) currencies are included in profit and loss. The Company records the revaluation gains and losses in profit and loss because this is considered to be the most fair and accurate presentation of the Company's operations to the users of the financial statements.

There is currently no specific definitive guidance in IFRS or alternative accounting frameworks for the accounting for the production and mining of digital currencies and management has exercised significant judgement in determining appropriate accounting treatment for the recognition of revenue for mining of digital currencies. Management has examined various factors surrounding the substance of the Company's operations and the guidance in IAS 18, Revenues, including the stage of completion being the completion and addition of a block to a blockchain and the reliability of the measurement of the digital currency received. In the event authoritative guidance is enacted by the IASB, the Company may be required to change its policies which could result in a change in the Company's financial position and earnings.

Significant estimates

(a) Determination of asset fair values and allocation of purchase consideration

Significant asset acquisitions require judgements and estimates to be made at the date of acquisition in relation to determining the relative fair value of computing equipment and Future Acquisition Rights and the allocation of the purchase consideration over the fair value of the assets. The information necessary to measure the fair values as at the acquisition date of assets acquired requires management to make certain judgements and estimates about future events, including but not limited to availability of hardware and expertise, future production opportunities, future digital currency prices and future operating costs.

(b) Carrying value of computing equipment

The Company evaluates each asset or cash generating unit every reporting period to determine whether there are any indications of impairment. If any such indication exists, which is often judgmental, a formal estimate of recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or cash generating group of assets is measured at the higher of fair value less costs to sell and value in use. The evaluation of asset carrying values for indications of impairment includes consideration of both external and internal sources of information, including such factors as the relationship between mining rewards and the required computing power, digital currency prices, the periodic contribution margin of digital currency mining activities, changes in underlying costs, such as electricity, and technological changes.

When required, the determination of fair value and value in use requires management to make estimates and assumptions about digital currency prices, required computing power, technological changes and operating costs, such as electricity. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances some or all of the carrying value of the assets may be further impaired or the impairment charge reduced with the impact recorded in the statement of comprehensive income.

(c) Depreciation

Depreciation of computing equipment is an estimate of its expected life. In order to determine the useful life of computing equipment, assumptions are required about a range of computing industry market and economic factors, including required hashrates, technological changes, availability of hardware and other inputs, and production costs.

(d) Deferred taxes

The determination of the Company's tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgement by management. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and makes estimates of the expected timing of the reversal of deferred tax assets and liabilities, the deferral and deductibility of certain items and interpretation of the treatment for tax purposes of digital currencies by taxation authorities. Management also makes estimates of future earnings, which affect the extent to which potential future tax benefits may be used. The Company is subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. The Company provides for such differences where known based on management's best estimate of the probable outcome of these matters.

(e) Digital currency valuation

Digital currencies consist of cryptocurrency denominated assets and are included in current assets. Digital currencies are carried at their fair value determined by the spot rate based on the hourly volume weighted average from www.cryptocompare.com. The digital currency market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital currencies would have a significant impact on the Company's earnings and financial position.

(f) Share based compensation

The Company utilizes the Black-Scholes Option Pricing Model ("Black-Scholes") to estimate the fair value of stock options granted to directors, officers, employees consultants and charities. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the share based compensation calculation value, however the most significant estimate is the volatility. Expected future volatility can be difficult to estimate as the Company has had limited history and is in a unique industry, and historical volatility is not necessarily indicative of future volatility.

New Standards and Interpretations Not Yet Adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC. The following has not yet been adopted by the Company and is being evaluated to determine its impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.
- IFRS 15: New standard that replaced IAS 18, Revenue, IAS 11, Construction Contracts and related interpretations on revenue, effective for annual periods beginning on or after January 1, 2018.
- IFRS 16, which replaces previous lease accounting guidance, effective for annual periods beginning on or after January 1, 2019.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company is exposed, in varying degrees, to a variety of financial related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts as at December 31, 2017. The majority of cash is deposited in bank accounts held with one major bank in Canada so there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining cash and cash equivalent balances to ensure that it is able to meet its short term and long term obligations as and when they fall due. The Company manages Company-wide cash projections centrally and regularly updates projections for changes in business and fluctuations caused in digital currency prices and exchange rates.

Foreign currency risk

Currency risk relates to the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations affect the costs that the Company incurs in its operations as well as the currency in which the Company has historically raised capital.

The Company's presentation currency is the US dollar and major purchases are transacted in US dollars, while all financing to date has been completed in Canadian dollars. As the Company operates in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than an entity's functional currency. A portion of the Company's general and administrative costs are incurred mainly in currencies separate from each entity's functional currency, such as Swiss Francs, the Euro, and Icelandic Kronor. The fluctuation of these currencies in relation to the US dollar will consequently impact the profitability of the Company and may also affect the value of the Company's assets and liabilities and the amount of shareholders' equity.

The Company's net monetary position in the significant foreign currencies as of December 31, 2017 is summarized below with the effect on earnings before tax of a 10% fluctuation of each currency to the USD dollar:



	Net Monetary Position December 31, 2017 (USD\$ equivalent)	Impact of 10% variance in foreign exchange rate
US Dollars	10,324,986	1,032,499
Swiss Francs	76,765	7,677
Icelandic Kronor	3,329,527	332,953

Interest rate risk

Interest rate risk is the risk that the fair value of 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 limited and only relates to its ability to earn interest income on cash balances at variable rates. Changes in short term interest rates will not have a significant effect on the fair value of the Company's cash account.

DIGITAL CURRENCY AND RISK MANAGEMENT

Digital currencies are measured using level one fair values, determined by taking the rate from www.cryptocompare.com.

Digital currency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. The profitability of the Company is directly related to the current and future market price of coins; in addition, the Company may not be able liquidate its inventory of digital currency at its desired price if required. A decline in the market prices for coins could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its coin sales.

Digital currencies have a limited history and the fair value historically has been very volatile. Historical performance of digital currencies are not indicative of their future price performance. The Company's digital currencies currently consist of Ethereum, Ethereum Classic and ZCash. The table below shows the impact of the 25% variance in the price of each of these digital currencies on the Company's earnings before tax, based on their closing prices at December 31, 2017.

		Impact of 25% variance in price
Ethereum	\$	1,347,927
Ethereum Classic		140,004
Z-Cash		13,740

RISKS AND UNCERTAINTIES

There have been no changes in the risk factors pertaining to the Company since the Company's filing statement dated September 13, 2017 (the "Filing Statement") and available on SEDAR at www.sedar.com, other than noted below. The disclosure in this MD&A is subject to, and should be read in conjunction with, the risk factors outlined in the Filing Statement.

An additional risk to the Company arises as a result of the potential shift from the use of a proof of work validation method by the Ethereum algorithm to a proof of stake method, which we believe would result in the mining of Ethereum requiring less energy and may render the Company less competitive as other miners would be able to mine Ethereum with lower energy requirements. The economic model for moving to a proof of stake method is not yet available, so the Company currently cannot estimate the impact of a change to proof of stake on their current operations, but may see its competitive advantages decrease. As at December 31, 2017 and as of the date of this report, the Company had not sold any Ethereum.



CAUTION REGARDING FORWARD LOOKING INFORMATION

This Management Discussion and Analysis contains certain “forward-looking information” within the meaning of Canadian securities legislation. Forward-looking information is based on the beliefs, estimates and opinions of the Company’s management on the date the statements are made and they involve a number of risks and uncertainties. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Forward-looking information in this Management Discussion and Analysis includes information about the Company’s build-out and expansion of digital currency operations (including expansion into Bitcoin and Bitcoin Cash mining) into Sweden and expected timing thereon; expected electrical and mining capacity in Sweden; additional opportunities to be identified in 2018 to continue growth of revenue and computing equipment; expected revenue increases in the third quarter and in 2018; the value of the Company’s digital currency inventory; the business goals and objectives of the Company, and other forward-looking information including but not limited to information concerning the intentions, plans and future actions of the Company.

This news release also contains “financial outlook” in the form of annualized run rate revenue, which is intended to provide additional information only and may not be an appropriate or accurate prediction of future performance, and should not be used as such. The annualized run rate revenue disclosed in this news release is based on the assumptions disclosed in this Management Discussion and Analysis, which assumptions are based upon management’s best estimates but are inherently speculative and there is no guarantee that such assumptions and estimates will prove to be correct.

The forward-looking information in this Management Discussion and Analysis reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. In connection with the forward-looking information contained in this Management Discussion and Analysis, the Company has made assumptions about the Company’s ability to complete the expansion into Sweden; the Company will be able to profitably liquidate its digital currency inventory as required; the Company’s ongoing partnership with Genesis; historical prices of digital currencies and the ability of the Company to mine digital currencies will be consistent with historical prices; and there will be no regulation or law that will prevent the Company from operating its business. The Company has also assumed that no significant events occur outside of the Company’s normal course of business. Additionally, gross mining margins referred to herein are also based on assumptions set out in this Company’s Management Discussion and Analysis. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

Risk factors that could cause future results to differ materially from those anticipated in these forward-looking statements are described in the Risk Factors contained in the Company’s Filing Statement, and the other risk factors discussed in greater detail in the Company’s various filings on SEDAR (www.sedar.com). Readers are cautioned not to place undue reliance on forward-looking information, which speak only as of the date hereof. We undertake no obligation to publicly release the results of any revisions to forward-looking information that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events except as required by law.

MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In connection with National Instrument (“NI”) 52-109 (Certification of Disclosure in Issuer’s Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim financial statements and the audited annual financial statements and respective accompanying Management’s Discussion and Analysis.

Additional information relating to the Company is available on SEDAR at www.sedar.com.