FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: **360 Blockchain Inc. (Former 360 Capital Financial Services Group Inc.)** (the "Issuer").

Trading Symbol: **CODE**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

Consolidated Interim Financial Statements for the nine months ended September 30, 2017 and 2016 attached as Schedule A.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

For the supplementary information set out in items 1, 2 and 3 below, please see the Consolidated Interim Financial Statements (unaudited) (attached hereto as Schedule A) and/or the Management Discussion and Analysis (attached as Schedule C) for the nine months ended September 30, 2017.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
(b) A description of the transaction(s), including those for which no amount has been recorded.
(c) The recorded amount of the transactions classified by financial statement category.
(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
(e) Contractual obligations with Related Persons, separate from other contractual obligations.
(f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

(b) number and recorded value for shares issued and outstanding,

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

George Tsafalas, Interim President and Chief Executive Officer, & Director
Tatiana Kovaleva, Chief Financial Officer
Brian Keane, Director
John Gan, Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Management Discussion and Analysis for the nine months ended September 30, 2017 attached as Schedule C.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated November 14, 2017.

Tatiana Kovaleva
Name of Director or Senior Officer

(signed) *"Tatiana Kovaleva"*
Signature

Chief Financial Officer
Official Capacity

<table>
<tr><td>Issuer Details
Name of Issuer

360 Blockchain Inc.</td><td>For Quarter Ended

September 30, 2017</td><td>Date of Report YY/MM/D

November 14, 2017</td></tr>
<tr><td colspan="3">Issuer Address

734-1055 Dunsmuir St</td></tr>
<tr><td>City/Province/Postal Code

Vancouver, BC V7X 1B1</td><td>Issuer Fax No.</td><td>Issuer Telephone No.

(604) 343-2977</td></tr>
<tr><td>Contact Name

Tatiana Kovaleva</td><td>Contact Position

Chief Financial Officer</td><td>Contact Telephone No.

(603) 343-2977</td></tr>
<tr><td>Contact Email Address

tkovaleva@ktbusiness2010.com</td><td colspan="2">Web Site Address

www.360blockchaininc.com</td></tr>
</table>

Schedule A: Financial Statements

360 BLOCKCHAIN INC.

(Former 360 Capital Financial Services Group Inc.)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016

(unaudited)

NOTICE TO READER
UNAUDITED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed financial statements; the statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an entity's auditor.

Management has prepared the condensed interim statements of financial position of 360 Blockchain Inc. (Former 360 Capital Financial Services Group Inc.) as at September 30, 2017 and 2016 and the condensed interim statements of comprehensive loss, changes in equity and cash flows for the nine-month periods ended September 30, 2017 and 2016. Readers are cautioned that these statements may not be appropriate for their purposes.

Management has prepared the information and representations in this interim report. The condensed financial statements have been prepared in accordance with International Financial Reporting Standards and, where appropriate, reflect management's best estimates and judgment. The financial information presented throughout this report is consistent with the data presented in the condensed financial statements.

"George Tsafalas"
Chief Executive Officer

Vancouver, B.C. 360 Blockchain Inc.
November 14, 2017

360 Blockchain Inc.
Consolidated Interim Statements of Financial Position
(Unaudited)
(Expressed in Canadian Dollars)

	Note	September 30, 2017	December 31, 2016
		$	$
ASSETS			
Current Assets			
Cash		1,557,589	271,026
Sales tax receivable		12,177	-
Amounts receivable		-	1,749
Due from related companies	5	-	10,861
Prepaid expenses and deposits		12,614	-
		1,582,380	283,636
Long-term investments	4	716,000	706,000
		2,298,380	989,636
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	5	260,041	172,121
Due to related parties	5	23,511	27,596
Deferred revenue		-	27,500
		283,552	227,217
Subordinated debt	5	65,850	63,440
		349,402	290,657
Equity			
Share capital	6	5,292,101	3,385,291
Contributed surplus	6	524,475	344,697
Accumulated deficit		(3,867,597)	(3,031,009)
		1,948,979	698,979
		2,298,380	989,636

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
COMMITMENTS AND CONTINGENT LIABILITIES (Note 9)

360 Blockchain Inc.
Consolidated Interim Statements of Comprehensive Loss
(Unaudited)
(Expressed in Canadian Dollars)

	Note	Nine Months ended Sep 30, 2017	Nine Months ended Sep 30, 2016	Three Months ended Sep 30, 2017	Three Months ended Sep 30, 2016
		$	$	$	$
Revenue					
Insurance services commission		4,903	19,451	4,903	11,882
Financial advisory services		42,500	41,046	-	15,612
		47,403	60,497	4,903	27,494
Expenses					
Commissions		-	6,412	-	1,173
Office and miscellaneous	5	134,749	39,011	87,013	3,839
Professional fees	5	479,163	93,240	285,707	20,624
Regulatory and transfer agent fees		17,302	14,114	5,571	2,841
Management fees	5	58,300	-	13,300	-
Share-based compensation	6	179,778	-	-	-
		869,293	152,777	391,592	28,477
Loss from operations		(821,889)	(92,280)	(386,688)	(983)
Other income (expenses)					
Interest and other income		(2,409)	(717)	(6,112)	336
Loss from securities disposition		(12,189)	-	-	-
Net loss for the period		(836,487)	(92,997)	(392,799)	(647)
Net income (loss) and comprehensive income (loss)		(836,487)	(92,997)	(392,799)	(647)
Earnings (loss) per common share – basic and diluted		(0.01)	(0.01)	(0.01)	(0.00)
Weighted average number of common shares outstanding – basic and diluted		78,152,463	48,854,112	91,729,386	48,854,112

360 Blockchain Inc.
Consolidated Interim Statements of Cash Flows
(Unaudited)
(Expressed in Canadian Dollars)

	Note	September 30, 2017	September 30, 2016
		$	$
OPERATING ACTIVITIES			
Net income (loss) for the year		(736,487)	(92,997)
Items not affecting cash:			
Share-based compensation	5,6	198,528	-
		(637,959)	(92,997)
Changes in non-cash working capital items:			
Amounts and other receivable		(10,428)	7,580
Prepaid expense		(12,614)	10,867
Accounts payable and accrued liabilities		87,920	37,700
Deferred revenue		(27,500)	-
Due to related parties		10,861	-
Cash used in operating activities		(589,721)	(36,850)
INVESTING ACTIVITIES			
Proceeds from repayment of promissory notes	3	-	50,000
Long-term investment in associate	4	(10,000)	-
Cash provided by investing activities		(10,000)	50,000
FINANCING ACTIVITIES			
Interest on subordinate debt	5	2,409	-
Advance from related parties	5	(4,084)	(3,056)
Proceeds from share issuance, net	5	1,887,959	-
Cash provided by financing activities		1,877,334	(3,056)
Change in cash		1,286,563	10,094
Cash, beginning of year		271,026	110,361
Cash, end of year		1,557,589	120,456
Supplemental disclosures:			
Cash paid for interest		-	-
Cash paid for income taxes		-	-
Non-cash transactions:			
Shares issued for consulting services	5	18,750	-

The accompanying notes are an integral part of these consolidated financial statements

360 Blockchain Inc.
Consolidated Interim Statements of Changes in Equity
(Unaudited)
(Expressed in Canadian Dollars)

	Share Capital				
	Number of Common Shares	Amounts	Contributed Surplus	Accumulated Deficit	Total
		$	$	$	$
Balance at December 31, 2015	48,854,112	3,187,791	344,697	(3,462,633)	69,855
Comprehensive loss	-	-	-	(92,977)	(92,977)
Balance at September 31, 2016	48,854,112	3,187,791	344,697	(3,555,630)	(23,142)
Shares issued for cash	6,000,000	150,000	-	-	150,000
Shares issued for services	1,900,000	47,500	-	-	47,500
Comprehensive income	-	-	-	524,621	524,621
Balance at December 31, 2016	56,754,112	3,385,291	344,697	(3,031,009)	698,979
Share-based compensation	-	-	179,778	-	179,778
Shares issued for services	750,000	18,750	-	-	18,750
Shares issued for cash	56,174,999	1,947,000	-	-	1,947,000
Shares issued for warrants exercise	600,000	30,000	-	-	30,000
Finders fees	-	(89,041)	-	-	(89,041)
Comprehensive loss	-	-	-	(836,487)	(836,487)
Balance at September 30, 2017	114,279,111	5,292,000	524,475	(3,867,496)	1,948,979

1. NATURE OF OPERATIONS AND GOING CONCERN

360 Blockchain Inc. (Former 360 Capital Financial Services Group Inc.) ("Company") was incorporated in British Columbia on February 19, 2009. On September 30, 2013 pursuant to a Plan of Arrangement and Amalgamation Agreement (the "Plan"), Global MGA Financial Inc. ("Global") amalgamated with Carnelian Strategic Capital Corp. ("Carnelian"), which was a reporting issuer incorporated in British Columbia on May 3, 2013. Pursuant to the Plan, the amalgamated company was named 360 Capital Financial Services Group Inc. On September 29, 2017 the Company changed name to 360 Blockchain Inc. to reflect its focus on investments in the technology sector surrounding blockchain and crypto-technologies
On November 27, 2013, shares of 360 Capital Financial Services Group Inc. were listed on the Canadian Securities Exchange ("CSE") for trading under the trading symbol TSZ. In September 2017, shares of 360 Blockchain Inc. were listed on the Frankfurt Stock Exchange ("FWB") for trading under the trading symbol C5B. In October 2017, the trading symbol changed to CODE in conjunction with the name change.

360 Blockchain Inc. and its subsidiaries, conduct financial services businesses and seek to develop the company organically through its investments, and acquisition, partnership, joint-venture, and strategic alliance and cooperation. These financial services include merchant banking and corporate finance and consulting and advisory services for private and public companies. In addition, the company also invests in private placements of issuers. .

360 Blockchain Inc. has an all-round view to accelerate the development and application of revolutionary blockchain technologies by investing capital and expertise. The Company is founded on the belief that blockchain technology, essentially a distributed ledger which is transparent and incorruptible, has the potential to transform the way business is conducted, delivering security, cost savings and efficiency gains not seen before in our internet connected world. 360 Blockchain will be focused upon identifying and empowering blockchain technologies applying to crypto-currencies, smart contracts, eSports, data management, the internet of things, equity trading, privacy applications and beyond.

The Company's business address is 734-1055 Dunsmuir Street, British Columbia, Canada.

These consolidated interim financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for at least the next twelve months. The Company has incurred losses since its inception and has an accumulated deficit of $3,867,597 as at September 30, 2017. In addition, the Company has experienced negative cash flows from operations. These factors raise significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, identifying and acquiring businesses or assets, and generating profitable operations in the future. These consolidated interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated interim financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting. These consolidated interim financial statements should be read in conjunction with the Company's financial statements for the year ended December 31, 2016.

Basis of Measurement

These consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Consolidation

These consolidated interim financial statements include the accounts of the Company and its subsidiaries as follows:

Legal Name	Place of Incorporation	Principal Activity
Global MGA (Hong Kong) Limited	Hong Kong	Holding Company
Mega Bright Financial Incorporated	British Columbia, Canada	Financial services and consulting Sales
360 Securities Ltd.	British Columbia, Canada	Financial Services Company

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

Global MGA (Hong Kong) Limited is a non-active holding company. During the year ended December 31, 2016, the Company dissolved its China subsidiary, Zhaoying (Shanghai) Management Consulting Co. Ltd. as it had been inactive since incorporation.

The accounting policies of its subsidiaries are consistent with the policies adopted by the Company.

Foreign Currencies

The reporting and functional currency of the Company is the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date.

In preparing the consolidated financial statements of the individual subsidiaries, transactions in currencies other than the parent's functional currency, which is the Canadian dollar, are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items that are denominated in currencies other than the functional currency are translated at the period end exchange rates. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in profit or loss in the period.

Financial Instruments

i) Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company's cash is classified as financial assets at FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income or loss except for losses in value that are considered other than temporary which are recognized in earnings. The Company's amounts due from related companies are classified as loans and receivables as at June 30, 2017.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Non-derivative financial assets not included in the above categories are classified as available-for-sale and comprise principally of the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments carried at fair value with changes in fair value recognized in

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

accumulated other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost. The Company's long-term investments are classified as financial assets as available for sale.

Purchase and sales of available-for-sale financial assets are recognized on a trade date basis. On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss.

ii) Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as financial liabilities at FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable, due to related parties and subordinated debt are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in earnings. The Company has no financial instruments classified as financial liabilities at FVTPL at September 30, 2017.

Cash and Cash Equivalents

Cash and cash equivalents are classified as fair value through profit or loss and include short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company places its deposits with financial institutions.

Intangible Assets

The Company's intangible asset is comprised of a book of agency relationships with insurance customers purchased from an unrelated party and is measured at cost. The insurance customers are considered to have an estimated life of up to 10 years, being the expected period over which insurance premiums and agency commissions are likely to be earned from the customer. Accordingly, the cost of the agency relationships is amortized over that period. The agency relationships are assessed for impairment and expected remaining life annually. Changes in the expected useful life are accounted for by changing the amortization period or method, as appropriate, and they are treated as changes in accounting estimates. The amortization expense is recognized in the consolidated statements of comprehensive income (loss).

Impairment

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Investment in Associates

The Company follows the equity method of accounting for its investments in associates in which it owns less than 50% and over which it exercises significant influence. Under this method, the Company includes in its net earnings its share of the net earnings or losses of the associate less dividends received, if any.

Once management determines that it no longer has significant influence, it recognizes the investment at fair value, with any gain or loss recognized in net income. Following recognition at fair value, the investment is treated as fair value through profit and loss with any gain or losses accounted through comprehensive income.

Share Capital

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that shares are issued.

Share Issue Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to earnings.

Share-based Payment Transactions

The Company offers equity-settled share-based payments to directors, officers, employees and non-employees. Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve. Equity-settled awards are not re-measured subsequent to the initial grant date. Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Earnings (Loss) per Share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is based on the weighted average number of common shares and stock options outstanding at the beginning of or granted during the period, calculated using the treasury stock method. Under this method, the proceeds from the exercise of the options are assumed to be used to repurchase the Company’s shares. The difference between the number of shares assumed purchased and the number of options assumed exercised is added to the actual number of shares outstanding to determine diluted shares outstanding for purposes of calculating diluted earnings per share. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive, in which case the information is not presented.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

Income tax expense is comprised of current and deferred tax components. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the related tax is recognized in equity or other comprehensive income.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the asset and liability method. Under this method, the Company calculates all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the period end date. Deferred tax is calculated based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates that are expected to apply to the year of realization or settlement based on tax rates and laws enacted or substantively enacted at the period end date.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and unused tax losses and tax credits can be utilized. The carrying amount of deferred tax assets is reviewed at each statement of the financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Revenue Recognition

Insurance services commission revenue is generally based on the Company's gross commissions on insurance premiums received in respect of the closing of insurance contracts. Commission income is recorded when the amount is able to be determined and measured reliably based on commission contracts or arrangements, it is probable that economic benefits in the form of payment of the commissions will be received by the Company, and the insurance contract between the insured and the insurer is binding such that the insurer cannot avoid the obligation to pay the commission. This is also the point at which the Company is obligated to pay the agent's share of the commission to the agent and the costs to pay the agent can be measured reliably.

Financial advisory services revenue, such as consulting fees earned, is generally recognized when the related services have been provided, the amount is determinable and the collectability is reasonably assured. The specific terms of the advisory services arrangements governing how and when such revenue will be recognized depend on the arrangement. Non-refundable fees are recognized when they have been received and there are no outstanding conditions which may cause such fees to be refunded.

Interest income is recognized as earned on an accrual basis.

Income or loss related to the Company's share of investments in associates is accounted using the equity method. See also Note 4.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant Accounting Estimates and Judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which affect the application of accounting policies and the reported amounts of assets, liabilities and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant estimates include:

a. the determination of deferred income tax assets and liabilities;
b. the determination of the useful life of the intangible asset;
c. the valuation and measurement of the investments, including the determination of fair value.

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include the following:

d. the determination of the functional currency of the Company;
e. the determination of the revenue recognition policy for insurance commission;
f. the determination of the revenue recognition policy for financial advisory services income;
g. the classification and treatment of the Company's investment in associates and the determination of whether or not it has significant influence over the associate;
h. the evaluation of the Company's ability to continue as a going concern

Provisions

Provisions represent liabilities of the Company for which the amount or timing is uncertain. A provision is recognized when, as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where appropriate, the future cash flow estimates are adjusted to reflect risks specific to the liability. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the consolidated statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

New Accounting Pronouncements Adopted During the Year

During the year ended December 31 2016, the Company did not adopt any new accounting standards and interpretations.

New Accounting Standards Issued But Not Yet Effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the IFRIC that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Standards Issued But Not Yet Effective (continued)

The following standard will be effective for annual periods beginning on or after January 1, 2017:

Standard effective for annual periods beginning on or after January 1, 2018

IFRS 9 *Financial Instruments* - In November 2009, as part of the IASB project to replace IAS 39 *Financial Instruments: Recognition and Measurement*, the IASB issued the first phase of IFRS 9, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013 the standard was revised to add the new general hedge accounting requirements. The standard was finalized in July 2014 and was revised to add a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income (“FVOTCI”) category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics test.

IFRS 15 - *Revenue from Contracts with Customers* - On May 28, 2014 the IASB issued IFRS 15, “Revenue from contracts with customers”. IFRS 15 will replace IAS 11, “Construction contracts”, IAS 18, “Revenue”, IFRIC 13, “Customer loyalty programmes”, IFRIC 15, “Agreements for the construction of real estate”, IFRIC 18, “Transfers of assets from customers” and SIC 31, “Revenue – barter transactions involving advertising services”. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time; or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs.

Standard effective for annual periods beginning on or after January 1, 2019

IFRS 16 – *Leases* - On January 13, 2016 the IASB issued IFRS 16, “Leases”. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease.

The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15, “Revenue from contracts with customers” at or before the date of initial adoption of IFRS 16.

The extent of the impact of adoption of these standards on the consolidated financial statements of the Company has not been determined.

3. PROMISSORY NOTES

A loan was advanced to a customer to whom the Company provided consulting services during the year ended December 31, 2014. The principal of the loan was $50,000 with an interest rate of 7.5% due December 31, 2015. The loan was secured by an assignment of tax refunds. The principal portion of the note was fully repaid in 2016. The accrued interest portion in the amount of $4,688 was not recovered and included in write off of interest expense in the statement of comprehensive loss for the year ended December 31, 2015.

(Unaudited, expressed in Canadian Dollars)

4. LONG-TERM INVESTMENTS

(a) Silver Maple Ventures Inc.

On August 29, 2014, the Company acquired a 29% interest in Silver Maple Ventures Inc. ("SMV") by purchasing 2,175,000 common shares of SMV at $0.025 per share for aggregate cash consideration of $54,375. The initial value of the Company's investment in SMV at the time the interest was originally acquired, was based on the subscription price for the shares. The Company was granted a pre-emptive right enabling it to maintain its percentage equity interest in SMV upon subsequent equity financing of SMV.

SMV was incorporated under the Business Corporation Act of British Columbia on October 18, 2013. It is registered as an Exempt Market Dealer in British Columbia, Alberta and Ontario. SMV proposes to raise funds by providing funding and investment services to accredited and non-accredited investors via online platform and representative networks. The shares of SMV are not currently listed on any stock exchange.

During 2015, the Company advanced various amounts to SMV. These advances were unsecured and bear interest at the rate of 3% per annum and matured on December 31, 2016. As of December 2016, the loan and accrued interest of $1,345 was fully repaid.

During the year ended December 31, 2016, management determined that it had lost significant influence over SMV. Specifically, management determined that influence was lost on September 30, 2016 because the Company's interest in SMV had been reduced below 20% as a result of SMV continuing to issue shares to subscribers between July and September 2016. Although the Company had the right to do so, it did not participate in these subscriptions, as a result its interest was diluted to approximately 18.5%. In addition, the Company had not had any representation on SMV's Board of Directors for some time prior to September 30, 2016, and it was no longer active in SMV's management. Subsequently, the Company's interest in SMV was further diluted to approximately 16.6%.

As a result of no longer having significant influence, the Company was required to reclassify its investment in SMV to fair value. Management's determination of fair value at September 30, 2016 was based on the fact that SMV had issued approximately 1 million shares to subscribing shareholders pursuant to an offering memorandum at a price of $0.32 per share to September 30, 2016. As SMV continued to issue additional shares to subscribers between October 2016 and January 2017 at $0.32 per share, management determined that the fair value of the investment in SMV should continue to be based on the $0.32 per share value at December 31, 2016..

The Company has also determined to classify its investment on SMV as an available for sale financial instrument, which will result in any gains or losses as a result of changes in fair value being accounted and presented in other comprehensive income or loss.

Summarized financial information for SMV (100% basis) prepared in accordance with IFRS as at September 30, 2016 is as follows:

	As at September 30, 2016
	$
Total current assets	361,681
Total non-current assets	59,654
Total assets	421,335
Total current liabilities	254,710
Total non-current liabilities	46,000
Total liabilities	300,710
Total deficit	120,625
Total liabilities and deficit	421,335

During the year ended September 30, 2015, SMV generated revenue of $155,109 and incurred operating expenses totalling $773,500, for a net loss and comprehensive loss of $618,391. As the Company's net loss from SMV was substantially higher than its carrying value, the full amount of investment was written off as of September 30, 2016, giving rise to recognition of a share of loss from investment in associate of $13,979.

(Unaudited, expressed in Canadian Dollars)

4. LONG-TERM INVESTMENTS (continued)

(a) Silver Maple Ventures Inc. (continued)

The initial recognition of the investment at fair value gives rise to a gain on recognition of fair value of former associate of $696,000, which has been recognized as other income through operations. There were no changes in the subsequent measurement and as a result, no other comprehensive income or loss has been recorded to December 31, 2016.

(b) Investment in LottoGopher Holding Inc. ("LottoGother")

During the year ended December 31, 2016, the Company purchased 40,000 common shares of LottoGopher Holdings Inc. at $0.25 per share for a total of $10,000. The Company holds approximately 0.35% interest of LottoGopher as a result of this investment.

(c) Investment in Quickflo Health Inc. ("Quickflo")

During the period ended March 31, 2017, the Company purchased 133,333 common shares of Quickflo Health Inc. at $0.075 per share for a total of $10,000.

The summary of the carrying value of investments throughout the year is as follows:

	SMV	LottoGopher	Quickflo	Total
	$	$	$	$
Carrying value, December 31, 2014	55,743	-	-	55,743
Loan to associate	6,000	-	-	6,000
Loss of SMV in 2015	(26,764)	-	-	(26,764)
Carrying value, December 31, 2015	34,979	-	-	34,979
Loan repayment	(21,000)	-	-	(21,000)
Loss of investment in 2016	(13,979)	-	-	(13,979)
Carrying value, September 30, 2016	-	-	-	-
Adjustment on initial recognition as available for sale	696,000	-	-	696,000
Purchase of investment	-	10,000	-	10,000
Balance, December 31, 2016	696,000	10,000	-	706,000
Purchase of investment	-	-	10,000	10,000
Carrying value, September 30, 2017	696,000	10,000	10,000	716,000

5. RELATED PARTY TRANSACTIONS AND BALANCES

Details of outstanding balances with related parties including key management personnel are as follows:

	September 30, 2017	September 30, 2016
	$	$
Due from related companies with common shareholders	-	5,475
Due to directors	14,561	(16,661)

In addition, included in accounts payable and accrued liabilities is $75,028 (2016 - $90,411) due to officers and directors for consulting fees, salary payable and expense reimbursements.

5. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

On November 18, 2016, the Company entered into a promissory note with a director to borrow $60,000 at 5% per annum, due January 31, 2018. On November 18, 2016, the promissory note was extended to June 30, 2018 with interest payable upon maturity. During the period ended September 30, 2017, interest in the amount of $2,409 was accrued on this note (2015 - $nil).

The amounts are unsecured, do not bear any interest and have no fixed terms of repayment.

Compensation of the executive management team and directors

The Company has identified its directors and senior officers as its key management personnel:

During the year ended December 31, 2016, the Company entered into two consulting agreements with two officers for providing consulting and fundraising activities. See also Note 9. On December 2, 2016, the Company issued 1,900,000 common shares to these officers. The fair value of these shares was determined to be $47,500 based on the price from the concurrent private placement.

On March 3, 2017, the Company issued 750,000 common shares to these officers. The fair value of these shares was determined to be $18,750 based on the price from the concurrent private placement. These consulting fees have been recorded in professional fees expense.

For the nine months ended September 30, 2017, total compensation of $246,300 (2016 - $11,250) was accrued to the Company's executive management team and directors. As at September 30, 2017, the Company owed directors and officers $60,000 (2016 - $Nil). These amounts are included in accounts payable and accrued liabilities on the statement of financial position and are unsecured, non-interest bearing with no fixed terms of repayment.

6. SHARE CAPITAL

Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value. All issued shares are fully paid.

On December 2, 2016, the Company issued 1,900,000 common shares to two officers of the Company for providing consulting services (see Notes 5 and 9).

On December 12, 2016, the Company completed a non-brokered private placement and issued 6,000,000 units ("Units") for proceeds of $150,000 at $0.025 per Unit. Each Unit comprised one common share and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one common share of the Company at a price of $0.05 per share for three years.

On March 3, 2017, the Company issued 750,000 common shares to two officers of the Company for providing consulting services (see Notes 5 and 9).

On May 2, 2017, the Company completed a non-brokered private placement and issued 30,000,000 units ("Units") for proceeds of $900,000 at $0.03 per Unit. Each Unit comprised one common share and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one common share of the Company at a price of $0.05 per share for three years.

On August 18, 2017, the Company completed a non-brokered private placement and issued 26,175,000 units ("Units") for proceeds of $1,047,000 at $0.04 per Unit. Each Unit comprised one common share and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one common share of the Company at a price of $0.05 per share for three years.

Share Purchase Option Compensation Plan

The Company has a share purchase option plan (the "Plan") approved by the Company's shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers.

(Unaudited, expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

On February 17, 2017, the Company recorded share-based compensation of $179,778 with respect to 5,700,000 options granted to directors which fully vested upon grant. The fair value of these stock options was $0.03 and was estimated using the Black-Scholes option pricing model. The assumptions used in calculating the fair value are as follows:

Risk free interest rate	1.16%
Expected life of options	5 years
Expected dividend yield	0.0%
Expected stock price volatility	78.50%
Expected forfeiture rate	0.0%

The following table summarizes stock options outstanding at September 30, 2017:

		Outstanding and Exercisable		
Expiry Date	Exercise Price $	Number of shares	Weighted average remaining contractual life (years)	Weighted average exercise price $
October 14, 2018	0.10	3,000,000	1.54	0.10
February 16, 2022	0.05	5,700,000	4.88	0.05
September 25, 2022	0.08	3,400,000	4.88	0.08

The following table summarizes warrants outstanding at September 30, 2017:

		Outstanding and Exercisable		
Expiry Date	Exercise Price $	Number of shares	Weighted average remaining contractual life (years)	Weighted average exercise price $
December 12, 2019	0.05	6,000,000	2.70	0.05
May 2, 2020	0.05	29,400,000	2.70	0.05
August 17, 2020	0.05	25,575,000	2.70	0.05
Total:	0.05	60,975,000		0.05

7. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

Fair values

The Company's financial instruments consist of cash, promissory notes, long-term investments, accounts payable, due from (to) related parties and subordinated debt. The fair values of the Company's financial assets and liabilities approximate their carrying amounts because of their current nature.

	September 30, 2017	December 31, 2016
	$	$
Assets:		
Fair value through profit or loss (i)	1,557,589	271,026
Loans and receivables (ii)	11,988	10,861
Available-for-sale (iii)	716,000	706,000
Liabilities:		
Other financial liabilities (iv)	279,105	227,217

7. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS (continued)

(i) Cash
(ii) Amounts receivable, due from related companies and promissory notes
(iii) Long-term investments
(iv) Accounts payable, due to related parties and subordinated debt

Financial instruments measured at fair value 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 (unobservable inputs).

The Company's financial assets measured at fair value on a recurring basis were calculated as follows:

	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	$	$	$	$
As at September 30, 2017				
Cash	1,557,589	1,557,589	-	-
Long-term investments	716,000	-	696,000	20,000
As at December 31, 2016				
Cash	271,026	271,026	-	-
Long-term investments	706,000	-	696,000	10,000

Currency Risk

It is management's opinion that the Company is not exposed to significant currency risk as its short-term investments are all denominated in Canadian dollars.

Interest Rate Risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company may experience some cash flow interest rate risk because of holding investments which bear interest at variable rates.

Credit, Liquidity, and Market Risks

Credit risks associated with cash are minimal as the Company deposits the majority of its cash with a large Canadian financial institution. The Company's credit risks associated with receivables are managed and exposure to potential loss is assessed as minimal. Market risks associated with short-term investments are assessed as minimal as they are considered short-term in nature.

(Unaudited, expressed in Canadian Dollars)

7. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS (continued)

All of the Company's financial liabilities have maturities of one year or less:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years	Within 3 years
	$	$	$	$	$
As at September 30, 2017					
Accounts payable	260,041	(260,041)	(260,041)	-	-
Due to related parties	23,511	(23,511)	(23,511)	-	-
Subordinated debt	65,850	(65,850)	-	(65,850)	-
Total	349,402	(349,402)	(283,552)	(65,850)	-
As at December 31, 2016					
Accounts payable	172,121	(172,121)	(172,121)	-	-
Due to related parties	27,596	(27,596)	(27,596)	-	-
Subordinated debt	63,440	(66,690)	-	(66,690)	-
Total	263,157	(266,407)	(199,717)	(66,690)	-

8. CAPITAL MANAGEMENT

The Company's objectives for managing capital (defined as all components of equity) are to safeguard its ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders. The Company manages capital by issuing new shares or new debt. There are no externally imposed capital requirements

9. COMMITMENTS AND CONTINGENT LIABILITIES

a) The Company is committed to consulting fees of $60,000 in total per year to an officer who is also a director, until cancellation of the consulting agreement, which requires notice of 30 to 90 days by either party.

b) The Company is contingently liable for a two year severance obligation in the event of termination of the CEO without cause or notice.

c) During the year ended December 31, 2016, the Company entered into a consulting agreement with an officer to provide consulting services. The term of the agreement is one year, commencing November 1, 2016. Compensation to the consultant includes issuance of 500,000 common shares (issued), and the issue of 500,000 common shares upon closing of a minimum $500,000 private placement. In addition, the consultant is to receive 2,000,000 shares to be held in escrow of which 25% are to be released immediately and the remaining 1,500,000 are to be released at 500,000 shares each successive quarter. The consultant is also entitled to 4% cash and 4% warrants on money raised for 360 Capital's clients.

d) During the year ended December 31, 2016, the Company entered into a consulting agreement with an officer to provide investor relations services. The term of the agreement is one year, commencing November 15, 2016. Compensation to the consultant includes issuance of 500,000 common shares (issued), and the issue of 500,000 common shares upon closing of a minimum $500,000 private placement. In addition, the consultant is to receive 1,000,000 shares to be held in escrow of which 25% are to be released immediately and the remaining 750,000 are to be released at 250,000 shares each successive quarter. The consultant also receives 1,000,000 common shares upon successful funding of $1,000,000 and granting of 1,250,000 stock options. The consultant is also entitled to 4% cash and 4% warrants on money raised for 360 Capital's clients.

Both consulting agreements in note 9c and 9d were terminated in April 2017

On July 31, 2017 the employment agreement with former CEO was cancelled and the Company entered into new consulting agreement from August 1, 2017.

Both consulting agreements in note 9a and 9b were terminated on August 1, 2017.

10. SEGMENTED REPORTING

The Company's business as described in Note 1 is considered and reported as one operating segment.

11. SUBSEQUENT EVENTS

On October 16, 2017 the Company completed a non-brokered private placement of 24,999,998 units of the Company ("Units") at a price of $0.06 per Unit for aggregate gross proceeds of $1,500,000. Each Unit comprised one common share and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one common share of the Company at a price of $0.10 per share for two years.

During the period subsequent to September 30, 2017, 5,362,665 warrants were exercised for total amount $268,133.

Schedule C: Management Discussion and Analysis

360 Blockchain Inc.

(Former 360 Capital Financial Services Group Inc.)

Management Discussion and Analysis

For the nine months ended September 30, 2017

DATE OF REPORT: November 14, 2017

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the consolidated financial statements of 360 Blockchain Inc. ("Company") for the nine months ended September 30, 2017. All amounts are expressed in Canadian dollars unless otherwise stated. The Company's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). References to notes are with reference to the consolidated financial statements.

The MD&A, may contain forward-looking statements, including statements regarding the business and anticipated future financial performance of the Company, which involve risks and uncertainties. These risks and uncertainties may cause the Company's actual results to differ materially from those contemplated by the forward-looking statements. Factors that might cause or contribute to such differences include, among others, market price, continued availability of capital financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward-looking statements. Investors are also directed to consider other risks and uncertainties discussed in the Company's required financial statements and filings.

It is the Company's policies that all forward-looking statements, if any, are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward looking statements are subject to change, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements that may be contained in this MD&A, may include, but are not limited to, information or statements concerning management's expectations for the Company's ability to raise capital and meet our obligations.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and other factors such as those described above and in "Risks and Uncertainties" below. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

DESCRIPTION OF BUSINESS

360 Blockchain Inc. (Former 360 Capital Financial Services Group Inc.) ("Company") was incorporated in British Columbia on February 19, 2009. On September 30, 2013 pursuant to a Plan of Arrangement and Amalgamation Agreement (the "Plan"), Global MGA Financial Inc. ("Global") amalgamated with Carnelian Strategic Capital Corp. ("Carnelian"), which was a reporting issuer incorporated in British Columbia on May 3, 2013. Pursuant to the Plan, the amalgamated company was named 360 Capital Financial Services Group Inc. On September 29, 2017 the Company changed name to 360 Blockchain Inc.

On November 27, 2013, shares of 360 Capital Financial Services Group Inc. were listed on the Canadian Securities Exchange ("CSE") for trading under the trading symbol TSZ. In September 2017, shares of 360 Blockchain Inc. were listed on the Frankfurt Stock Exchange ("FWB") for trading under the trading symbol C5B. In October 2017, the trading symbol changed to CODE in conjunction with the name change.

360 Blockchain Inc. and its subsidiaries conduct financial services businesses and seek to develop the company organically through its investments, and acquisition, partnership, joint-venture, and strategic alliance and cooperation. These financial services include merchant banking and corporate finance and consulting and advisory services for private and public companies. In addition, the Company also invests in private placements of issuers. On October 4, 2017 the Company changed its name to 360 Blockchain Inc. to reflect its focus on investments in the technology sector surrounding blockchain and crypto-technologies.

DESCRIPTION OF BUSINESS (continued)

360 Blockchain Inc. has an all-round view to accelerate the development and application of revolutionary blockchain technologies by investing capital and expertise. The Company believes that blockchain technology, essentially a distributed ledger which is transparent and incorruptible, has the potential to transform the way business is conducted, delivering security, cost savings and efficiency gains not seen before in our internet connected world. 360 Blockchain will be focused upon identifying and empowering blockchain technologies applying to crypto-currencies, smart contracts, eSports, data management, the internet of things, equity trading, privacy applications and beyond.

Its subsidiary, Mega Bright Financial Incorporated ("MBF") provides financial services sales and consultancy. The company also owns a financial services company, 360 Securities Ltd., an exempt market dealer.

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries as follows:

	Place of Incorporation	Principal Activity
• Global MGA (Hong Kong) Limited	Hong Kong	Holding Company
• Mega Bright Financial Incorporated	British Columbia, Canada	Financial services Sales
• 360 Securities Ltd.	British Columbia, Canada	Financial Services Company

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

The Company owns 2,175,000 shares of Silver Maple Ventures (SMV). SMV's main business is Frontfundr, an equity crowd funding platform registered as an exempt market dealer in eight provinces in Canada.

SELECTED ANNUAL FINANCIAL INFORMATION

The financial information below is presented in Canadian dollars (except where noted) and is prepared in accordance with IFRS:

	2016	2015	2014
	$	$	$
Revenues	67,697	35,798	46,469
Net Income (loss)	431,624	(506,753)	(512,020)
Total assets	989,636	214,043	462,177
Working capital	56,419	94,876	341,436
Shareholders' equity	698,979	69,855	426,608
Gain (Loss) per share	0.01	(0.01)	(0.01)

OUTLOOK

The Company focuses on investments in the technology sector surrounding blockchain and crypto-technologies and its change of name to 360 Blockchain Inc. reflects this mandate. On October 17, 2017 the Company opened an office in San Carlos, California in the heart of Silicon Valley, the leading high technology hub in the United States, which accounts for 1/3 of all venture capital funding in the country. 360's office in Silicon Valley will provide the Company with a foothold at the center of the latest developments in blockchain technology.

In addition to identifying investment targets, the 360's Silicon Valley office will also allow the Company to grow its team and work with leading edge talent and innovations.

To ensure sufficient working capital, the Company raised $150,000 in December 2016; $900,000 in May 2017 and $1,047,000 in August 2017 and 1,500,000 in October 2017, a total of $3,597,000 in the last 10 months.

RESULTS OF OPERATIONS

The Company's investment in Silver Maple Ventures (SMV), an exempt market dealer that is registered in 8 provinces including British Columbia, Alberta, and Ontario, has been a success since SMV officially launched on May 27, 2015. SMV operates under the brand name, "Frontfundr", www.frontfundr.com which has gained traction in the equity crowdfunding space and raised $654,622 of additional capital at $0.32 per share in early 2017. 360 Capital owns 2,175,000 shares of SMV.

During the year ended December 31, 2016, management determined that it had lost significant influence over SMV. Specifically, management determined that influence was lost on September 30, 2016 because the Company's interest in SMV had been reduced below 20% as a result of SMV continuing to issue shares to subscribers between July and September 2016. As a result of no longer having significant influence, the Company was required to reclassify its investment in SMV to fair value. As SMV continued to issue additional shares to subscribers between October 2016 and January 2017 at $0.32 per share, management determined that the fair value of the investment in SMV should continue to be based on the $0.32 per share value at December 31, 2016. As such, the Company's investment in SMV is carried at a value of $696,000 as at March 31, 2017.

The following table presents the Company's condensed consolidated statement of comprehensive loss for the three months ended September 30, 2017 and 2016. The financial information is presented in Canadian dollars (except where noted) and was prepared in accordance with International Financial Reporting Standards (IFRS).

	Three months ended September 30, 2017	Three months ended September 30, 2016
	$	$
Revenues	4,903	27,494
Operating expenses	391,592	28,477
Share-based compensation	-	-
Loss from operations	(386,688)	(983)
Interest and other income	(6,112)	336
Loss from selling securities	-	-
Comprehensive loss attributable to common shareholders	(392,799)	(647)

Three months ended September 30, 2017

The Company's net loss totaled $392,799 for the three months ended September 30, 2017 (2016: $647), with basic and diluted loss per share of $0.01 (2016: $0.00).

Net loss primarily related to professional fees of $285,707 (2016: $20,624), office expenses of $87,013 (2016: $3,839), regulatory and transfer fee expense of $5,571 (2016: $2,841)

SELECTED QUARTERLY RESULTS

The quarterly results have been restated to reflect accounting policies consistent with International Financial Reporting Standards ("IFRS"). A summary of selected information for each of the quarters presented below is as follows:

Three Months Ended	Revenues	Net (Loss) Gain	Basic and Diluted Loss Per Share
	$	$	$
September 30, 2017	4,903	(392,799)	(0.00)
June 30, 2017	14,000	(200,886)	(0.00)
March 31, 2017	28,500	(242,802)	(0.00)
December 31, 2016	11,500	524,285	0.01
September 30, 2016	22,572	(647)	(0.00)
June 30, 2016	8,860	(38,134)	(0.00)
March 31, 2016	24,765	(53,880)	(0.00)
December 31, 2015	3,052	(116,991)	(0.00)

THIRD QUARTER INFORMATION

The Company's net loss totaled $392,799 for the three months ended September 30, 2017, with basic and diluted loss per share of $0.00.

LIQUIDITY AND CAPITAL RESOURCES

	September 30, 2017 $	September 30, 2016 $
Cash used in operating activities	(589,721)	(36,850)
Cash provided by (used in) investing activities	(10,000)	50,000
Cash provided by financing activities	1,877,334	(3,056)
Increase (decrease) in cash	1,286,563	10,094
Cash, beginning	271,026	110,361
Cash, ending	1,557,589	120,456

Cash and Working Capital

As at September 30, 2017, the Company had cash of $ 1,557,589 (2016 - $120,456), and a working capital of $1,298,829 (2016 - $21,230).

OUTSTANDING SHARE DATA

Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value. All issued shares are fully paid. As at September 30, 2017, the issued share capital comprised of 114,279,111 common shares and as at the date of MD&A report, the issued share capital comprised of 147,391,774 common shares.

Issued Share Capital

On December 2, 2016, the Company issued 1,900,000 common shares to two officers of the Company for providing consulting services.

On December 12, 2016, the Company completed a non-brokered private placement and issued 6,000,000 units ("Units") for proceeds of $150,000 at $0.025 per Unit. Each Unit comprised of one common share and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one common share of the Company at a price of $0.05 per share for three years.

On March 3, 2017, the Company issued 750,000 common shares to two officers of the Company for providing consulting services.

On May 2, 2017, the Company completed a non-brokered private placement and issued 30,000,000 units ("Units") for proceeds of $900,000 at $0.03 per Unit. Each Unit comprised one common share and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one common share of the Company at a price of $0.05 per share for three years.

On August 17, 2017, the Company completed a non-brokered private placement and issued 26,175,000 units ("Units") for proceeds of $1,047,000 at $0.04 per Unit. Each Unit comprised one common share and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one common share of the Company at a price of $0.05 per share for three years.

On October 16, 2017, the Company completed a non-brokered private placement and issued 24,999,998 units ("Units") for proceeds of $1,500,000 at $0.06 per Unit. Each Unit comprised one common share and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one common share of the Company at a price of $0.10 per share for two years.

Share Option Compensation Plan

As at June 30, 2016, the Company has 3,000,000 options outstanding with a weighted average exercise price and contractual remaining life of $0.10 and 1.53 years, respectively.

On February 17, 2017, the Company granted of 5,700,000 options to its officers, directors, employees and consultants with an exercise price of $0.05 per share.

On September 25, 2017, the Company granted of 3,400,000 options to its officers, directors, employees and consultants with an exercise price of $0.08 per share.

Warrants

The following table summarizes warrants outstanding at September 30, 2017:

		Outstanding and Exercisable		
Expiry Date	Exercise Price $	Number of shares	Weighted average remaining contractual life (years)	Weighted average exercise price $
December 12, 2019	0.05	6,000,000	2.70	0.05
May 2, 2020	0.05	29,400,000	2.70	0.05
August 17, 2020	0.05	25,575,000	2.70	0.05
Total:	0.05	60,975,000		0.05

On the date of MD&A report, 5,362,665 of these warrants had been exercised for total proceeds $268,133.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off balance sheet arrangements.

RELATED PARTIES TRANSACTIONS AND BALANCES

Details of outstanding balances with related parties including key management personnel are as follows:

	September 30, 2017	September 30, 2016
	$	$
Due from related companies with common shareholders	-	5,475
Due to directors	14,561	(16,661)

In addition, included in the accounts payables and accrued liabilities is $75,028 (2016: $90,411) due to officers and directors for consulting fees and expense reimbursements.

On November 18, 2016, the Company entered into a promissory note with a director to borrow $60,000 at 5% per annum, due January 31, 2018. On November 18, 2016, the promissory note was extended to June 30, 2018 with interest payable upon maturity. During the nine month period ended September 30, 2016, interest expense in the amount of $2,409 was accrued (2015: $nil).

The amounts are unsecured, do not bear any interest and have no fixed terms of repayment

The Company has identified its directors and senior officers as its key management personnel.

Total accrued consulting fees and salaries for the officers and directors of the Company for the three months ended September 30, 2017 are $ 66,600 (2016: 11,250). As at September 30, 2017, the Company owed directors and officers $18,000 (2016 - $3,750). These amounts are included in accounts payable and accrued liabilities on the statement of financial position and are unsecured, non-interest bearing with no fixed terms of repayment.

On July 31, 2017 the employment agreement with its former CEO was cancelled and the Company entered into a new consulting agreement from August 1, 2017.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which affect the application of accounting policies and the reported amounts of assets, liabilities and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant estimates include:

- the assumptions used in valuing options in share-based payment calculations;
- the determination of deferred income tax assets and liabilities;
- the determination of the useful life of the intangible asset;
- the determination and measurement of the Company's interest in an associate's identifiable net assets at fair value at the date of acquisition of the associate.

Critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include the following:

- the determination of functional currency of the Company;
- the determination of revenue recognition policy;
- the determination of the nature, extent and financial effects of its interests in associates;
- the assessment of impairment of promissory notes and loan receivable;
- the evaluation of the Company's ability to continue as a going concern;
- the determination to apply the pronouncements of IFRS 2 to the accounting for the transaction described in Note 2;
- the consideration of the factors determining the acquisition of the book of agency relationships described in Note 7 as an intangible asset.

Provisions

Provisions represent liabilities of the Company for which the amount or timing is uncertain. A provision is recognized when, as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where appropriate, the future cash flow estimates are adjusted to reflect risks specific to the liability. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the consolidated statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

NEW ACCOUNTING PRONOUNCEMENTS ADOPTED DURING THE YEAR

Effective January 1, 2014, the Company adopted the following new accounting standards and interpretations. The company determined that the adoption of these standards and interpretations did not result in any material changes in the consolidated financial statements.

<u>IAS 32 Financial Instruments: Presentation</u>

In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement.

IAS 36 Impairment of Assets

In May 2013, the IASB issued an amendment to address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

IAS 39 Financial Instruments: Recognition and Measurement

In June 2013, the IASB issued a narrow scope amendment to IAS 39. Under the amendment, there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided that certain criteria are met.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

In May 2014, the IASB issued amendments to IAS 16 and IAS 38. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the IFRIC that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

The following standard will be effective for annual periods beginning on or after January 1, 2017:

IAS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and specifies how and when an entity will recognize revenue as well as requiring such entities to provide users of consolidated financial statements with more informative, relevant disclosures. The standard provides a single, principle based five-step model to be applied to all contracts with customers.

The following standard will be effective for annual periods beginning on or after January 1, 2018:

IFRS 9 Financial Instruments

In November 2009, as part of the IASB project to replace IAS 39, the IASB issued the first phase of IFRS 9 that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013, the standard was revised to add the new general hedge accounting requirements. The standard was finalized in July 2014 and was revised to add a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income (FVOTCI) category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics test.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

FINANCIAL INSTRUMENTS

Management of capital

The Company’s objectives for managing capital (defined as all components of shareholders’ equity) are to safeguard its ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders. The Company manages capital by issuing new shares or new debt.

FINANCIAL INSTRUMENTS *(continued)*

Fair values

The Company's financial instruments consist of cash, short-term investments, promissory notes, and accounts payable due to related parties. The fair values of the Company's financial assets and liabilities approximate their carrying amounts because of their current nature.

	September 30, 2017	September 30, 2016
	$	$
Assets:		
Fair value through profit or loss (i)	1,557,589	120,456
Loans and receivables (ii)	12,177	256
Available-for-sale (iii)	716,000	
Liabilities:		
Other financial liabilities (iv)	283,551	118.832

(i) Cash and short-term investments
(ii) Other receivable and promissory notes
(iii) Long term investments
(iv) Accounts payable and due to related parties

Financial instruments measured at fair value 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 (unobservable inputs).

The Company's financial assets measured at fair value on a recurring basis were calculated as follows:

	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	$	$	$	$
As at September 30, 2017				
Cash	1,557,589	1,557,589	-	-
Long-term Investments	716,000		696,000	20,000
As at September 30, 2016				
Cash	120,456	120,456	-	-
Long-term Investments			-	-

Currency Risk

It is management's opinion that the Company is not exposed to significant currency risk as its short-term investments are all denominated in Canadian dollars.

Interest Rate Risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company has minimal exposure to interest rates fluctuations on its cash and short-term investment balances due to current low market interest rates.

Credit, Liquidity, and Market Risks

Credit risks associated with cash are minimal as the Company deposits the majority of its cash with a large Canadian financial institution with high credit ratings. As the majority of the Company’s receivables relates to taxes recoverable from governments, its credit risks associated with receivables are inherently managed and exposure to potential loss is assessed as minimal. Market risks associated with short-term investments are assessed as minimal as they are considered short-term in nature.

FINANCIAL INSTRUMENTS *(continued)*

All of the Company’s financial liabilities have maturities of one year or less except for subordinated debt:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years	Within 3 years
	$	$	$	$	$
As at September 30, 2017					
Accounts payable	264,544	(264,544)	(264,544)		-
Due to related parties	14,561	(14,561)	(14,561)		-
Subordinated debt	65,850	(65,850)		(65,850)	-
Total	344,955	(344,955)	(279,105)	(65,850)	
As at September 30, 2016					
Accounts payable	107,646	(107,646)	(107,646)	-	-
Due to related parties	11,186	(11,186)	(11,186)		
Subordinated debt	60,000	(63,625)		(63,625)	-
Total	178,832	(182,457)	(118,832)	(63,625)	-

RISKS FACTORS

Need for funds to implement our business plan

The Company will require external capital to implement its business plan of developing, growing and operating its financial services business in Canada and Asia-Pacific through acquisitions, partnerships, joint-ventures and strategic alliances and cooperation and for its proposed business units. There can be no certainty that the Company can obtain these funds.

Dependence on Management Team

The Company currently depends on certain key senior managers to identify business opportunities and acquisitions. Management who has developed key relationships in the industry is also relied upon to oversee the core marketing, business development, operational and fund raising activities. As the financial services industries continues to become more competitive and regulated, the Company expects the competition for management and other skilled personnel to intensify. Competition for experienced senior management is intense and other companies with greater financial resources may offer a higher and more attractive compensation package to recruit our senior managers. If one or more of our senior managers are unable or unwilling to continue their positions with the company, we may not be able to replace them easily. Failure to attract and retain qualified employees or the loss or departure in the short-term of any member of the senior management may result in a loss of organizational focus, poor operating execution or an inability to identify and execute potential strategic initiatives. This could, in turn, materially and adversely affect the Company’s business, financial condition and results of operations.

Other information on the Company can be found at www.sedar.com or at the Company’s website www,360blockchaininc.com

This Company is only suitable to investors who are willing to rely solely on management of the Company and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the common shares.