360 Capital Financial Services Group Inc.

Management Discussion and Analysis

For the three months ended June 30, 2017

DATE OF REPORT: August 8, 2017

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the consolidated financial statements of 360 Capital Financial Services Group Inc. ("360 Capital" or "Company") for the six months ended June 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 Capital, formerly Global MGA Financial Inc. ("Global") 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 amalgamated with Carnelian Strategic Capital Corp. ("Carnelian"), which was incorporated in British Columbia on May 3, 2013. Following the Plan, the amalgamated company was named 360 Capital Financial Services Group Inc. The transaction is accounted for as a reverse takeover and the resulting entity is deemed to be a continuation of Global.

On November 27, 2013, shares of 360 Capital were listed on the Canadian Securities Exchange ("CSE") for trading under the trading symbol TSZ.

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

DESCRIPTION OF BUSINESS (continued)

Its subsidiary, Mega Bright Financial Incorporated ("MBF") provides Life Insurance sales. 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	Insurance 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
	$	$
Revenues	67,697	35,798
Net Income (loss)	431,624	(506,753)
Total assets	989,636	214,043
Working capital	56,419	94,876
Shareholders' equity	698,979	69,855
Gain (Loss) per share	0.01	(0.01)

OUTLOOK

The company is developing opportunities to provide comprehensive business and corporate finance services solutions to growth oriented companies seeking to access the Canadian private equity and public market.

We expect that through servicing these companies, we would receive Advisory and Success fees. We believe that there is sufficient interest in our services to make it financially rewarding for 360 Capital. To ensure that we have sufficient working capital while we implement our business model, the company raised $150,000 in December 2016 and $900,000 in May 2017.

RESULTS OF OPERATIONS

The Company was contracted in the second quarter of 2017 to provide corporate advisory and consulting services for a Canadian public company.

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 recently raise $654,622 of additional capital at $0.32 per share. 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 June 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 June 30, 2017	Three months ended June 30, 2016
	$	$
Revenues	14,000	8,860
Operating expenses	202,753	46,277
Share-based compensation	-	-
Loss from operations	(188,753)	(37,417)
Interest and other income	56	(717)
Loss from selling securities	(12,189)	-
Comprehensive loss attributable to common shareholders	(200,886)	(38,134)

Three months ended June 30, 2017

The Company's net loss totaled $200,886 for the three months ended June 30, 2017 (2016: $38,134), with basic and diluted loss per share of $0.00 (2016: $0.00).

Net loss primarily related to salaries expense $22,500 (2016: $Nil), professional fees of $144,606 (2016: $26,250), office expenses of $29,889 (2016: $14,315), regulatory and transfer fee expense of $6,007 (2016: $5,712) and non-cash share-based compensation of $Nil (2016: Nil).

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
	$	$	$
June 30, 2017	14,000	(200,886)	(0.00)
March31, 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)
September 30, 2015	6,770	(136,487)	(0.00)
June 30, 2015	5,668	(127,271)	(0.00)

SECOND QUARTER INFORMATION

The Company's net loss totaled $200,886 for the three months ended June 30, 2017, with basic and diluted loss per share of $0.00.

LIQUIDITY AND CAPITAL RESOURCES

	June 30, 2017 $	June 30, 2016 $
Cash used in operating activities	(159,504)	(50,299)
Cash provided by (used in) investing activities	(10,000)	50,000
Cash provided by financing activities	860,731	5,069
Increase (decrease) in cash	691,228	4,770
Cash, beginning	271,026	110,361
Cash, ending	962,254	115,131

Cash and Working Capital

As at June 30, 2017, the Company had cash of $ 962,254 (2016 - $115,131), and a working capital of $667,687 (2016 - $2,862).

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 June, 2017, the issued share capital comprised of 87,504,112 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 July 18, 2017 the Company announced that it has undertaken a non-brokered private placement of 25,000,000 units of the Company ("Units") at a price of $0.04 per Unit for aggregate gross proceeds of $1,000,000. Subject to regulatory approvals, directors and officers of the Company are expected to subscribe for a portion of the Private Placement

Share Purchase 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 purchase options to its officers, directors, employees and consultants.

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:

	June 30, 2017	June 30, 2016
	$	$
Due from related companies with common shareholders	-	750
Due to directors	10,417	(20,061)

In addition, included in the accounts payables and accrued liabilities is $256,500 (2016: $52,500) 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 year ended December 31, 2016, interest expense in the amount of $3,440 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 June 30, 2017 are $ 86,500. As at June 30, 2017, the Company owed directors and officers $256,500 (2016 - $18,000). 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 former CEO was cancelled and the Company entered into 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.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

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.

<u>IAS 36 Impairment of Assets</u>

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.

<u>IAS 39 Financial Instruments: Recognition and Measurement</u>

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.

<u>IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets</u>

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.

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.

	June 30, 2017	June 30, 2016
	$	$
Assets:		
Fair value through profit or loss (i)	962,253	115,131
Loans and receivables (ii)	-	368
Available-for-sale (iii)	716,000	
Liabilities:		
Other financial liabilities (iv)	309,606	112,715

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

FINANCIAL INSTRUMENTS *(continued)*

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 June 30, 2017				
Cash	962,253	962,253	-	-
Long-term Investments	716,000		696,000	20,000
As at June 30, 2016				
Cash	115,131	112,715	-	-
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 June 30, 2017					
Accounts payable	288,794	(288,794)	(288,794)		-….
Due to related parties	20,812	(20,812)	(20,812)		-….
Subordinated debt	65,037	(65,037)		(65,037)	-….
Total	374,642	(374,642)	(309,606)	(65,037)	
As at June 30, 2016					
Accounts payable	93,404	(93,404)	(903,404)	-….	-….
Due to related parties	19,311	(19,311)	(19,311)		
Subordinated debt	60,000	(63,625)		(63,625)	-….
Total	172,715	(176,340)	(112,715)	(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.

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.