MANAGEMENT DISCUSSION AND ANALYSIS

3 Tier Logic Inc. ("3 Tier Logic" or the "Company")

Three month period ended March 31, 2014

Dated – August 29, 2014

This management's discussion and analysis (MD&A) was prepared in accordance with National Instrument 51-102, Continuous Disclosure Requirements, and should be read in conjunction with the audited financial statements and accompanying notes for the year ended December 31, 2013 and with the condensed interim financial statements for the three months ended March 31, 2014. These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in Canadian dollars.

This MD&A contains forward-looking statements. Forward-looking statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual events or results to differ materially from those reflected in the MD&A. Forward-looking statements are based on the estimates and opinions of 3 Tier Logic Inc.'s management at the time the statements were made.

OVERVIEW

The Company was incorporated under the Business Corporations Act of British Columbia on October 17, 2008.

3 Tier Logic is a private company founded by technology entrepreneurs Robert Craig and Carlos Yong. The Company was created to provide organizations with dramatic and meaningful improvements in consumer engagement and communication via digital and social media technologies. 3 Tier Logic's goal is to provide disruptive solutions to existing methods of digital marketing. To achieve this, the Company has built Platform³, a proprietary digital and social media marketing platform.

In the first four years of operation, 3 Tier Logic's primary business was developing custom digital marketing applications for major consumer brands in the U.S., including Monster, Red Bull, Best Buy and Oakley. The Company's applications enabled these brands to engage consumers through promotions (sales, contests and events) on digital and social channels—web, mobile, Facebook, Twitter and Instagram—and to capture critical consumer data in the process. In this period, the Company generated cumulative revenues in excess of $3 million by developing over 200 custom digital marketing applications.

At the beginning of 2012, the Company began the process of moving from being a custom services technology company to a product company. The goal was to build a digital marketing, data mining and rewards platform that would leverage valuable consumer trends while providing solutions to the critical challenges brands were facing in the market. The solution was branded Platform³.

Following a year of development, 3 Tier Logic took the Platform³ concept and its key deliverables to various brands in order to validate the vision and pre-sell the technology. The Company focused on

specific verticals—shopping centers, casinos and professional sports teams. Advance orders for Platform³ were received from key brands, including shopping center property groups Oxford Properties, Ivanhoe Cambridge, Riocan and Pennsylvania Real Estate Income Trust. Additional orders were received from NHL hockey team The Calgary Flames and the casino group MGM Resorts International.

In 2014, after two years of development, 3TL formally launched Platform³ as a commercial product. Platform³ is a proprietary suite of digital applications that enable brands to engage consumers, collect detailed consumer data and segment the data in order to determine which consumers are most valuable.

On March 10, 2014, the Company entered into a Share Exchange Agreement with KCO Capital Inc. ("KCO") a company listed and publicly traded on the TSX-V as a Capital Pool Company ("CPC"). Under the terms of the Share Exchange Agreement, KCO will issue 36,000,000 shares of KCO to the shareholders of the Company in exchange for all of the issued and outstanding shares of the Company ("Share Exchange Agreement"). Legally, the Company will be a wholly-owned subsidiary of KCO. However, the proposed Share Exchange Agreement will result in a share allocation such that the Company will control KCO. Referred to as a reverse take over, the Company will be deemed to be the acquirer for accounting purposes. The proposed transaction will constitute KCO's "Qualifying Transaction" in accordance with Policy 2.4 of the TSX Venture Exchange. The transaction will require KCO to raise gross proceeds of not less than $2,000,000 through the issuance of KCO Common Shares (or securities convertible into KCO Common Shares)

The above Share Exchange Agreement with KCO is subject to the approval of the TSX Venture Exchange.

MAIN PERFORMANCE INDICATORS

Management considers that the main indicators of the Company's performance are the following: sales, gross profit, net and comprehensive income/loss, adjusted EBITDA (as defined below) and shareholders' equity.

OVERALL PERFORMANCE

Revenues have decreased 70% from $ $262,978 in Q1 2013 to $79,000 in Q1 2014. Cost of sales have also decreased 31% from $ 55,229 in Q1 2013 to $ 37,970 in Q1 2014. Gross profit declined by 80% from $207,749 in Q1 2013 to $ 41,030 in Q1 2014.

Operating expenses increased by $248,406 from Q1 2013 to Q1 2014.

Net and comprehensive loss increased by $434,058 from $9,711 in Q1 2013 to $ 443,769 in Q1 2014. Adjusted EBITDA decreased by $202,885 from $17,655 in Q1 2013 to $(185,230) in Q1 2014.

Shareholders' equity declined by $108,065 to $(372,995) in the period.

Basic and diluted loss per share increased by $0.04 from Q1 2013 to Q1 2014.

Total assets increased by $770,747 to $804,595 in the period.

For the period ended:	March 31, 2014	March 31, 2013
Revenue	79,000	262,978
Gross profit	41,030	207,749
Net and comprehensive loss	(443,769)	(9,711)
EBITDA	(433,027)	(8,753)
Adjusted EBITDA*	(185,230)	17,655
Basic and diluted loss per share	$ (0.04)	$ (0.00)

For the period ended:	March 31, 2014	December 31, 2013
Total assets	804,595	33,848
Long term financial liabilities	-	-
Dividends distributed	-	-

*: EBITDA is defined as earnings before interest, income taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA to which the Company adds stock-based compensation and other one-time items that do not result in any use of operating cash flows by the Company. EBITDA and Adjusted EBITDA are provided as a supplementary earnings measure to assist readers in determining the ability of the Company to generate cash from operations and to cover financial charges. They are also widely used for business valuation purposes. These measures do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies.

Reconciliation of Adjusted EBITDA

For the period ended:	March 31, 2014	March 31, 2013
Net and comprehensive loss	(443,769)	(9,711)
Interest	10,108	-
Current income taxes	-	-
Future income taxes	-	-
Depreciation	634	958
EBITDA	(433,027)	(8,753)
Share-based compensation	247,797	26,408
Adjusted EBITDA	(185,230)	17,655

Revenues

Revenue, in the period, declined by $183,978, or 70%, compared to the same period in the prior year. The decline in revenue is related to the Company shifting its business model. The Company's previous business model was custom development of digital advertising solutions with no recurring revenue. The new Platform^3 product is an integrated digital marketing suite of applications sold as a software as a service model (SaasS) with recurring revenues. Revenue in the period reflected recognition of revenue from previous year contracts and new sales of the Platform^3 product offering.

Gross profit and cost of sales

The Company's cost of sales and gross profit also declined by $17,259 and $166,719, respectively. Gross margin at March 31, 2014 was 52% and 79% for same period in the prior year. The decline in gross margin and cost of sales is consistent with the reduction in sales. Gross margin was lower in the current

period compared to the prior due to certain fixed overhead costs such as hosting that do not change with decreasing sales. The Company needed to increase its hosting costs to prepare for the large data storage requirements for the Platform³ product. The Company has recognized the need to change to a lower cost hosting provider and completed this transition in the second quarter.

Operating expenses

Operating expenses have increased in the current period compared to the same period in the prior year. The most significant increase occurred as a result of share-based compensation expense. This was as a result of a significant amount of options that vested in the current period. General and administrative expenses increased by $17,026 in the period compared to the prior year. This increase was almost entirely related to expenses required for financing and the transaction with KCO. Sales and marketing expenses increase by $13,815 in Q1 2014 compared to Q1 2013. This increase was due to hiring new sales staff to begin direct selling of the Platform³ product.

Net and comprehensive loss

Net and comprehensive loss increased by $434,058 in the current period compared to the same period in the prior year. This increase is due to lower sales and increased operating expenses as discussed above.

EBITDA

EBITDA declined by $424,274 in the period compared to the prior year. Again, this decline was due to the lower revenue and higher operating expenses in the period ended March 31, 2014 compared to the same period in the prior year.

Adjusted EBITDA

Adjusted EBITDA is a means to better communicate the results of operations that are more reflective of cash flows. Therefore, it removes items that do not impact cash flow such as share-based compensation and other one-time items that do not impact cash-flow. Adjusted EBITDA also declined, by $202,885 from $17,655 in Q1 of 2013 to $(185,230) in Q1 of 2014.

Shareholders' Equity

Shareholders' equity declined by $108,065. This was due to the net and comprehensive loss of $456,044 with the difference as a result of the share-based compensation amount.

Assets

The Company's assets increased by $770,747 in the period to $804,595. The increase in assets was due to cash increase from the issuance of the convertible debenture (see below).

LIQUIDITY

Liquidity is the risk of the Company not being able to meet its financial obligations as they become due. The Company manages its liquidity risk through budgeting, ongoing management and forecasting of

operating cash flows, reviews of trade receivables, management of cash, and use of equity financings when appropriate.

As at March 31, 2014, the Company had cash of $719,291 and accounts receivable of $23,874 as compared to an overdraft of cash of $1,186 and accounts receivable of $980 at December 31, 2013. At March 31, 2014, the Company's working capital was $(383,106) with a working capital ratio of 0.67. This is compared to December 31, 2013 where working capital was $(275,675) with a working capital ratio of 0.08. Despite the increase in cash, working capital declined as the Company used a portion of the funds from the convertible debenture to reduce accounts payable and fund an increase in operating expenses.

The objective of management of the Company will be to reach and maintain positive working capital and a working capital ratio of 1.0 or greater.

The Company has historically funded its operations through working capital, or, when needed, related party loans. The historical negative working capital and history of losses, has cast doubt on the ability of the Company to continue as a going concern. In the period, the Company has been able to secure financing from outside parties (see Financing Sources). However, there is no guarantee that cash generated from external financing or operations will be sufficient to sustain the Company's operations for the foreseeable future. In order to maintain sufficient liquidity, the Company may be required to issue additional shares, incur more debt or reduce operating costs.

FINANCING SOURCES

Short Term Loan

On February 12, 2014, the Company signed a CPC Loan Agreement with KCO. KCO agreed to advance of $25,000 to the Company as a loan bearing an interest rate of 6% per annum pending completion of acquisition with the Company. The Company is required to pay back the loan with interest to KCO within 30 days of termination of the Share Exchange Agreement or under mutual agreement if the Qualifying Transaction occurs.

Convertible Debentures

On March 10, 2014, the Company issued $1,015,000 in convertible debentures (the "Debentures"). The Debentures bear interest at 12% annually for the first year and 15% annually thereafter. The Debentures are convertible into common shares of KCO at a conversion price of $0.10 per share. If a Qualifying Transaction with KCO does not occur prior to November 30, 2014, the Debenture holders may elect to convert the Debentures into common shares of the Company at a conversion price such that the Company has a valuation of $3,600,000. The Debentures are secured by the assets of the Company.

SUBSEQUENT EVENTS

On April 30, 2014, KCO agreed to lend up to an additional $200,000 at an interest rate of 12% compounded annually with interest payable on the maturity date. The loan will mature on the earlier of a Qualifying Transaction or November 30, 2014. On July 18, 2014, KCO advanced $153,998 of this loan. On August 26, 2014, KCO and the Company agreed to increase the principal of the loan to $300,000.

On June 1, 2014, the board of directors of the Company approved the grant of 550,000 stock options to consultants and employees of the Company. The options had a strike price of $0.25/option.

On August 29, 2014, the Company entered into a Debt Settlement Agreement (the "Agreement") with certain related parties. Pursuant to the Agreement, the Company will pay $70,194 within a 24 month period to settle all amounts owed to the related parties and forgive all amounts owed by the related parties and companies controlled by the related parties as at the date of the Agreement.

RELATED PARTY TRANSACTIONS

During the period ended March 31, 2014 and 2013, the Company was charged the following management fees by companies controlled by the CEO, CFO and CTO of the Company:

	March 31, 2014	March 31, 2013
	$	$
Management fee – CEO, Director	**39,000**	30,000
Management fee – CTO, Director	**30,000**	24,000
Management fee – CFO	**2,500**	-
Total	**71,500**	54,000

The management fees were allocated to general and administrative, sales and marketing and research and development expenses.

DISCLOSURE OF OUTSTANDING SHARE DATA

As at March 31, 2014, there were 10,000,000 outstanding shares and 5,030,000 outstanding stock options. Assuming full conversion of outstanding options and convertible debt, there would have been 25,180,000 outstanding common shares at period end.

After period end, the Company had 10,000,000 outstanding shares, 5,580,000 outstanding stock options. Assuming full conversion of outstanding options and convertible debt, there would have been 25,730,000 outstanding common shares.