CDN MSolar Corp.

MANAGEMENT DISCUSSION AND ANALYSIS

March 31, 2014

As at July 29, 2014

This management's discussion and analysis (the "MD&A") of CDN Msolar Corp. (the "Company" or "CMS" is dated as of July 29, 2014. The MD&A should be read in conjunction with the audited financial statements and related notes thereto for the financial year ended March 31, 2014 and for the period from the date of incorporation on March 15, 2013 to March 31, 2013. Copies of which are available on SEDAR at www.sedar.com.

These financial statement have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). IFRS has been applied since the incorporation.

All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified.

FORWARD-LOOKING STATEMENT

This MD&A includes certain forward-looking information and forward-looking statements (collectively "Forward-Looking Statements") concerning the future performance of the Company's business, operations and financial performance and condition, as well as management's objectives, strategies, beliefs and intentions. Forward-Looking Statements are frequently identified by such words as "may", "will", "plan", "expect", "anticipate", "estimate", "intend" and similar words referring to future events and results. Forward-Looking Statements are based on the current opinions and expectations of management based on currently available information. All Forward-Looking Statements are inherently uncertain and subject to a variety of risks and uncertainties, as described in Risks and Uncertainties below. Such Forward-Looking Statements are based on a number of assumptions, including but not limited to, information or statements concerning the Company's expectations for its ability to raise capital and meet the Company's obligations. Should one or more risks and uncertainties materialize or should any assumptions prove incorrect, then actual events or results may differ materially from those expressed or implied in the Forward Looking-Statements. Investors are cautioned against placing undue reliance thereon. The Company undertakes no obligation to revise or update the Forward-Looking Statements, except as required by applicable law.

OVERALL PERFORMANCE

Corporate Structure and History

The Company was incorporated under the *Business Corporations Act* (British Columbia) on March 15, 2013. On September 30, 2013, the Company completed an amalgamation with MN Ventures Ltd. ("MN"), a reporting issuer in each of the provinces of British Columbia and Alberta. The Company continues under the name CDN MSolar Corp. following the amalgamation. On April 8, 2014, the common shares of the Company were listed on the Canadian Securities Exchange under the symbol "CNSX:CMS".

The Company is established to be the exclusive worldwide marketing and business development with its parent, Dongying Minghui New Energy Science & Technology Co., Ltd. ("Minghui"). Minghui is located in the national economic and technology development zone in the city of Dongying located on the Yellow River delta in the Shandong Province of China. Minghui has developed, created and manufactured certain products and systems that involve proprietary technologies, patents, methodologies, systems and solutions regarding integrated energy saving technology, collectively, the Minghui developments, IP and products (the "Minghui Technology"). Minghui has developed over thirty patents in conjunction with several Chinese universities in China. At its core, Minghui designs, manufactures and sells integrated energy saving technology ("IEST") systems combining its flat-panel solar collector, multi-source heat pump and deep geothermal pump in response to a growing demand for energy-saving solutions designed for residential and commercial buildings. The Company plans to expand Minghui operations from its base in China to the international market, with plans to establish research and development, production and sales operations outside China.

The success of the Company is dependent upon certain factors that may be beyond management's control, such as political, currency, and liquidity risk. If the Company is unable to fund its investments or otherwise fails to invest in an active business, its business, financial condition or results of operations could be materially and adversely affected

Description of Business

On April 15, 2013, the Company signed a Technology Transfer Agreement (the "Agreement") to purchase the Minghui Technology for $195,000 in exchange for 9,750,000 common shares valued at $0.02 per share. Pursuant to the Agreement, Minghui granted the Company an irrevocable license to produce, develop market, sell and/or otherwise distribute the Minghui Technology. The license is unlimited to use and exploitation worldwide, with the exception of China.

When Minghui's Technology – solar plates – are mounted on walls or roof tops and combined with the buildings existing radiation appliances, high-efficient energy storage devices are coupled with our multi-source heat pump technology. The Company creates a fully integrated energy-saving heating and cooling solution. The Company uses multiple renewable energy sources (such as ground-source heat, water-source heat, industrial waste heat and rich deep geothermal energy) which allow the Company's solutions to be composed of a variety of renewable energy systems and resources and means the Company can provide very flexible solutions.

Both of 2,000 square feet and 3,000 square feet residential IEST systems are in the process of certification in China with the Canadian authorities. Besides, the Company is working towards establishing 2 initial IEST system installations in BC as North American demonstration projects. After the certification has been approved, these two IEST systems will be shipped to BC and installed at two designed establishments.

Two directors from China, Ji Wu Li and Guo Hua Cui, are planning to come to BC to assist in finding a factory that is adequate for the Company's operations and begin set up of production operations. Besides, the Company will continue to carefully expand its partnerships with residential and commercial contractors that are active in installing and promoting energy-saving building technologies.

SELECTED ANNUAL INFORMATION

The financial results of the Company for the financial years ended March 31, 2014 and for the period from the Incorporation on March 15, 2013 to March 31, 2013 are summarized as follows:

	For the Financial Year ended March 31, 2014 ($)	For the Period from the Incorporation on March 15, 2013 to March 31, 2013 ($)
Total Revenue	-	-
Profit or (Loss) from Continuing Operations		
(i) Total for the Year	(429,973)	(41,312)
(ii) per share – basic	(0.02)	(41,312)
(iii)per share - fully diluted	(0.02)	(41,312)
Net Profit or (Loss)		
(i) Total for the Year	(429,973)	(41,312)
(ii) per share – basic	(0.02)	(41,312)
(iii)per share - fully diluted	(0.02)	(41,312)
Total Assets	355,104	-
Total Non-Current Financial Liabilities	-	-
Distributions or Cash Dividends declared per-share	-	-

DISCUSSION OF OPERATIONS

During the year ended March 31, 2013, the Company had no material operations.

For the year ended March 31, 2014, the Company incurred a loss of $429,973 (2013: $41,312) and had an accumulated deficit of $471,285 (2013: $41,312). The most significant reasons for the increase in net loss is due to the impairment of intangible assets of $195,000 (2013: $nil) and fair value of the Company's common shares issued as a part of amalgamation of $100,000 (2013: $nil) as listing expenses. These two expenses are one-time and non-cash items. Excluding these two items, net loss for the year ended March 31, 2014 was $134,973 (2013: $41,312).

The company determined to write off the full amount of the intangible asset, Minghui Technology, of $195,000 since there was neither foreseeable revenue nor future customers yet to support the value of Minghui Technology. However, if there is profitable generated by this intangible asset in the future, the impairment loss will be reversed up to its original carrying value.

The fair value of the 1,999,997 shares issued to the former shareholders of MN due to amalgamation with MN was determined to be $100,000, based on a value of $0.05 per share realized by the Company in a private placement issued on August 26, 2013. As at the date of amalgamation, MN did not have any identifiable assets or liabilities, as a result, the total amount of the consideration of $100,000 given was recorded as listing expenses.

Legal expense for the year ended March 31, 2014 was $80,951 (2013: 18,841). Legal expense increases due to the due diligence performed by the lawyers and assistance with amalgamation.

SUMMARY OF QUARTERLY RESULTS

The Company was incorporated on March 15, 2013; the financial results for each of the four most recently completed quarters and for the period from the Incorporation to March 31, 2013 are summarized as follows:

	Three Months ended March 31, 2014 ($)	**Three Months ended December 31, 2013 ($)**	**Three Months ended September 30, 2013 ($)**
Total Assets	355,104	304,368	295,000
Working Capital (Deficiency)	324,371	88,391	72,508

Shareholders' Equity	324,807	284,047	267,508
Profit or (Loss)	(282,489)	(36,304)	(1,400)
Profit or (Loss) per share	(0.01)	(0.00)	(0.00)
	Three Months ended June 30, 2013 ($)	**For the Period from the Incorporation to March 31, 2013 ($)**	
Total Assets	100,000	-	
Working Capital (Deficiency)	73,908	(41,311)	
Shareholders' Equity	268,908	(41,311)	
Profit or (Loss)	(109,780)	(41,312)	
Profit or (Loss) per share	(0.01)	(41,312)	

Net loss for the three months ended March 31, 2014 was $282,489, compared to a net loss during the period from the date of incorporation on March 15, 2013 to March 31, 2013, for a difference of $241,177. The most significant reason for the increase in net loss is due to the impairment of intangible assets of $195,000 (2013: $nil) and fair value of the Company's common shares issued as a part of amalgamation of $73,249 (2013: $nil) as listing expenses. These two expenses are one-time and non-cash items. Excluding these two items, net loss for the three months ended March 31, 2014 was $14,240 (2013: $41,312)

LIQUIDITY AND CAPITAL RESOURCES

The financial results for the financial year ended March 31, 2014 and for the period from the date of incorporation on March 15, 2013 to March 31, 2013 are summarized as follows:

	Financial year ended March 31, 2014 ($)	For the period from the date of incorporation on March 15, 2013 to March 31, 2013 ($)
Cash Flows from Operating Activities	(160,401)	(1)
Cash Flows from Investing Activities	(655)	-
Cash Flows from Financing Activities	504,912	1
Increase (decrease) in Cash and Cash Equivalents	343,856	-
Cash and Cash Equivalents – Beginning of Year	-	-
Cash and Cash Equivalents – End of Year	343,856	-
	Financial year ended March 31, 2014 ($)	**For the period from the date of incorporation on March 15, 2013 to March 31, 2013 ($)**
Cash and Cash Equivalent	343,856	-
Total Assets	355,104	-
Total Liabilities	30,297	41,311
Share Capital	796,092	1
Total Shareholders' Equity	324,807	(41,311)
Total Liabilities and Shareholders' Equity	355,104	-

As at March 31, 2014, the Company had cash and cash equivalent of $343,856 and net working capital of $324,371. The Company's ability to continue its operations as intended is dependent on its ability to obtain necessary financing and raise sufficient capital to implement its business plan. These factors raise significant doubt about the Company's ability to continue as a going concern.

OFF-BALANCE SHEET ARRANGEMENTS

As at March 31, 2014, and up to the date of this MD&A, the Company had no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

During the year ended March 31, 2014, the President of the Company has advanced $52,384 towards working capital with no terms for repayment. The Company issued a convertible debt for a total of $26,092 at the option of the President to convert between $10,000 and $26,092 of the debt into common shares at $0.10 per share, determined by independent members of the board to be a reasonable arm length price. The conversion feature of this debt settlement was determined to be immaterial due to the estimated life of this convertible debt was very short. No value has been allocated to this feature.

On December 19, 2013, the President converted the full amount of $26,092 in exchange for 260,920 common shares. As at March 31, 2014, the balance of the due to related party was $26,292 (2013: $22,471). This amount is unsecured, non-interest bearing and has no fixed terms of repayment.

In addition, the Company has issued 4,000,000 shares at $0.02 per share for $80,000 to settle an amount owing to a company controlled by the President of the Company for the expenses paid on behalf of the Company during 2013 and 2014 fiscal years.

There was no key management remuneration or payroll paid during the period.

PROPOSED TRANSACTION

As at March 31, 2014, and up to the date of this MD&A, there were no proposed transactions of the Company, other than as disclosed herein.

CRITICAL ACCOUNTING ESTIMATES AND CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

As at March 31, 2014, the Company was a "venture issuer" as that term is defined in National Instrument 51-102 Continuous Disclosure Obligations, and as such is not required to provide the information pertaining to the critical accounting estimates of the Company.

For a detailed summary of the Company's accounting policies, the reader is directed to Note 4 of the Notes to the audited financial statements of the Company for the financial year ended March 31, 2014 and for the period from incorporation on March 15, 2013 to March 31, 2013 available on SEDAR at www.sedar.com.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENT

The Company's financial instruments consist of cash, accounts payable and due to related party. The fair value of the Company's financial instruments approximates their carrying value because of the demand nature or short-term maturity of these instruments.

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The Company manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner:

Strategic and operational risks are risks that arise if the Company fails to develop the solar business in Canada under the Minghui Technology Agreement and/or to debt financing in financing the business development. These strategic opportunities or threats arise from a range of factors which might include changing economic and political circumstances and regulatory approvals and competitor actions.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's expenses are denominated in Canadian dollars. The Company holds no financial instruments that are denominated in a currency other than Canadian dollar. .The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The credit risk on cash equivalents is limited because the Company has no trade receivables as at March 31, 2013 and 2014. Therefore, the Company is not exposed to significant credit risk.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As at March 31, 2014, the Company had cash of $343,856 (2013: $nil) to settle accounts payable and accrued liabilities of $4,005 (2013: $18,840) and due to related party of $26,292 (2013: $22,471) which fall due for payment within twelve months of the financial position date.

FUTURE CASH REQUIREMENTS

The Company's future capital requirements will depend on many factors, including, among others, cash flow from operations. If the Company pursues other business opportunities, the Company may need to raise additional funds through debt or equity financing. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's common stock. No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Company and its shareholders. Accordingly, the Company is investigating various business opportunities that ideally will increase the Company's positive cash flow.

RISKS AND UNCERTAINTIES

Start Up Venture

As a start up venture the Company's prospects are affected by the risks, expenses, and difficulties frequently encountered by companies in the growth stage, particularly companies in highly competitively markets. As an early growth-stage company, the risks faced by BC518 include, but are not limited to, evolving and unpredictable business models and growth management. To address these risks, the Company must, among other things, expand its customer base, implement and successfully execute its business and marketing strategy, continue to develop and upgrade its processes and technology, provide superior service to customers, respond to competitive developments, and attract, retain, and motivate qualified personnel. There is no assurance that it will be profitable in the future.

The success of the Company is dependent upon certain factors that may be beyond the Company's control. If the Company is unable to fund any such investment required to advance the business under the Minghui Technology agreement or otherwise fails to invest in new technology or obtain adequate sales, then financial condition or results of operations could be materially and adversely affected.

Conflicts of Interest

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in operations that may be related to the business the Company enters into. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVEUNE

The required additional disclosure concerning the Company is contained in the audited financial statements and related notes thereto for the financial year ended September 30, 2013 and for the period from the date of incorporation on March 15, 2013 to March 31, 2013. Copies of which are available on SEDAR at www.sedar.com.

DISCLOSURE OF OUTSTANDING SHARE DATA

On April 15, 2013, the Company issued 9,750,000 shares at $0.02 per share to Dongying Minghui New Energy Science & Technology Co., Ltd. as a part of a technology transfer agreement for the total of $195,000. On May 3, 2013, the Company issued 6,250,000 shares at $0.02 for debts settlement, of which 4,000,000 shares were issued to a company controlled by the President. On May 31, 2013, the Company redeemed 1 share which was issued upon incorporation.

On August 26, 2013, the Company issued 2,000,000 shares for cash at $0.05 per share for total proceeds of $100,000. On October 10, 2013, the Company issued 1,999,997 common shares valued at $0.05 per share for a total of $100,000 upon amalgamation with MN Ventures Ltd. In addition, the Company exchanged the original 18,000,000 common shares outstanding under the predecessor, CDN MSolar Corp. for 18,000,000 common shares of CDN MSolar Corp., the amalgamated Company.

On December 19, 2013, the Company has issued 260,920 common shares to the President of the Company at $0.10 per share as a settlement of the convertible debenture agreement. The fair value of the shares on December 19, 2013 was considered to be $0.10.

On March 2, 2014, the Company issued 1,666,667 shares for cash at $0.15 per share for total proceeds of $250,000.

As at March 31, 2014, the company has 21,927,584 issued and outstanding common shares (2013: 1) of which 18,260,920 common shares are held in escrow (2013: nil). These escrow shares are subject to escrow trading restrictions pursuant to the Escrow agreement and are released on a straight basis, with one quarter released on the date the Company's securities are listed on Canadian Securities Exchange (listing date), 1/3 of remaining escrow securities released 6 months after the listing date, one half of remaining escrow securities released 12 months after the listing date and remainder released 18 months after the listing date

As at the date of this report, there were no stock options or warrants outstanding.

ADDITIONAL INFORMATION

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