CDN MSolar Corp.

MANAGEMENT DISCUSSION AND ANALYSIS

June 30, 2018

As at August 29, 2018

The following Management's Discussion and Analysis (the "MD&A") of CDN Msolar Corp. (the "Company" or "CMS") as of August 29, 2018 should be read in conjunction with the unaudited condensed interim financial statements and related notes thereto for the three months ended June 30, 2018 and the annual financial statements of the Company for the year ended March 31, 2018, copies of which are available on SEDAR at www.sedar.com.

These financial statements 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., 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 (the "CSE") under the symbol "CNSX:CMS".

The Company is established to be the exclusive worldwide marketing and business development of 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 business from its base in China to the international market.

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.

The Company's business strategy is to focus on the marketing of geothermal energy technology and PV power generation technology on behalf of Minghui, in North America. The Company will assist Minghui to export these technologies from China to North America.

The Company does not have sufficient funds to operate the business normally.

On August 8, 2017, The Company was found to in default of CSE requirements and as such was suspended pursuant of CSE Policy 3. The suspension is considered a Regulatory Halt as defined in National Instrument 23-101 Trading Rules. A cease trade order had been issued by the Ontario and British Columbia Securities Commission. This cease trade order was revoked November 1, 2017 in BC and Ontario however; the Company has not yet completed the process for reinstatement with the CSE.

SELECTED ANNUAL INFORMATION

The financial results of the Company for the financial years ended March 31, 2018, 2017 and 2016 are summarized as follows:

	For the Financial Year ended March 31, 2018 ($)	For the Financial Year ended March 31, 2017 ($)	For the Financial Year ended March 31, 2016 ($)
Total Revenue	-	-	-
Loss from Continuing Operations			
(i) Total for the Year	(15,471)	(415,933)	(132,602)
(ii) per share – basic	(0.01)	(0.19)	(0.01)
(iii) per share – fully diluted	(0.01)	(0.19)	(0.01)
Net Profit or (Loss)			
(i) Total for the Year	10,217	(415,933)	(132,602)
(ii) per share – basic	0.00	(0.02)	(0.06)
(iii) per share -fully diluted	0.00	(0.02)	(0.06)
Total Assets	3,519	7,791	430,533
Total Non-Current Financial Liabilities	-	-	-
Distributions or Cash Dividends declared per-share	-	-	-

DISCUSSION OF OPERATIONS

During the three months ended June 30, 2018, the Company had no material operations.

For the three months ended June 30, 2018, the Company had a gain of $24,308 (2017: loss 14,121) and had an accumulated deficit of $1,102,166 (2017: $1,125,124).

SUMMARY OF QUARTERLY RESULTS

Net gain for the three months ended June 30, 2018 was $24,308 (2017: loss $14,121). The most significant reason for gain is the result of the restructuring and recognition of various payables by the Company and a decrease in operational costs.

The financial results for each of the eight most recently completed quarters are summarized as follows:

	Three Months ended June 30, 2018 ($)	Three Months ended March 31, 2018 ($)	Three Months Ended December 31, 2017 ($)	Three Months Ended September 30, 2017 ($)
Total Assets	3,987	3,519	1,817	1,266
Working Capital (Deficiency)	(46,074)	(70,382)	(102,375)	(75,662)
Shareholders' Equity	(46,074)	(70,382)	(362,375)	(335,663)
Profit or (Loss)	24,308	31,993	(26,712)	(6,631)
Profit or (Loss) per share	0.00	(0.01)	(0.00)	(0.01)

	Three Months ended June 30, 2017 ($)	Three Months ended March 31, 2017 ($)	Three Months Ended December 31, 2016 ($)	Three Months Ended September 30, 2016 ($)
Total Assets	8,135	7,791	308,708	377,715
Working Capital (Deficiency)	(69,032)	54,911	5,701	46,728
Shareholders' Equity	(329,032)	(314,911)	5,701	48,455
Profit or (Loss)	(12,121)	(320,612)	(42,754)	(27,755)
Profit or (Loss) per share	(0.01)	(0.01)	(0.00)	(0.00)

As the Company has recorded a loss in each of the periods presented, basic and diluted loss per share are the same since the exercise of warrants or options is anti-dilutive.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2018, the Company had $593 of cash and cash equivalents (2017: $0) and net working deficiency of $46,074 (2017: $69,032). The Company has an ongoing monthly working capital requirement of $3,000 per month. 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 indicate uncertainty about the Company's ability to continue as a going concern.

The financial results for the three months ended June 30, 2018, 2017 and 2016 are summarized as follows:

	Three Months ended June 30, 2018 ($)	Three Months ended June 30, 2017 ($)	Three Months ended June 30, 2016 ($)
Cash Flows from Operating Activities	(372)	(8,453)	(30,073)
Cash Flows from Investing Activities	-	-	-
Cash Flows from Financing Activities	-	11,373	-
Increase (decrease) in Cash and Cash Equivalents	(372)	2,920	(30,073)
Cash and Cash Equivalents – Beginning of Period	965	-	120,305
Cash and Cash Equivalents – End of Period	593	2,920	90,232
Cash and Cash Equivalent	593	2,920	90,232
Total Assets	3,987	8,135	401,793
Total Liabilities	50,061	337,167	325,837
Share Capital	1,056,092	796,092	796,092
Total Shareholders' Equity	(46,074)	(329,032)	76,210
Total Liabilities and Shareholders' Equity	3,987	8,135	401,793

OFF-BALANCE SHEET ARRANGEMENTS

As at June 30, 2018, 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, 2015, the Company made an advance to its former President, who was also a director, of the Company, in the amount of $300,000. The amount is unsecured, non- interest bearing and with no fixed terms of repayment. This person was removed as the President of the Company in January of 2017 and ceased to be a director of the Company in March of 2017. The Company has filed a civil claim lawsuit against the former President. As the outcome of the legal proceeding is uncertain and management believes that the Company's recovery of this amount is doubtful, the Company has provided a provision against this advance receivable of $300,000 as a bad debt expense for the year ended March 31, 2017.

In addition, the Company has also filed a second claim against the former President alleging that the former President wrongfully took possession of an advance intended to be made to the Company by a controlling shareholder. The outcome of this claim is uncertain.

As at June 30, 2018, an amount of $22,000 (2017: $295,451) was due to a director of the Company. The amount is unsecured, non-interest bearing and with no fixed terms of repayment.

As at June 30, 2018, an amount of $0 (2017: $24,837) included in accounts payable and accrued liabilities was due to the former President of the Company. This amount is unsecured, noninterest bearing with no fixed terms of repayment.

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

PROPOSED TRANSACTION

As at June 30, 2018, and up to the date of this MD&A, there were no proposed transactions of the Company, other than as disclosed herein.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

IFRS 9 – Financial Instruments

Effective April 1, 2018, the Company adopted IFRS 9, Financial Instruments ("IFRS 9"). In July 2014, the IASB issued the final publication of the IFRS 9 standard, which supersedes IAS 39, Financial Instruments: recognition and measurement ("IAS 39"). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance.

The Company has adopted IFRS 9 on a retrospective basis, however, this guidance had no material impact to the Company's financial statements.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit and loss (FVTPL).

The new IFRS 9 guidance has had no material impact on the Company's financial statements.

As a result of the adoption of IFRS 9, the accounting policy for financial instruments as disclosed in the Company's June 30, 2018 financial statements has been updated as follows:

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, amortized cost, or fair value through other comprehensive income.

The Company determines the classification of its financial assets at initial recognition.

Financial assets recorded at fair value through profit or loss ("FVTPL")

Financial assets are classified as fair value through profit or loss if they do not meet the criteria of amortized cost or fair value through other comprehensive income. Gains or losses on these items are recognized in profit or loss. The Company's cash is classified as financial assets measured at FVTPL.

ii. Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at fair value through profit and loss: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

The Company's amounts receivable is classified as financial assets measured at amortized cost.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at fair value through profit or loss, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company's amounts payable and other liabilities, do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

Financial liabilities recorded fair value through profit or loss ("FVTPL")

Financial liabilities are classified as fair value through profit or loss if they fall into one of the five exemptions detailed above and include warrant liability and special warrants.

Transaction costs

Transaction costs associated with financial instruments, carried at fair value through profit or loss, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected Credit Loss Impairment

Model IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application.

The adoption of the expected credit loss impairment model had no impact on the Company's financial statements.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

IFRS 15 – Revenue from Contracts with Customers

Effective April 1, 2018, the Company adopted IFRS 15, Revenue from Contracts with Customers ("IFRS 15"). Given that the Company does not have revenue from contracts with customers, there is currently no material impact from adoption of the standard.

New accounting standards effective for annual periods on or after April 1, 2019:

IFRS 16 - Leases

In June 2016, the IASB issued IFRS 16 - Leases. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019. The Company is currently assessing the impact of this standard.

INTERNAL CONTROLS OVER FINANCIAL REPORTING ("ICFR")

No changes have occurred in the current period in the Company's ICFR that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. They are also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's interim financial statements for the period ended June 30, 2018 (together the "Interim Filings").

The Chief Executive Officer and Chief Financial Officer of the Company have filed the Venture Issuer Basic Certificate with the Annual Filings on SEDAR at www.sedar.com.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and ICFR, as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

RISK AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward–looking information relating to the Company.

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's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal. The Company holds no financial instruments that are denominated in a currency other than Canadian dollar.

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 of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The credit risk on cash is limited because the Company has no trade receivables as at June 30, 2018 and 2017. 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. In the management of liquidity risk of the Company, 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 June 30, 2018, the Company had $593 cash (2017: $0) to settle accounts payable of $28,061 (2017: $13,787) and due to related parties of $22,000 (2017: $308,915) which significantly fail due for payment within twelve months of the financial position date.

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.

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.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVEUNE

A summary of general and administrative expenses of the Company is contained in the financial statements and related notes thereto for the three months ended June 30, 2018, copies of which are available on SEDAR at www.sedar.com.

DISCLOSURE OF OUTSTANDING SHARE DATA

On July 4, 2018, the Company consolidated its common shares on the basis of one new common share for every ten existing common shares. As of the date hereof there are an aggregate of 7,392,759 common shares outstanding following the consolidation.

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

LEGAL MATTERS

On July 4, 2017, The Company filed a Notice of Civil Claim against Mr. Samuel Lin Hoi Yu, a former President and director, in the Supreme Court of British Columbia, B.C. regarding the repayment of an advance in the sum of $300,000 (Note 4). In addition, the Company has also filed a second claim against the former president alleging that the former president wrongfully took possession of an advance intended to be made to the Company by a controlling shareholder. On July 18, 2017, Mr. Yu filed a response denying this claim. These matters are going to be heard by the Supreme Court of British Columbia on January 7, 2019. The outcome of both of claims is uncertain.

ADDITIONAL INFORMATION

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