This "Management's Discussion and Analysis" ("MD&A") has been prepared as of March 2, 2015, and should be read in conjunction with the unaudited condensed interim consolidated financial statements of ZENN Motor Company Inc. (the "Company", or "ZMC") for the three months ended December 31, 2014 and 2013, and the Company's Annual Information Form ("AIF") dated January 28, 2015. Any specific reference to "ZENN" herein means ZENN Motor Company alone and any reference to "EEStor" a 71.3% subsidiary of ZENN, means EEStor, Inc. alone. The Company's unaudited condensed interim consolidated financial statements and the notes thereto have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in Canadian dollars unless otherwise stated. These financial statements do not contain all disclosures required by IFRS for annual financial statements and, accordingly, should also be read in conjunction with the most recently prepared annual consolidated financial statements for the year ended September 30, 2014. All financial analysis, data and information set out in this MD&A are unaudited.

FORWARD-LOOKING STATEMENTS

This MD&A includes certain forward-looking statements that are based upon current expectations which involve risks and uncertainties associated with the Company's business and the economic environment in which the business operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements, which are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. The forward-looking statements are not historical facts, but reflect the Company's current expectations regarding future results or events. Forward-looking statements contained in this MD&A are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed in the section "Risks and Uncertainties" below and the "Risk Factors" section of the Company's most recently filed AIF. Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information.

The Company believes the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A.

The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward looking statements.

Forward-looking statements	Assumptions	Risk factors
Cash resources on hand to fund the operations for the first half of the 2015 fiscal year.	The Company's quarterly cash burn rate is estimated at an average of approximately $270,000 related to ZENN and US$420,000 related to EEStor.	Unforeseen expenses may arise for the Company during this period and may affect the length of time estimated.
ZENN intends to complete another equity financing or other opportunities.	The funds are intended to be used towards continued third party testing and ongoing enhancement to the current technology and for further working capital.	ZENN may not be able to complete the desired equity financing due to market conditions or other factors needed to increase its cash on hand and continue to operate and support EEStor.

Forward-looking statements	Assumptions	Risk factors
The Company does not anticipate any additional cash expenses related to Discontinued Operations.	All anticipated costs related to the closure have been provided for as of September 30, 2013.	Not all expenses may be anticipated and provided for as of September 30, 2013.
Management believes that its technology, if proven successful, will allow the Company to successfully license and or partner with known commercial capacitor companies that require a capacitor that provides high voltage and high capacitance at a substantially lower cost to currently available technologies.	The energy storage technology will be successfully commercially developed and will possess the performance attributes anticipated.	The energy storage technology may not be successfully commercialized for financial, technical or other reasons, or in a manner providing the features and benefits expected or on a timely basis. The technology, even if successfully developed, may not gain market acceptance. Also see "Risk Factors" section of the Company's most recently filed AIF.

The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

OVERVIEW OF BUSINESS

The Company's mission is to be the provider of leading edge energy storage solutions and related technologies. The Company operates on the principle and belief that a fundamental breakthrough in energy storage will be the catalyst for positive environmental and economic change globally. The Company's current business strategy is to focus on licensing and partnership opportunities across a broad spectrum of industries and applications if, as and when its technology achievements have been independently validated.

ZENN holds an approximate 71.3% equity and voting interest in EEStor, as well as certain rights to technology under development by EEStor. The acquisition of the controlling interest in EEStor has aligned the businesses of both companies and provides ZENN with the opportunity to benefit from all potential EEStor revenue including aluminium electrolytic capacitors utilizing the knowledge and technology associated with EEStor's energy storage development.

HIGHLIGHTS AND SUMMARY

The following summarizes the key events in the development of the Company during the three months ended December 31, 2014, and up to the date of this MD&A:

Board and Management

- On December 22, 2014, the Company granted an aggregate of 856,000 stock options to Directors, Officers and employees of the Company; 440,000 of the options vest equally over a twelve month period and the remainder are to vest equally over an eighteen month period. Each option granted entitles the holder to acquire one common share at a price of $0.57 and expires five years from the grant date.

Financial Highlights

- In the three months ended December 31, 2014, the Company incurred net losses of $699,432, compared to ZENNs losses of $391,222 in the corresponding period of the prior year. On a per share basis, for the three months ended December 31, 2014, the Company incurred net losses of $0.01, compared to ZENN's losses of $0.01 in the corresponding period of the prior year.
- EEStor incurred total losses from continuing operations of $485,032 for the three months ended December 31, 2014.
- During the three months ended December 31, 2014, the Company used $712,694 of cash in its continuing operations, as compared to ZENN's use of $180,129 in the same period of the prior year.

Other

- On December 17, 2014, the Company released independent testing results performed by Intertek Group plc, of a sampling of EEStor capacitor layers across multiple voltages using Intertek's equipment and testing protocols. In addition, the Company published a report written by Mr. Dennis Zogbi, CEO of Paumanok Publications, entitled "EEStor Capacitor Technology. Opportunities in the Global Capacitor Market 2014" which contextualizes the results of the Intertek Report.
- On December 22, 2014, the Company entered into an investor relations consulting agreement with Mr. John Zammit. As part of the agreement, Mr. Zammit has been granted stock options as his compensation subject to regulatory approval. The options will vest as to one half for a six month period and the remaining one-half for a twelve month period at an exercise price of $0.35.
- On February 5, 2015, ZENN completed a non-brokered private placement in which 2,793,000 units at $0.375 were issued resulting in gross proceeds of $1,047,375 (see "*Subsequent Events – Non-brokered Private Placement*").

EEStor continues to work on its patent portfolio as it relates to its energy storage technology. Additional details about the Company's patent activity is available in the Company's most recently filed AIF.

DISCUSSION OF OPERATING RESULTS

Operating results

The following table summarizes the Company's operating results for continuing operations, segregating the Company's loss from discontinued operations, for the three months ended December 31, 2014 and 2013.

	For the three months ended December 31 (unaudited)	
	2014	2013
	$	$
Interest (Income)	**(999)**	(5,819)
Share of loss of associates	**-**	24,123
General and administrative	**598,138**	310,713
Engineering and development	**336,604**	25,799
Business development	**720**	29,406
Loss from continuing operations	**934,463**	384,222
Loss from discontinued operations	**7,000**	7,000
Net loss for the period	**941,463**	391,222
Non-controlling interest	242,031	-
Loss attributed ZENN	**699,432**	**391,222**
Loss per share		
Continuing operations	**(0.02)**	(0.01)
Discontinued operations	**(0.00)**	(0.00)
Total	**(0.02)**	(0.01)

In accordance with IFRS, the Company is required to incorporate the financial results of EEStor in its consolidated statements as a result of the acquisition of control of EEStor on January 27, 2014. The segmented financial information for EEStor is provided below under "EEStor Operations". The continuing operations expenses incurred by ZENN for the three months ended December 31, 2014 increased incrementally as a result of the increased cash compensation for the current Chief Executive Officer and Chairman fees and the vesting of the new stock option grants, long with an increase in legal fees related to marketing and investor relations initiatives.

In the three months ended December 31, 2014, the Company incurred a non-cash related loss of $7,000 as a result of the payment of a premium on a run off insurance policy for the LSV business, which expires in July 2015. The Company ceased providing its service support in June 2013 and does not expect to incur any further costs.

The tables on the following page present an analysis of the **continuing operations** of the Company.

General and Administrative

	For the three months ended December 31 (unaudited)	
	2014	2013
	$	$
Salaries and benefits	**189,740**	130,977
Stock based compensation	**153,261**	78,895
Stock based compensation - consultant	**26,871**	-
Insurance	**30,092**	24,025
Legal, audit, regulatory	**84,587**	40,944
Occupancy costs	**61,715**	19,064
Other costs	**50,701**	16,808
Amortization	**1,171**	-
Total	**598,138**	310,713

General and Administrative comprises a broad range of costs including salaries and benefits, travel, and department specific costs for a number of functional areas including Executive, Finance, and Administration. This group of expenses also reflects rent, voice and data services, insurance and corporate compliance costs. The above amounts also include expenses incurred by EEStor for the current period, that are not included in the prior year amounts. Cost specifically related to ZENN's salaries and benefits increased in the current period by approximately $14,000 as a result of a higher cash compensation for the current Chief Executive Officer and by approximately $15,000 for Chairman fees incurred in the period. Stock based compensation also increased by approximately $73,000 for current periods as a result of the vesting of stock options granted in the current period. The Company's legal fees increased in the current period by approximately $15,000 related to marketing and investor relations initiatives.

Engineering and Development

	For the three months ended December 31 (unaudited)	
	2014	2013
	$	$
Salaries and benefits	**216,254**	-
Stock based compensation	**2,012**	-
Service and materials	**99,426**	22,835
Other costs	**18,912**	2,964
Total	**336,604**	25,799

Engineering and Development includes all costs related to product research, engineering and development. The amount in the current period relate to the expenses incurred during the research of the EEStor technology. The amounts in the prior year reflect costs incurred by ZENN related to consulting charges incurred related to the technology. Beginning January 1, 2015, any costs incurred related to the development of the EEStor technology will be deferred as a result of the independent third party verified technology testing results conducted and released in late December 2014.

Business Development

	For the three months ended December 31 (unaudited)	
	2014	2013
	$	$
Salaries and benefits	**-**	15,841
Stock based compensation	**-**	8,943
Other marketing related costs	**720**	4,622
Total	**720**	29,406

Business Development incurred in the prior year related to the Executive Vice-President, EEStor Relations ("EVP") position which ceased at the end of April 2014.

EEStor Operations

	For the three months ended December 31, 2014 US$
General and administrative	130,647
Engineering and development	296,280
Net loss	**426,927**

The average foreign exchange rate used for consolidation purposes relating to operating expenses for the three months ended December 31, 2014 is 1.1361.

Discontinued Operations

In June 2013 ZENN closed its Service department, and all expenses anticipated relating to the discontinued operations have been provided for in the recently completed fiscal year 2013.

QUARTERLY FINANCIAL INFORMATION

The following table sets out the quarterly results for the most recently completed eight quarters. The results have been segregated to reflect continuing and discontinued operations:

Quarters Ended	Loss continuing operations $	Gain/(Loss) discontinued operations $	Net loss in period $	Loss per share continuing operations $	Loss per share discontinued operations $	Loss per share in period $
March 31, 2013	(448,981)	(35,311)	(484,292)	(0.01)	0.00	(0.01)
June 30, 2013	(400,755)	(37,386)	(438,141)	(0.01)	0.00	(0.01)
September 30, 2013	(455,489)	123,811	(331,678)	(0.01)	0.00	(0.01)
December 31, 2013	(384,222)	(7,000)	(391,222)	(0.01)	0.00	(0.01)
March 31, 2014	(915,887)	(7,000)	(922,887)	(0.02)	0.00	(0.02)
June 30, 2014	(955,268)	(7,000)	(962,268)	(0.02)	0.00	(0.02)
September 30, 2014	(918,548)	(7,000)	(925,548)	(0.01)	0.00	(0.01)
December 31, 2014	(934,463)	(7,000)	(941,463)	(0.02)	0.00	(0.02)

For the two quarters ending December 31, 2013 and March 31, 2014, the previously reported losses related to continuing operations increased due to the inclusion of the proportionate share of EEStor's losses of $24,123 and $67,003, respectively, for the period December 20 to December 31, 2013 and January 1, 2014 to January 26, 2014. The loss related to EEStor operations for the period January 27, 2014 to December 31, 2014, has also been incorporated in the previous two quarters and current quarter totals following the acquisition of control.

The losses related to discontinued operations (which reflect the results of the LSV business) in the quarter ended September 30, 2013, included a warranty adjustment of $166,875, offset by severance cost related to the closure of the service support of ($25,731). ZENN has provided for all anticipated expenses at the end of the 2013 fiscal year and does not expect to incur any further costs associated with the discontinued operations following the completion of the 2013 fiscal year.

LIQUIDITY AND CAPITAL RESOURCES

In the period ended December 31, 2014, and up to the date of this MD&A, the Company continued to incur losses and is drawing on cash resources.

The Company's financial liquidity is currently supported by cash and short-term investments. The Company is not cash flow positive and its ongoing ability to remain liquid will depend on a number of factors including licensing and partnering arrangements following independent validation of its technology for the aluminium electrolytic market, the rate of cash expenditures to fund ongoing operations and research development, investments in non-cash working capital and the Company's ability to raise capital to fund the development of the business (see "Risks and Uncertainties" below). The Company has not yet completed its non-brokered private placement. The net proceeds from the offering will be used to hire senior staff at EEStor in order to expand its development capabilities and accelerate product development, to protect intellectual property, to conduct extensive third-party testing activities of ongoing enhancements to the current technology, to arrange partnership and licensing opportunities with key global capacitor companies with the balance for working capital and general corporate purposes.

On February 5, 2015, ZENN successfully completed a non-brokered private placement that resulted in gross proceeds for ZENN of $1,047.375. The net proceeds from the offering will be used for working capital and general corporate purposes.

The Company's total cash and short-term investments at December 31, 2014 was $264,815 compared to a balance of $1,013,181 at September 30, 2014. Working capital as at the same two dates were ($66,290) and $701,084 respectively.

The Company's investment policy restricts the investment of its cash balances to term deposits and bankers' acceptances. As well, short-term investments are invested only in high quality instruments of financial institutions, providing the Company with very low levels of liquidity risk on its invested financial instruments.

The Company has no long-term debt.

Based on its current operating and financial plans, management is confident the Company has adequate cash resources on hand to fund its operations through the first half of the 2015 fiscal year.

CAPITAL COMMITMENTS

The Company does not have any material commitments for capital assets as at December 31, 2014, or the date of this MD&A.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off balance sheet transactions.

MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to maintain its ability to continue as a going concern for the benefit of shareholders and other stakeholders by balancing cash conservation and prudent investment in its operations in order to further its business objectives.

Working capital management is fundamental to the broader management of capital. The Company has a defined investment policy restricting the investment of cash balances to term deposits and bankers' acceptances. Non-cash working capital is managed with defined business practices and policies intended to optimize the investment and safeguard the assets.

The Company includes equity in its definition of capital. Equity is comprised of share capital, contributed surplus, warrant capital and deficit. The Company's approach to raising equity has been to raise sufficient capital to take the Company toward a target milestone, with an objective of minimizing dilution for shareholders. To secure additional capital to pursue its objectives, the Company may raise additional funds through the issuance of equity. The Company's ability to raise equity capital is a function of many factors, including the state of the capital markets, and there is no assurance that capital will be available to the Company when required or on acceptable terms.

The Company is not subject to any external capital requirements.

There have been no changes with respect to the overall capital management strategy during the period ended December 31, 2014.

RELATED PARTY TRANSACTIONS

Key Management Personnel Compensation

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company, including members of the Company's Board of Directors. The Company considers key management to be the members of the Board of Directors, the Chief Executive Officer and the Chief Financial Officer.

Key management personnel may also participate in the Company's stock-based compensation plans. See Note 12 to the unaudited condensed interim consolidated financial statements for the three months ended December 31, 2014, for details.

The remuneration of key management personnel during the three months ended December 31, 2014 and 2013 were as follows:

	For the three months ended December 31	
	2014	2013
	$	$
Wages and salaries	**140,115**	125,351
Statutory deductions	**7,542**	3,267
Stock-based compensation	**138,533**	86,973
	286,190	215,591

As at December 31, 2014, the net outstanding balance payable to the Company's directors was $34,125.

Consulting Agreement

An agreement was entered into with Mr. Gooch, a member of the EEStor Board of Directors a 71.3 subsidiary of ZENN, for his consulting services relating to the EEStor technology. The contract provides for an hourly rate of CDN $110 per hour and CDN $55 per hour related to any travel time required. The contract is effective from July 1 to September 30, 2014, following this date his services are to be provided on a weekly basis. During the period October 1 to December 31, fees and other expenses of $25,517 before tax were paid to Mr. Gooch.

Employee Advance

The company entered into an agreement to advance Mr. Clifford, a director and officer of the Company $34,808. The promissory note provides for a 2% interest charge and a due date on or before March 31, 2015. As at the date of the MD&A, the advance remains outstanding.

FINANCIAL INSTRUMENTS

Interest Rate Risk

Interest rate risk is the impact that changes in interest rates could have on the Company's income and liabilities. The Company's exposure to interest rate risk is minimal.

Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to currency risk is minimal.

Credit Risk

Credit risk arises from the possibility that the entities to which the Company sells products may experience financial difficulties and be unable to fulfill their contractual obligations. Since the Company no longer sells its LSV products, its sales credit risk is minimal.

Credit risk can also arise from the inability of the institutions in which the Company invests its cash and short term investments to return the funds to the Company when due. As described in the "Management of Capital" section above, the Company's investment policy restricts the investment of its cash balances to term deposits and bankers' acceptances. As well, short-term investments are invested only in high quality instruments of financial institutions, providing the Company with very low levels of liquidity risk on its invested financial instruments. As such, the Company believes it is exposed to a very low level of credit risk on its investments.

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

The unaudited condensed interim consolidated financial statements of the Company include the statements of the Company and its wholly-owned subsidiaries ZENN Motor Company Limited, ZENN Capital Inc., ZENNergy Inc., ZMC America, Inc. and EEStor, Inc., which as at the date of this report, ZENN holds a 71.3% controlling interest in. Intercompany transactions and balances are eliminated on consolidation.

The Company's unaudited condensed interim consolidated financial statements have been prepared by management in accordance with IFRS. Management has made certain estimates and assumptions that affect the reported amount of assets and liabilities. Significant areas requiring the use of management estimates relate to amounts recorded as accrued liabilities, including the valuation of purchase price allocation, stock options, warrants, measurement of deferred tax assets and the fair value of financial instruments. The significant area requiring the use of management judgement relates to the assessment of going concern uncertainties.

Amortization of investments in property and equipment is calculated at various rates intended to reflect the useful life of the asset.

The fair value of options is determined using the Black-Scholes option pricing with the following weighted average assumptions: (i) The fair value of options is determined using the Black-Scholes option pricing with the following weighted average assumptions: (i) dividend yield of 0%, (ii) expected volatility of approximately 170%, (iii) risk free interest rate of 1.02%, (iv) the average expected life of 1.09 years, and (v) the average share price on date of issuance of $0.57. Expected volatility is based on historical volatility. The Company includes an estimated forfeiture rate, with actual forfeitures reversed in the period they occur. The weighted average fair value of the cost of grants in the period was approximately $0.37 per instrument.

Accounting Pronouncements Issued But Not Yet Effective

As at the date of the MD&A, the Company has determined that the following matter for accounting and disclosure under the standards established by the International Accounting Standards Board ("IASB") may be applicable to the Company's operations. Accordingly the following pronouncement may impact the Company's accounting and disclosure of its activities:

IFRS 9, Financial Instruments

In October 2010, the IASB issued IFRS 9, "Financial Instruments" ("IFRS 9"). IFRS 9, which replaces IAS 39, "Financial Instruments: Recognition and Measurement", establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 and must be applied retrospectively. The Company is assessing the impact of this new standard.

RISKS AND UNCERTAINTIES

An investment in the Company should be considered highly speculative due to the nature of the Company's activities and its early stage of development. These risk factors and uncertainties could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements contained herein relating to the Company.

This section should be read in conjunction with and is qualified by the "Risk Factors" section of the Company's most recently filed AIF, available on SEDAR at www.sedar.com, which is hereby incorporated by reference herein. Some of these risks, presented in greater detail in the AIF, include the following:

- Dependence on the successful development, commercialization and integration of its technologies and potential impact on the Company if this does not occur at all or in a timely manner, or if the commercial applications do not possess the anticipated functionality and benefits,
- Early stage of development, history of losses,
- Additional financing requirements,
- Currency risk related to a controlled foreign subsidiary.

EEStor's energy storage technology is still under development and a number of further development milestones must be achieved before commercial viability can be established. There are significant risks associated with the development of new technologies such as EEStor's energy storage technology and readers are directed to the "Risk Factors" disclosed in ZENN's AIF.

Additional Disclosure for Venture Issuers Without Significant Revenue

As of December 31, 2014, the Company had no deferred costs related to development or start up. Howerver, following the recent independent third party verification testing results of the EEStor technology, the Company will begin to defer costs related to development effective January 1, 2015.

Additional required disclosure for venture issuers without significant revenue is included in the section "Discussion of Operating Results" above.

Outstanding Shares

The following table outlines all outstanding voting or equity securities of the Company and all other securities of the Company which are convertible into, or exercisable or exchangeable for, voting or equity securities as of March 2, 2015:

	Number
Common shares outstanding	62,237,505
Issuable under options	5,665,300
Issuable under warrants	10,799,112
Total diluted commons shares	**78,701,917**

Features of the options are described in Note 12 to the unaudited condensed interim consolidated financial statements for three months ended December 31, 2014.

Subsequent Events

Non-brokered Private Placement

On February 5, 2015 the Company completed a non-brokered private placement. The Company issued and sold 2,793,000 units at a price of $0.375 per unit raising gross proceeds of $1,047,375. Each unit consisted of one common share and one half of one common share purchase warrant. Each share purchase warrant entitles the holder to acquire one common share at a price of $0.58 until August 5, 2016. All securities issued pursuant to the private placement are subject to a 4-month hold period until June 6, 2015.

The Company paid cash finders' fee of $23,940 and issued 63,840 non-transferable finder's warrants to registered dealers in connection with the offering. Each finder's warrant entitles the holder to acquire one common share at a price of $0.58 until August 5, 2016.

Additional Information

Additional information relating to the Company, including ZENN's most recently filed AIF, can be found on SEDAR at www.sedar.com and at the Company's website at www.zenncars.com.