INTRODUCTION

The following Management Discussion and Analysis – Quarterly Highlights ("MD&A") of the results of operations and financial condition of Solar Alliance Energy Inc. (the "Company" or "Solar Alliance") for the nine months ended September 30, 2017 and up to the date of this MD&A, has been prepared to provide material updates to the business operations, financial condition, liquidity and capital resources of the Company since its last management discussion and analysis for the fiscal year ended December 31, 2016 (the "Annual MD&A").

This MD&A should be read in conjunction with the Annual MD&A and the audited consolidated financial statements for the year ended December 31, 2016, together with the notes thereto, and the accompanying unaudited condensed consolidated interim financial statements and related notes thereto for the nine months ended September 30, 2017 (the "Financial Report").

All financial information in this MD&A is derived from the Company's financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is November 29, 2017.

DESCRIPTION OF THE BUSINESS

Solar Alliance is a reporting issuer in British Columbia and Alberta and its common shares are listed for trading on the TSX Venture Exchange.

The Company completed its transition from the initiation and development of wind energy projects to the sales and installation of residential rooftop solar energy by acquiring 100% of the equity of San Diego, California based Solar Alliance of America, Inc. ("SAOA") on June 24, 2015. The Company then changed its name from Finavera Wind Energy Inc. to Finavera Solar Energy Inc. on July 2, 2015 and then on January 29, 2016 renamed the company Solar Alliance Energy Inc. Previously, from its inception in 2005, the Company had been developing wind energy projects in Ireland, British Columbia and Alberta, Canada. Those projects were sold in stages ending in 2015.

Solar Alliance is now a sales and marketing firm focused on residential, commercial and industrial solar installations in the United States.

See Proposed Transaction below.

NATURE OF THE BUSINESS

Highlights from the Company's operations during the nine month period ended September 30, 2017 and the period up to the date of this MD&A include:

Residential Solar

The residential arm of Solar Alliance is primarily run through SAOA and Solar Alliance Services Inc., a wholly owned U.S. subsidiary, ("SAS") out of offices in San Diego and Los Angeles. In April 2017, the Company began working with William Shatner, a Canadian actor, author, producer and director on a public awareness campaign to promote the benefits of solar energy. Mr. Shatner brings his unique brand of passion and humour to help promote the many benefits of solar energy. Solar Alliance completed the installation of a 6.3 kW solar system on Mr. Shatner's home in July 2017. Solar Alliance is developing the solar awareness campaign in order to support the widespread adoption of solar energy. Once it is complete, the campaign will be rolled out across Solar Alliance's social media platforms, including Facebook, Twitter and Instagram.

The Company sees a tremendous opportunity to continue its expansion efforts in southern California through the creation of additional office locations and adoption of new sales strategies. Since acquiring SAOA, the Company has hired an experienced, professional management team, refocused SAOA's objectives, repositioned its branding, created internal controls and financial reporting systems and entered into new agreements with key suppliers. The Company provides customers with flexibility and freedom of choice regarding financing options for residential solar systems. Solar Alliance markets third party loans, power purchase agreements and lease options for customers based on their individual requirements. The Company maintains relationships and agreements with several financing providers to diversify Company risk and provide flexibility to customers.

In September 2017, Alan Fleishman joined the Company as its President. Mr. Fleishman brings five years of experience gained at Project Solar Home, a Los Angeles based solar consulting firm he founded. His experience in coaching, mentoring, training and motivation to sales managers and consultants to ensure that each has the necessary tools and skills to succeed in their roles is of great benefit to Solar Alliance.

To expand its retail operations outside of California in May 2017, the Company signed a Solar Origination Agreement (the "Agreement") with Crius Solar, LLC ("Crius Solar"), an affiliate of Crius Energy, LLC. Under the Agreement, Solar Alliance will lead efforts to identify and develop new residential solar projects in five States across the Northeast as well as Northern California for Crius Solar and partner with the full-service solar provider to bring those solar systems to installation. The expanded sales teams and markets represent revenue streams that are additive to Solar Alliance's current organic expansion plans and will provide significant geographic diversification. Solar Alliance will initially focus on markets that represent the majority of the existing retail energy customer base of Crius Solar's affiliate company, Crius Energy, LLC, including: California, Connecticut, Massachusetts, New Jersey, New York and Rhode Island.

In September 2017, Solar Alliance was granted Approved Developer status for the California Self-Generation Incentive Program ("SGIP"). SGIP provides incentives to support existing, new, and emerging distributed energy resources including home battery storage. Solar Alliance has been allocated a portion of the incentives available for residential and small commercial storage systems and will manage the incentive applications for customers. Through Solar Alliance, customers can obtain an incentive of up to 60% of the cost of a home battery system. As an Approved Developer, Solar Alliance has been allocated up to 20% of the SGIP incentive funding for a given budget category in each state-wide incentive step. The current stage of the incentive program consists of approximately $430 million in incentives. As an Approved Developer, Solar Alliance can offer an incentive package that many other competitors are not qualified to offer.

On October 30, 2017, Solar Alliance announced an agreement with Coachella Brands, Inc. for the design and construction of a 600-kilowatt commercial-sized solar project in California to power Coachella's legal cannabis growing and processing facility. The Solar Alliance engineering team analysed Coachella's requirements and designed a system that will offset a large portion of the facilities electricity needs with lower cost renewable energy. The next stage in the project's development is to complete a final feasibility study which will consist of system design, grid interconnection / utility meter connection point, construction and technical requirements, permitting requirements, safety requirements and any additional modifications required to support the project. The preliminary schedule for the Project anticipates construction commencing in January, 2018. As part of the agreement, Solar Alliance will issue to Coachella, 250,000 warrants exercisable at a price of $0.12 per share for a period of two years. The warrants are subject to the approval of the TSX Venture Exchange.

Commercial Solar

In August 2017, Solar Alliance announced it had submitted a one megawatt ("MW") commercial solar project proposal to the Illinois Power Agency ("IPA"). This is in response to the State's recent Wind and Solar Procurement Request for Proposals "RFP"). In support of the bid application, the City of Murphysboro, Illinois, has partnered with Solar Alliance and signed a Memorandum of Understanding ("MOU") for the 1 MW solar project (the "Project"). The purpose of the MOU is to outline the process and responsibilities of the City of Murphysboro and Solar Alliance for the successful completion of financially viable solar project, as a part of the "Renewing the Murphysboro community through Green Energy jobs" initiative. The approximate capital cost of the Project is US $1,720,000, which represents the top line revenue to Solar Alliance minus costs of goods. Final revenue projection and profit margin would be determined after final design and the award of a REC contract from the RFP. There are several stages of RFP awards from the IPA and the Company continues to assess the most appropriate and economic stage to submit a final bid. The Company continues to work with the city of Murphysboro on the project and anticipates the project will move forward with or without a REC award from the IPA.

In August 2017, the Company signed an agreement for the design and construction of an approximately US$3,500,000 commercial solar project in Los Angeles. The project, which marks the second commercial-scale solar project for Solar Alliance, consists of a rooftop solar installation and a carport solar installation at a Los Angeles mid-rise, multi-tenant office building. The next stage in the project's development is to complete a final feasibility study and grid connection application. Solar Alliance expects all necessary agreements and financing options to be completed by the end of September with construction commencing in H1 2018. The US$3,500,000 capital cost is an estimate that will be refined after the feasibility study. As part of the agreement, Solar Alliance will issue to the developer, 250,000 warrants exercisable at a price of $0.18 per share for a period of two years. The warrants are subject to the approval of the TSX Venture Exchange.

On October 30, 2017, Solar Alliance announced an agreement with Coachella Brands, Inc. for the design and construction of a 600-kilowatt commercial-sized solar project in California to power Coachella's legal cannabis growing and processing facility. The Solar Alliance engineering team analysed Coachella's requirements and designed a system that will offset a large portion of the facilities electricity needs with lower cost renewable energy. The next stage in the project's development is to complete a final feasibility study which will consist of system design, grid interconnection / utility meter connection point, construction and technical requirements, permitting requirements, safety requirements and any additional modifications required to support the project. The preliminary schedule for the Project anticipates construction commencing in Q1 2018. As part of the agreement, Solar Alliance will issue to Coachella, 250,000 warrants exercisable at a price of $0.12 per share for a period of two years. The warrants are subject to the approval of the TSX Venture Exchange.

On November 8, 2017, Solar Alliance completed the acquisition of Aries Solar, LLC ("Aries) an established Tennessee commercial solar company that is licensed to operate in four Southeast U.S. States. Aries is an established turn-key commercial solar energy solution provider with industry expertise that is focused on engineering, procurement, and construction needs. The Company acquired all of the assets of Aries, including a pipeline of commercial projects from Thompson Machinery Commerce Corporation ("Thompson Machinery"). In consideration, Thompson Machinery will receive an earnout payment of 20% of net income from the current Aries project pipeline up to a maximum of US$1,000,000. Commercial projects signed after the acquisition are not subject to the net income allocation described above. There was no cash consideration payable at the close of the acquisition. Solar Alliance does not assume any employee liability in the acquisition and will be issuing employment offers to certain former employees of Aries. In addition, Solar Alliance does not assume any liability with respect to accounts payable or other current liabilities following the closing other than the liability to perform its obligations under contracts of Aries following the closing. On closing, Solar Alliance appointed Harvey Abouelata as Vice President, Commercial Solar of Solar Alliance Energy. Mr. Abouelata was previously the president of Aries and leads a team of exceptional commercial solar professionals based in Knoxville, Tennessee.

This acquisition is intended to result in more megawatts of solar installed annually along with a corresponding material increase in revenue for the Company. The Company is bringing an experienced technical team of developers and engineers on board which allows Solar Alliance to expand its customer base and the size of solar systems it provides to businesses that want to save substantially on their electricity bills and rely less on the traditional, hydrocarbon focused utilities of the past. This acquisition is part of the Company's plan to increase its capabilities across the spectrum of residential, commercial and utility scale solar projects.

These commercial projects in Los Angeles and the Aries acquisition set the stage for increasing growth in commercial solar sales for the Company.

TRENDS

The Company believes that solar energy adoption is still in the early stages, and that the penetration of solar energy systems will continue to accelerate for the foreseeable future. The Company's vision is to build market share in the solar energy systems sales and installation space through:

- Organic growth through additional office openings in California and other attractive jurisdictions;
- The development of innovative sales tools to increase the speed of deployment of solar energy systems;
- Acquisition of small to medium sized residential solar energy systems companies, as we target attractive markets with the right mix of sun, electricity costs, incentives and net metering; and
- The creation of internal financing structures that will allow Company ownership of the deployed systems and recurring revenue at attractive rates of return.
- The development and sales of larger commercial and industrial (C&I) sized solar systems with a professional sales and engineering team

The market for residential, commercial and industrial solar energy systems remains strong and is growing. In the past 10 years, both the cost of PV solar panels and other system costs have declined significantly, creating transformational change in the industry. According to the Solar Energy Industries Association, 2016 was a record-breaking year for solar, the U.S. market installed 14,762 MW of solar PV in 2016 – nearly doubling the capacity installed in 2015. For the first time ever, solar ranked as the No. 1 source of new electric generating capacity additions brought on-line on an annual basis at 39%. On average, a new megawatt of solar PV capacity came on-line every 36 minutes in the United States in 2016 and a record 22 states each added more than 100 MW of solar PV. This acceleration of growth in the solar industry is due in part to rising utility electricity rates, greater customer knowledge about the economics and ethics of clean and sustainable energy, the extension of the US federal Investment Tax Credit to 2023, and the continued reduction of PV panels and systems costs.

The size and scale of the rooftop solar market remains significant. Industry estimates indicate that less than 1% of USA residential rooftops have installed solar arrays. California has a rooftop solar installation penetration rate estimated by the solar industry at only 5%, in a market comprising about 7 million detached homes. The Company believes the rooftop solar sector is at the leading edge of a massive installation rollout in the United States over the next few years, and Solar Alliance, with its industry contacts, marketing techniques and branding, offers an outstanding opportunity to capture this wave of high growth and strong cash flows through scaled expansion.

As Solar Alliance scales up its operations to profitability, working capital and expansion capital will be required in the ensuing quarters. This will be manageable as the Company has increased sales through its subsidiary and expects consistent profitability in late 2017. This, in combination with the Company's ability to access public equity markets and the potential sale of its remaining wind energy assets, will provide the necessary capital for growth.

RESULTS OF OPERATIONS

Nine month ended September 30, 2017 compared to nine month ended September 30, 2016

The Company recorded a net loss for the nine months ended September 30, 2017 of $3,705,082 compared with a net loss of $1,513,835 in the nine months ended September 30, 2016. Cost of goods sold reflected 60% of revenue in the current period compared to 67% of revenue in the comparative period. Gross profit in the current period was $1,003,579 being 40% of revenues of $2,492,294. Gross profit in the comparative period was $1,522,103 being

33% of revenues of $4,600,127.

Three months ended September 30, 2017 compared to three months ended September 30, 2016

The Company recorded a net loss for the three months ended September 30, 2017 of $1,016,884 compared with a net loss of $852,462 in the three months ended September 30, 2016. Cost of goods sold reflected 65% of revenue in the current period compared to 67% of revenue in the comparative period. Gross profit in the current period was $200,159 being 35% of revenues of $574,103. Gross profit in the comparative period was $581,077 being 33% of revenues of $1,785,334.

The gross profit margin on a three month basis is 35% and on a nine month basis 40% an overall improvement from the comparative three and nine month periods of 33%.

LIQUIDITY AND CAPITAL RESOURCES

Solar Alliance began the fiscal period with cash of $130,526. During the nine months ended September 30, 2017, the Company expended $2,459,667 on operating activities net of working capital changes, expended $1,157,156 on investing activities and received $3,504,004 from the issue of common shares and net loan repayments to end September 30, 2017 with $17,707.

Restructuring the SAOA business is resulting in improved gross margins. Multiple solar installers serving SAOA providing speed in building out the respective orders as well as with lower COGS are directly contributing to the improved results.

As of September 30, 2017, the Company had a working capital deficiency of $5.1 million and is in default on a loan payable). Subsequent to September 30, 2017, the Company began negotiating a convertible note for proceeds of $2,000,000. Management estimates that these funds along with current cash inflows from operations are not currently sufficient to sustain the Company's operational expenditures and to pay the Company's debts and obligations as they become due. Management of the Company intends to address the working capital deficiency through a combination of revenue growth, reduced expenses, the potential sale of its remaining wind assets and injections of capital through share issuances. There can be no assurance that management's plans will be successful or that the Company will be able to obtain the financial resources necessary. The Company's ability to continue as a going concern is dependent on the Company's ability to raise debt or equity funding in the near term to fulfill its obligations and ultimately in self-generating income and cash flows from its operations. The conditions described above give rise to a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern.

RELATED PARTY TRANSACTIONS

The Company had no other related party transactions other than those incurred in the normal course of business as disclosed in the Financial Report.

(Expressed in Canadian dollars)

PROPOSED TRANSACTIONS

On December 4, 2017 (the "SH Meeting"), the Company's shareholders will be asked to vote on a corporate reorganization transaction (the "Arrangement") which will see Solar Alliance transfer its business to a new corporate entity with the same assets, name, board and management but with an additional $1,400,000 in cash which Solar Alliance will have received for the sale of its non-core assets being the Bullmoose Wind Energy Project and a 15% interest in the Wildmare Wind Energy Project and certain other development stage wind assets located in British Columbia. The Arrangement will be completed by way of a plan of arrangement, which requires approval of shareholders and the British Columbia Supreme court. The Arrangement is fully described in the information circular supporting the shareholder meeting and is filed on the Company's profile on www.sedar.com.

If the SH Meeting is held as scheduled and not adjourned, the Arrangement resolution is passed and the other necessary conditions at that point in time are satisfied or waived, Solar alliance will apply for the Final Order approving the Arrangement and it is expected that the Effective Date will be on or about December 11, 2017.

If the Arrangement becomes effective Solar Alliance will receive $1,400,000 before costs for the sale of the non-core assets and will retain an 85% interest in Wildmare Wind Energy LP. Wildmare's primary asset is a 77.4 MW project located 4.5 km northwest of Chetwynd, B.C. Costs of the transaction and the Arrangement are expected to be approximately $120,000.

OUTSTANDING SHARE DATA

Authorized: an unlimited number of common shares without par value

	Common Shares Issued and Outstanding	Common Share Purchase Warrants	Common Share Purchase Options
Balance as at the date of this MD&A	94,273,786	32,842,877	4,784,000

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking statements about the Company's objectives, strategies, financial condition, results of operations, cash flows and businesses. These statements are "forward-looking" because they are based on current expectations, estimates, assumptions, risks and uncertainties. These forward-looking statements are typically identified by future or conditional verbs such as "outlook", "believe", "anticipate", "estimate", "project", "expect", "intend", "plan", and terms and expressions of similar import.

Such forward-looking statements are subject to a number of risks and uncertainties which include, but are not limited to: cyclical downturn, competitive pressures, dealing with business and political systems in a variety of jurisdictions, repatriation of property in other jurisdictions, payment of taxes in various jurisdictions, exposure to currency movements, inadequate or failed internal processes, people or systems or from external events, safety performance, expansion and acquisition strategy, legal and regulatory risk, extreme weather conditions and the impact of natural or other disasters, specialized skills and cost of labour increases, equipment and parts availability and reputational risk. Actual results could be materially different from expectations if known or unknown risks affect the business, or if estimates or assumptions turn out to be inaccurate. The Company does not guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place reliance on these forward-looking statements.

The Company disclaims any intention and assumes no obligation to update any forward-looking –statement, even if new information becomes available, as a result of future events or for any other reasons, except in accordance with applicable securities laws. Risks that could cause the Company's actual results to materially differ from its current expectations are also discussed in this MD&A.

OTHER INFORMATION

Additional information relating to the Company is available for viewing on SEDAR at www.sedar.com and at the Company's web site www.solaralliance.com.