



**MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS**

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020

(EXPRESSED IN CANADIAN DOLLARS)

**SOLAR ALLIANCE ENERGY INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS - QUARTERLY HIGHLIGHTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020
(Expressed in Canadian Dollars)**

The following is management's discussion and analysis ("MD&A") of the results of operations and financial condition of Solar Alliance Energy Inc. (the "Company" or "Solar Alliance") for the three and nine months ended September 30, 2020 and up to the date of this MD&A, and 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, 2019 (the "Annual MD&A").

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Annual MD&A, audited annual consolidated financial statements of the Company for the years ended December 31, 2019, and December 31, 2018, together with the notes thereto, and unaudited condensed interim consolidated financial statements of the Company for the three and nine months ended September 30, 2020, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of November XX, 2020, unless otherwise indicated.

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 ("TSX-V") under the symbol SOLR.

Solar Alliance is an energy solutions provider focused on residential, commercial and industrial solar installations. The Company operates in California, Tennessee, North/South Carolina and Kentucky and has an expanding pipeline of solar projects. Since it was founded in 2003, the Company has developed \$1 billion of wind and solar projects that provide enough electricity to power 150,000 homes. Solar Alliance's passion is improving life through ingenuity, simplicity and freedom of choice. Solar Alliance reduces or eliminates customers' vulnerability to rising energy costs, offers an environmentally-friendly source of electricity generation, and provides affordable, turnkey clean energy solutions.

Solar Alliance sees long term, sustained growth occurring in the commercial solar market and the new home residential solar market. The Company has focused its resources on three business units: large scale commercial, mid-sized commercial and SunBox.

Significant Shareholder

On February 11, 2019, the Company issued 92,601,416 common shares at a price of \$0.03 per share to a company controlled by Tom Anderson to settle \$2,778,042 of principal and interest to January 31, 2019. Mr. Anderson is a private investor and entrepreneur with extensive experience, inter alia, in the Leisure & Entertainment, Oil and Gas, Bioscience, Industrial Tools Software and Healthcare businesses.

The conversion of debt from Mr. Anderson is a strong indication of support for Solar Alliance's long-term business plan in the U.S. solar industry and aligns the Company with a high net worth individual committed to Solar Alliance's long-term success. The support of Mr. Anderson also allows Solar Alliance to continue moving forward with the expansion of its commercial solar sales pipeline and the rollout of its SunBox standard solar system for residential builders.

The issue of these common shares increases the number of common shares under the control of Mr. Anderson from 6,241,666 to 98,843,082 which results in Mr. Anderson being a new control person of the Company as he

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currently owns or controls approximately 44% of the common shares of the Company as of the date of this MD&A. Mr. Anderson has acquired the shares for investment purposes and neither he, nor the companies he controls, have any present intention to acquire further securities of the Company although Mr. Anderson may acquire or dispose of common shares of the Company in the market, privately or otherwise, as circumstances or market conditions warrant.

In exchange for agreeing to the conversion of the convertible note and loans, the Company has agreed to pay Mr. Anderson 100% of the net proceeds currently being held in escrow for the ultimate benefit of the Company related to the 2008 sale of the Company's Ghost Pine Wind Project. In Q1, the Company reached a settlement with purchaser of the Ghost Pine Wind Project. The proceeds of \$200,000 was loaned to back to Company by Mr. Anderson.

Operational Highlights

The following highlights are from the Company's operations during the nine months ended September 30, 2020 and the period up to the date of this MD&A.

COVID-19 – Solar Alliance remains open for business to make sure our customers receive the services and products that serve their energy needs. The Company has increased our sales and installation teams in order to meet the growing demand of customers wanting to save money on their energy bills. Solar Alliance has instituted health and safety procedures to ensure the safety of its employees, customers and the communities we operate in.

Powershed Charging Station for Robotic Lawnmowers – On July 15, 2020 the Company launched an innovative new solar charging station for robotic lawnmowers. Powershed is a solar powered charging station for robotic lawnmowers that simplifies and improves the operation and use of robotic lawn mowers. Powershed is a new product that allows you to cut the cord and place a robotic mower anywhere the sun shines. Solar Alliance developed the design in cooperation with a researcher from the University of Tennessee and a provisional patent application has been filed with the U.S. Patent office, which provides intellectual property protection pending a full patent application. The first Powershed unit has been installed at the University of Tennessee and is currently operating.

Husqvarna Test Site – On August 5th, 2020 the Company announced it is working with Husqvarna, Leeper Hardware and Appalachian Outreach as part of a test to determine the capabilities of the Husqvarna Automower® robotic mower at an operating solar system in Tennessee. The test will provide valuable information regarding the performance of the Husqvarna Automower® at an operating, ground mount solar system.

Powershed License Agreement – On September 15th, 2020 the Company announced it signed a Commercial License Agreement ("License Agreement") with the University of Tennessee Research Foundation ("UTRF") for the development and sales of Powershed. The License Agreement provides an exclusive, worldwide license to Solar Alliance and is positive step towards commercialization. Commercial terms are confidential.

SunBox System Highlighted at Parade of Homes – On September 30th, 2020 the Company announced that the SunBox residential solar system is being highlighted at the Home Builders Association of Greater Knoxville's 2020 Parade of Homes, in partnership with Mike Stevens Homes, one of the Company's SunBox channel partners. Mike Stevens Homes is one of several channel partners that are helping to deliver a record number of residential solar system sales to Solar Alliance customers this year.

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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 continue to build market share in the solar energy systems sales and installation space. The market for residential, commercial and industrial solar energy systems remains strong and is growing.

According to the latest Renewable Energy Industry Outlook from Deloitte, the fundamental drivers of solar industry growth are poised to continue in 2020, supported by three trends coming into sharper focus that are likely to shape renewable growth in the coming year. Those trends include emerging policies that support renewable growth, expanding investor interest in the sector, and advancing technologies that boost solar energy's value to the grid, asset owners, and customers. The Deloitte report notes that increasing customer demand for renewable energy across almost all market segments continues to expand opportunities.

Results of Operations

Revenue for the nine months ended September 30, 2020 was \$2,517,610 compared to \$1,288,552 in the comparative period. In the current period, the Company had one major project that represented 51% of revenue that related to residential solar channel partner whereas in the prior period the Company had one major project related to Onni (see December 3, 2018 news release) that represented 27% of the prior periods total revenue.

The Company's gross profit was \$764,262 for the nine months ended September 30, 2020 compared to \$197,926 in the comparative period or 30% and 15% respectively.

Operating and selling expenditures, excluding non-cash depreciation and share-based payments, were \$1,365,568 in the nine months ended September 30, 2020 compared to \$1,397,226 in the comparative period, a decrease of \$31,658. The decrease is a result of larger accounts receivables and work in progress, offset by smaller customer deposits in the Company. As well, the Company continues to cut costs at all areas, in particular at the corporate administrative level.

Liquidity and Capital Resources

Solar Alliance began the 2020 fiscal period with \$45,634 cash. During the nine months ended September 30, 2020, the Company used \$29,397 in operating activities, net of working capital changes, and received \$21,936 from financing activities, to end at September 30, 2020 with \$38,173 cash.

In January 2020, the Company issued 2,233,333 common shares at a price of \$0.05 per share to three companies controlled by officers of the Company to settle consulting fees of \$111,667 accrued to January 31, 2020.

In May 2020, the Company issued 4,457,460 common shares at a price of \$0.025 per share to three companies controlled by officers of the Company to settle consulting fees of \$111,437, accrued to March 31, 2020.

As of September 30, 2020, the Company had a working capital deficiency of \$5,649,831. The cash inflows from Solar Alliance operations are not currently sufficient to sustain the Company's operations and to pay the Company's obligations as they become due. Management intends to address the working capital deficiency through a combination of revenue growth, reduced expenses, and injections of capital through debt and equity 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.

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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.

Outstanding share data as at the date of this MD&A

	Common Shares Issued and Outstanding	Common Shares Purchase Warrants	Common Shares Purchase Options
Balance at September 30, 2020	224,060,179	17,833,597	20,950,000
Issuance of shares for trade and other payables	7,433,857	-	-
Options granted	-	-	1,800,000
Balance at the date of this MD&A	231,494,036	17,833,597	22,750,000

Subsequent Event

Solar Alliance Signs Contract for 500 kW Solar Project – On November 9th, 2020 the Company announced it has signed a contract to build a 500 kilowatt (“kW”) solar system in Kentucky. The project is one of Solar Alliance’s largest to date and is scheduled for construction in early 2021. The contract also includes an option for the customer to select Solar Alliance to build an additional 500 kW system at the same location.

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. To date, Solar Alliance continues to install solar systems and has not laid off any staff. Solar Alliance is currently deemed an essential business by the state of Tennessee and will continue to remain operational. Solar Alliance will comply with all government directives and is taking steps to ensure the safety of our employees and customers. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

Cautionary Note Regarding Forward Looking Information

This MD&A may include or incorporate by reference certain statements or disclosures that constitute “forward-looking information” under applicable securities laws. All information, other than statements of historical fact, included or incorporated by reference in this MD&A that addresses activities, events or developments that Solar Alliance or its management expects or anticipates will or may occur in the future constitute forward-looking information. Forward-looking information is provided through statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur or continue. These forward-looking statements are based on certain assumptions and analyses made by Solar Alliance and its management in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances.

This MD&A contains forward-looking statements about the Company’s objectives, strategies, financial condition,

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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: financing risk, market demand, electricity pricing, regulatory policy, supplier risk, installation risk, competitor risk, safety risk, customer service risk, and fraud and cyber risks. 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.

Forward-looking statements are based on the beliefs, estimates and opinions of Solar Alliance's management on the date the statements are made. Unless otherwise required by law, Solar Alliance expressly disclaims any intention and assumes no obligation to update or revise any forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change, whether as a result of new information, future events or otherwise, and Solar Alliance does not have any policies or procedures in place concerning the updating of forward-looking information other than those required under applicable securities laws. Accordingly, readers should not place undue reliance on forward-looking statements or forward-looking information.

Additional Information

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