INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

QUARTERLY HIGHLIGHTS

SEPTEMBER 30, 2021

The following interim Management Discussion & Analysis ("**Interim MD&A**")of Solar Alliance Energy Inc. (the "**Company**" or "**Solar Alliance**") for the three and nine months ended September 30, 2021 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis ("**Annual MD&A**") for the fiscal year ended December 31, 2020. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of 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, 2020, and December 31, 2019, together with the notes thereto, and unaudited interim condensed consolidated financial statements of the Company for the three and nine months ended September 30, 2021, together with the notes thereto. The Company's unauditedinterim condensed consolidated financial statements and the financial information contained in this Interim 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 interim condensed 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 23, 2021, 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 commercial, industrial, and residential solar installations. The Company operates in Tennessee, Kentucky, Illinois and North and South Carolina and has an expanding pipeline of solar projects. Solar Alliance's business model includes building, developing, owning, and operating commercial, industrial and utility solar projects in the U.S.

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.

Operational Highlights

The following highlights are from the Company's operations during the nine months ended September 30, 2021 and the period up to the date of this Interim 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.

Joint Development Agreement with Boyd CAT – On July 7th, 2021, the Company announced it signed a Joint Development Agreement with Boyd Company ("**Boyd CAT**"), a regional Caterpillar dealer, and will be opening an office in Louisville, Kentucky. Boyd CAT is the authorized dealer of Cat® solar equipment for businesses and contractors across Kentucky, Southern Indiana, West Virginia and Southeastern Ohio. Solar Alliance is now the exclusive solar provider to Boyd CAT in Kentucky with a partnership that will accelerate solar adoption across the region. Under the Agreement, Boyd CAT and Solar Alliance will jointly pursue solar opportunities where Boyd CAT provides sales support and solar equipment, and Solar Alliance provides solar design, engineering and installation services.

Full patent application filed for Powershed – On July 27, 2021, Solar Alliance announced a full patent application has been filed, jointly with the University of Tennessee Research Foundation, for Powershed, an innovative solar powered charging station for robotic lawnmowers. The Company also announces that Powershed has advanced beyond the prototype stage and the latest design iteration of Powershed has resulted in four system sales in July, driven by an increase of 33% in power generation per unit.

Joint Development Agreement with Abundant Solar Power - On August 10, 2021, the Company announced it has signed a Joint Development Agreement with Abundant Solar Power ("**Abundant**") to jointly pursue large-scale utility solar projects in the U.S. Southeast. Solar Alliance's regional design, engineering, and construction expertise combined with Abundant's financial expertise and large project development experience create a partnership that is well positioned to provide cost-competitive, turnkey solar solutions to utilities. The projects will range in size from one megawatt ("**MW**") to 10 MW and larger and will typically involve competitive bids to local and regional utilities.

Solar Appoints new CFO and Independent Director – On September 13, 2021, Solar Alliance announced the appointment of Mr. Rob Roberti as the Company's new Chief Financial Officer and Mr. Brian Timmons as a new independent member of the Board of Directors.

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, installation and project ownership space. The market for residential, commercial and industrial solar energy systems remains strong and is growing.

Results of Operations

Revenue for the three months ended September 30, 2021 was $252,352 compared to $530,385 in the comparative period.

The year over year decreased in Q3 revenue is due primarily to the Company's transition to larger revenue projects, which have a longer sales cycle. Q3 represents a period where the Company invested in new sales channels to improve the long-term sales pipeline of larger solar projects. This focus on larger projects resulted in fewer small projects being completed but also resulted in the signing of several larger projects after the end of Q3. These contracts, subsequent to the end of Q3, will positively impact revenues in Q4 and moving forward.

Operating and selling expenditures, excluding non-cash depreciation and share-based payments, were $796,416 in the three months ended September 30, 2021 compared to $522,038 in the comparative period, an increase of $274,378, or 53%. The increase is mainly attributable to salaries and benefits, which related to more projects being completed during the year as well as the reallocation of consulting fees to salaries.

Revenue for the nine months ended September 30, 2021 was $2,255,460 compared to $2,517,610 in the comparative period.

Operating and selling expenditures, excluding non-cash depreciation and share-based payments, were $2,196,811 in the nine months ended September 30, 2021 compared to $1,365,568 in the comparative period, an increase of $831,243, or 61%. The increase is attributable to salaries and benefits, which relates to more projects being completed during the year as well as the reallocation of consulting fees to salaries. The increase is also attributable to marketing and advertising relating to the most recent private placement.

Liquidity and Capital Resources

Solar Alliance began the 2021 fiscal period with $1,877 cash. During the nine months ended September 30, 2021, the Company used $2,514,650 in operating activities, net of working capital changes, and received $5,779,319 from financing activities, to end September 30, 2021 with $3,165,889 cash.

During the nine months ended September 30, 2021, the Company issued 10,960,714 common shares on the exercise of stock options for proceeds of $611,500.

During the nine months ended September 30, 2021, the Company issued 17,213,597 common shares on the exercise of warrants for proceeds $974,868.

In February 2021, the Company completed a private placement through the issuance of 13,696,500 units at a price of $0.42 per unit for gross proceeds of $5,752,530. Each unit consists of one common share and one share purchase warrant with each warrant exercisable into one common share of the Company at a price of $0.60 per share for a period of 24 months from the closing date. The securities issued pursuant to the offering have a hold period of four months from the date of closing. The Company determined the fair value of the warrants to be $2,582,158. The warrants were valued using the Black-Scholes pricing model with the following assumptions: a risk-free interest rate of 0.22%; an expected volatility of 191.87%; an expected life of two years; a forfeiture rate of zero; and an expected dividend of zero. The Company paid share issue costs of $581,495 in cash and issued 958,755 brokerwarrants with a fair value of $180,751.

As of September 30, 2021, the Company had a working capital deficit of $222,187. The cash inflows from Solar Alliance operations are currently not sufficient to sustain the Company's operations and to pay the Company's obligations as they become due. Management intends to continue to raise capital 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.

Related Party Transactions

The following transactions and balances with related parties occurred during the nine months ended September 30, 2021:

a) As at September 30, 2021, an amount of $NIL (December 31, 2020 - $309,600) is due from a company controlled by an officer of the Company). This balance was repaid in full, April 2021.
b) Included in trade and other payables as at September 30, 2021 is $NIL (December 31, 2020 - $456,300) due to an officer of the Company, comprised of principal of $NIL (December 31, 2020 - $270,000) and accrued interest of $NIL (December 31, 2020 - $186,300). This amount relates to a contractual payment resulting from the sale of certain wind projects in British Columbia in 2014 which constituted the material operating assets of the Company and triggered the contractual payment. This balance was repaid in full, April 2021.
c) Included in trade and other payables as at September 30, 2021 is $12,799 (December 31, 2020 - $668,720) due to current and former officers and directors and a significant shareholder of the Company for consulting fees, salaries and benefits and expense reimbursements.

Key management includes members of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid or accrued to key management personnel during the nine months ended September 30, 2021 and 2020 were as follows:

(All figures in Canadian Dollars, unless otherwise specified)

	Three Months Ended September 30,				Nine Months Ended September 30,			
		2021		**2020**		**2021**		**2020**
Consulting fees	**$**	**-**	$	62,500	**$**	**-**	$	226,855
Salaries and benefits		**68,123**		-		**237,506**		-
Share-based payments		**-**		42,824		**-**		80,224
Total	**$**	**68,123**	$	105,324	**$**	**237,506**	$	307,079

During the nine months ended September 30, 2021, the Company settled consulting fees of $NIL (nine months ended September 30, 2020 - $223,104) through the issuance of common shares of the Company.

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

	Common Shares Issued and Outstanding	Common Shares Purchase Warrants	Common Shares Purchase Options
Balance at September 30, 2021	**274,984,848**	**14,655,255**	**12,939,286**
Balance at the date of this Interim MD&A	**274,984,848**	**14,655,255**	**12,939,286**

Critical accounting estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

1. Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next fiscal year and are, but are not limited to, the following:

Share-based payments

The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model which incorporates market data, and which involves uncertainty and subjectivity in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price, changes in the subjective input assumptions can materially affect the fair value estimate.

Right-of-use asset and lease liability

The right of use asset and lease liability are measured by discounting the future lease payments at the incremental borrowing rate. The incremental borrowing rate is an estimated rate the Company would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Warrants

The fair value of warrants granted are subject to the limitation of the Black-Scholes option pricing model which incorporates market data, and which involves uncertainty and subjectivity in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price, changes in the subjective input assumptions can materially affect the fair value estimate.

2. Critical accounting judgments

Determination of functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Management has determined that the functional currency of the parent Company is the Canadian dollar. The functional currency of the Company's US subsidiaries is the US dollar.

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

The Company has not recorded any deferred tax assets.

Determination of CGUs

A cash generating unit ("**CGU**") is defined as the lowest grouping of integrated assets that generate identifiable cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The allocation of assets into CGUs requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, similar exposure to market risks, shared infrastructures, and the way in which management monitors the operations.

Contingencies

Due to the nature of the Company's operations, various legal, tax, environmental, regulatory, and business acquisition consideration matters are outstanding from time to time. In the event that management's estimates of the future resolution of these matters changes, the Company will recognize the effects of the changes in its consolidated financial statements on the date such changes occur.

Financial Instruments and risk management

Financial Instruments

Financial instruments are classified into one of the following categories: fair value through profit or loss ("**FVTPL**"); fair value through other comprehensive income ("**FVTOCI**"); or at amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The carrying values of the Company's cash, receivables, due from related party, deposits, trade and other payables and customer deposits approximate their fair values because of their short term to maturity and/or the interest rates being charged. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost. The carrying values of the Company's loans and borrowings that are payable on demand approximate their fair values due to their short-term to maturity.

Risk management

The Company is exposed to a number of risks arising from its use of financial instruments. The Company is or may be subject to certain risks including credit risk, liquidity risk, interest rate risk, and currency risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Financial instrument risk management strategies may expose the Company to further gains or losses, but serve to stabilize future cash flows, reduce the volatility of operating results, and increase overall financial strength.

Individual risks and the Company's approach to managing such risks are discussed as below.

Credit risk

Credit risk is the risk that a counterparty to a financial asset will default, resulting in non-collectability and arises mainly from its cash, receivables, and deposits. Cash is held with credit-worthy Canadian and United States financial institutions and receivables are primarily related to sales. The Company has assessed the credit risk of these instruments to be negligible. The Company did not have an allowance for doubtful accounts at December 31, 2020 nor did it incur any material bad debt expenses during the year then ended.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that there is sufficient capital in order to meet short-term business requirements. The Company is subject to liquidity risk from its trade and other payables and loans and borrowings as all of these liabilities are due within the next 12 months. The Company currently has a significant working capital deficiency as described in the of audited consolidated financial statements for the year ended December 31, 2020 and 2019.

Market risk

Market risk is the risk to the Company of adverse financial impacts due to changes in the fair value or future cash flows of financial instruments primarily as a result of fluctuations in interest rates and foreign exchange rates.

1. Interest rate risk

   The Company's interest rate risk on loans and borrowings has been mitigated by fixing interest rates at the inception of the loans. At December 31, 2020, the Company had no material debt subject to floating interest rates.

The Company's interest income from cash is also subject to interest rate risk, but such risk is not considered material based on the balances on hand and the Company's expectation of interest rates in the foreseeable future.

2. Currency risk

The Company has net monetary liabilities denominated in United States dollars, totaling approximately US $1,845,000 at September 30, 2021, and is therefore subject to currency risk. The Company does not currently use any derivative instruments to reduce its exposure to fluctuations in foreign currency exchange rates. An increase (decrease) in the US dollar exchange rate of 10% relative to the Canadian dollar would decrease (increase) net loss by approximately $184,500.

Adoption of new standards, interpretations and amendments

Certain pronouncements were issued by the International Accounting Standards Board ("**IASB**") or the International Financial Reporting Interpretations Committee ("**IFRIC**") that are mandatory for accounting periods commencing on or after January 1, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded.

Recent accounting pronouncement

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded.

Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the Company's Annual MD&A for year ended December 31, 2020, available on SEDAR at www.sedar.com.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the unaudited interim condensed consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim condensed consolidated financial statements; and (ii) the unaudited interim condensed consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

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 Company uses the Venture Issuer Basic Certificate, which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited interim condensed consolidated financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS). The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

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.

Subsequent Event

On November 16, 2021, the Company announced it has completed the acquisition of a 298-kilowatt project in New York State from Abundant. The project will operate under a 30-year power purchase agreement. Construction will commence in early 2022.

Cautionary Note Regarding Forward Looking Information

This Interim 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 Interim 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 Interim 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: 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.