INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

QUARTERLY HIGHLIGHTS

JUNE 30, 2022

SOLAR ALLIANCE ENERGY INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022
(All figures in Canadian Dollars)

The following interim Management Discussion & Analysis ("**Interim MD&A**") of Solar Alliance Energy Inc. (the "**Company**" or "**Solar Alliance**") for the three and six months ended June 30, 2022 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, 2021. 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 six months ended June 30, 2022, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited interim 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 ("**IASB**") 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 August 25, 2022, 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 and on the OTCQB Venture Market in the United States under the symbol "SAENF".

Solar Alliance is an energy solutions provider focused on commercial, industrial and residential solar installations. The Company operates in Tennessee, Kentucky, Illinois and North/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 United States.

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 six months ended June 30, 2022 and the period up to the date of this Interim MD&A.

500 kilowatt, US$750,000 solar project – On May 9, 2022 the Company announced it has signed a contract to design and build a 500-kilowatt solar project for a commercial customer in Kentucky. The project, with a capital cost of US$750,000, will be powered by more than 1,000 Cat® solar modules and is expected to be completed by the end of 2022.

Construction continued on several of Solar Alliance's large projects, including the 500-kW project for Louisville Gas and Electric and Kentucky Utilities which commenced construction on March 14, 2022.

Trends

The Company believes that solar energy adoption is still in the early to mid-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 commercial, industrial and residential solar energy systems remains strong and is growing.

Results of Operations

Revenue for the six months ended June 30, 2022 was $1,627,817 compared to $2,003,108 in the comparative period.

The year over year decrease in Q2 revenue is due primarily to the Company's transition to larger revenue projects, which have longer sales and revenue recognition cycles. Q2 represents a period where the Company invested in work-in-process of larger solar projects. Several projects whose revenues were recognized during Q2 experienced slightly lower gross profit margins due to supply chain issues faced during Q4 2021 and Q1 2022. The Company's focus on larger projects resulted in fewer small projects being completed but also resulted in the signing of yet another larger project. These contracts will positively impact revenues, with a backlog as at June 30, 2022 of $4.3 million that is expected to be realized in the second half of 2022.

Operating and selling expenditures, excluding non-cash depreciation, share-based payments and bad debt expense, were $1,534,639 in the six months ended June 30, 2022 compared to $1,400,395 in the comparative period, an increase of $134,244, or 9.6%. The increase is mainly attributable to salaries and benefits. An increase in the number of employees in the first half of 2022 reflects the larger projects being completed and the growth in project ownership.

Liquidity and Capital Resources

Solar Alliance began the 2022 fiscal period with $2,169,258 cash. During the six months ended June 30, 2022, the Company used $1,653,686 in operating activities, net of working capital changes, used $284,736 in investing activities and received $90,000 from financing activities, to end June 30, 2022 with $320,836 cash. The cash used in operating activities included an allocation of $434,861 to a restricted cash account. This amount is expected to be released in Q1 2023.

As at June 30, 2022, the Company had a working capital deficit of $352,923 compared to a working capital of $842,956 at December 31, 2021. The cash inflows from Solar Alliance operations are currently not sufficient to sustain the Company's operations and capital expenditures 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 six months ended June 30, 2022:

1. Included in trade and other payables as at June 30, 2022 is $254,869 (December 31, 2021 - $254,301) due to current and former officers and directors and a significant shareholder of the Company for consulting fees, salaries and benefits and expense reimbursements.
2. In June 2022, the Company closed a non-brokered private placement unsecured short-term loan for a total capacity of $450,000. Proceeds from the loan are being used for the construction of the Company-owned US1 and VC1 projects in New York. $90,000 was advanced in June 2022 from one of the directors of the Company. The term of the loan is one year from the date of each advance and bears interest at 15% per annum.

(All figures in Canadian Dollars)

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 six months ended June 30, 2022 and 2021 were as follows:

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Salaries and benefits	**121,859**	110,217	**251,192**	169,383
Share-based payments	**57,927**	-	**172,919**	-
Total	**$ 179,786**	$ 110,217	**$ 424,111**	$ 169,383

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 June 30, 2022	**274,984,848**	**14,655,255**	**13,939,286**
Balance at the date of this Interim MD&A	**274,984,848**	**14,655,255**	**13,939,286**

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, 2021, 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:

1. 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

2. 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 Events

1. On July 27, 2022, the Company announced that it had completed construction of a 500-kilowatt ("**kW**") solar project in Kentucky for Louisville Gas and Electric Company ("**LG&E**") and Kentucky Utilities Company ("**KU**").

2. In July 2022, an additional $260,000 was advanced under the short-term loan, including $160,000 from a director.

3. On August 5, 2022, the Company announced that the board of directors of the Company granted incentive stock options in accordance with the Company's stock option plan to certain of its directors, offices and employees. Options to purchase 2,475,000 common shares of the Company have been granted to certain directors and officers of the Company at an exercise price of $0.09 per share. These options vest quarterly over a period of one (1) year, with the first 25% of the options vesting on November 5, 2022. The options expire on November 5, 2027.

   The Company also announces that the Board has approved an extension to the expiry date of an aggregate of 1,300,000 stock options (the "**Old Options**") held by certain non-executive employees of the Company. 1,000,000 Old Options were granted on December 22, 2017, and an aggregate of 300,000 Old Options were granted on January 26, 2018. The original expiry date was five (5) years from the grant date for each of the Old Options. The expiry date for the Old Options will be extended two (2) years such that the amended expiry date will be the date that is seven (7) years from the original grant date (the "Amendment"). The Old Options each have an exercise price of CAD$0.08 per Old Option and the exercise price of the Old Options will not be amended. The Amendment is subject to TSX Venture Exchange approval.

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.