solar alliance

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

QUARTERLY HIGHLIGHTS

MARCH 31, 2022

The following interim Management Discussion & Analysis ("**Interim MD&A**") of Solar Alliance Energy Inc. (the "**Company**" or "**Solar Alliance**") for the three months ended March 31, 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, 2021, and 2020, together with the notes thereto, and unaudited interim condensed consolidated financial statements of the Company for the three months ended March 31, 2021, together with the notes thereto. 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 May 24, 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.

Leadership

On February 17, 2022, the Company announced that Brian Timmons has been appointed Chair of the Company's Board of Directors, effective immediately.

Operational Highlights

The following highlights are from the Company's operations during the three months ended March 31, 2022 andthe 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 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.

Commenced Construction of 500-kW Project for Louisville Gas and Electric and Kentucky Utilities – On March 14, 2022, the Company announced it has commenced construction on a 500-kilowatt ("**kW**") solar project in Kentucky for Louisville Gas and Electric Company ("**LG&E**") and Kentucky Utilities Company ("**KU**"), regulated utilities that serve more than 1.3 million customers. The contract includes an option for LG&E and KU to select Solar Alliance to build an additional 500-kW system at the same location. A total of eight 500-kW Solar Share sections are planned for the Simpsonville facility, for a total of four megawatts. Under the terms of the contract, the identity of the customer was confidential until the commencement of construction.

Contract for 1 MW Project with Knoxville Utilities Board Signed – On February 22, 2022, Solar Alliance announced it has signed a contract with Knoxville Utilities Board ("**KUB**"), an independent agency of the City of Knoxville, for the design and installation of a 1 megawatt ("**MW**") solar project in Knoxville, Tennessee. KUB provides electric, natural gas, water, wastewater, and fiber broadband services to more than 473,000 customers in Knoxville. Solar Alliance will design, engineer, and install the 1-MW project, which is scheduled to begin construction in April 2022 and is targeted for completion in August 2022. The project builds on Solar Alliance's expanding utility customer project base, following successful solar initiatives with utilities LG&E/KU, EPB, and AES. It also builds on the company's support program for utilities which includes grant work, financial modeling, energy modeling, and EV charger deployment.

Brian Timmons Appointed Chair of the Board - On February 17, 2022, the Company announced Brian Timmons has been appointed Chair of the Company's Board of Directors, effective immediately. Mr. Timmons was appointed to the Company's Board of Directors on September 13th, 2021. Mr. Timmons replaces Michael Clark, who continues in his roles of Director, CEO and President of Solar Alliance.

Completed Acquisition of 389-kW Solar Project in New York – On February 2, 2022, Solar Alliance announced it completed the acquisition of a 389-kW project in New York State from Abundant Solar Power Inc. The project acquisition, first announced on June 23, 2021, represents the second project Solar Alliance will own and operate under a 30-year power purchase agreement. A total of 687-kW of solar projects are now owned by the Company and will contribute recurring revenue once they achieve commercial operation.

Contract for 526-kW Project with AESSEAL Signed – On January 27, 2022, Solar Alliance announced it has signed a contract with AESSEAL, a specialist in the design and manufacture of mechanical seals and support systems, for a 526-kW roof mount solar system at AESSEAL's U.S. headquarters in Rockford, Tennessee. Solar Alliance will design, engineer, and install the project, which is scheduled to begin construction in April and is targeted for completion by the end of October 2022.

Solar Alliance Commenced Trading on OTCQB Market in the United States – On January 24, 2022, Solar Alliance announced that it has qualified for trading on the OTCQB Venture Market in the United States operated by the OTC Markets Group Inc. and the Company's common shares will commence trading today on the OTCQB under the symbol SAENF. The Company's common shares will continue to trade on the TSX Venture Exchange.

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 three months ended March 31, 2022 was $663,269 compared to $582,223 in the comparative period.

The Company experienced a 14% year over year increase in revenues compared to the comparable period in 2021. This revenue increase is combined with an increase in the Company's backlog of projects with signed contracts, which totals approximately $4,900,000. Most of that backlog is expected to be converted into revenue during 2022. The Company also anticipates increasing the backlog of projects under contract as it continues to successfully transition to larger revenue projects, several of which were signed in Q1, 2022.

Operating and selling expenditures, excluding non-cash depreciation and share-based payments, were $702,389 in the three months ended March 31, 2022 compared to $554,863 in the comparative period.

Liquidity and Capital Resources

Solar Alliance began the 2022 fiscal period with $2,169,258 cash. During the three months ended March 31, 2022, the Company used $927,620 in operating activities, net of working capital changes to end March 31, 2022 with $1,203,835 in cash and $434,861 in restricted cash that will be released following the completion of the project for KUB.

During the three months ended March 31, 202, the Company did not issue any common shares on the exercise of stock options compared to 10,960,714 for proceeds of $611,500 in the comparative period 2021.

During the three months ended March 31, 2022, the Company did not issue any common shares on the exercise of warrants compared to 16,144,763 common shares proceeds $950,188 in the comparative period 2021.

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; andan 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 March 31, 2022, the Company had a working capital of $272,499 compared to $842,966 at December 31, 2021. 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 assurancethat 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 three months ended March 31, 2022:

(a) Included in trade and other payables as at March 31, 2022 is $254,301 (December 31, 2021 - $254,301) dueto current and former officers and directors and a significant shareholder of the Company for consulting fees, salaries and benefits and expense reimbursements. These amounts are non-interest bearing with no fixed terms of repayment.

(In Canadian Dollars, unless otherwise specified)

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 three months ended March 31, 2022 and 2021 were as follows:

Three months ended March 31,		**2022**		**2021**
Salaries and benefits	**$**	**129,333**	$	59,166
Share-based payments		**114,992**		-
Total	**$**	**244,325**	$	59,166

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

Financial Instruments and Risk Management

(a) Financial Instruments

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

Financial Instrument	**Category**
Financial Assets	
Cash and cash equivalents	FTVPL
Accounts receivable	Amortized cost
Due from related party	Amortized cost
Deposits	Amortized cost
Financial Liabilities	
Trade and other liabilities	Amortized cost
Customer deposits	Amortized cost
Lease liability	Amortized cost
Loans and borrowings	Amortized cost

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.

(b) Risk Management

The Company is exposed to several 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 recognized one allowance for doubtful accounts at December 31, 2021 in the amount of $69,002, but did not incur any material bad debt expenses during the current quarter.

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 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 these liabilities are due within the next 12 months. The Company currently has a working capital of $272,499 compared to $842,956 at December 31, 2021.

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 because 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 March 31, 2022, 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 $571,605 at March 31, 2022, 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 $57,160.

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 http://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 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 May 9, 2022, the Company announced it had signed a contract to design and build a 500-kW project for a commercial customer in Kentucky, with a capital cost of US $750,000.

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 considering 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 several 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 concerning the Company is available on SEDAR at http://www.sedar.com and on the Company's website at http://www.solaralliance.com.