MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2024

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**", **"Solar Alliance**" or "**SOLR"**) for the year ended December 31, 2024 and up to the date of this MD&A, and should be read in conjunction with the accompanying audited consolidated financial statements for the fiscal years ended December 31, 2024 and 2023, together with the notes thereto.

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 May 20, 2025.

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 OTC in the United States under the symbol "SAENF".

Solar Alliance targets commercial and industrial customers for solar PV system sales and installations. Solar Alliance's strategy is to design, engineer and install commercial solar systems ranging from 1 to 5 megawatts. The technical and operational expertise the Company has developed provides the foundation for sustained growth across the solar project value chain from design, engineering, installation, operations/maintenance and potentially to participation in ownership. With a U.S. base of operations in Tennessee, Solar Alliance provides services to customers in several Southeast U.S. states.

Solar Alliance has built a strong reputation & brand recognition in the Southeast U.S commercial solar region. As a first mover in the market, we combine the stability of an operating business with exposure to a vast addressable market. Solar Alliance's objective is improving the availability of energy through focus, ingenuity, simplicity and freedom of choice. Solar Alliance reduces or eliminates customers' exposure to rising energy costs, augments security of supply and via an environmentally friendly source of electricity generation, and offers affordable, turnkey clean energy solutions. Our offering includes energy monitoring, energy storage, backup power and microgrid systems.

Leadership

On October 8, 2024, the Company announced the resignation of Michael Clark as CEO, President and director, and the appointment of Brian Timmons as President and CEO.

Operational Highlights

The following are highlights of the Company's operations during the year ending December 31, 2024, and the period up to the date of this MD&A.

In the First Quarter, work on several commercial projects continued or commenced after major material had been delivered to sites in 2023. Throughout 2024, the company completed 17 commercial PV projects totaling more than 3MW, a number of which commenced or had material delivered in 2023.

In the Second and Third Quarters, Solar Alliance worked through the installation of several larger projects in its pipeline, previously announced. During this period, Solar Alliance shifted its focus toward projects in the 1-to-5-megawatt range.

In the Fourth Quarter, Solar Alliance began work on a project for a repeat client in Kentucky. On October 28, 2024 the Company announced it had signed a contract for the design, engineering and installation of a $3.7 million solar project in Louisville, Kentucky. The project consists of two sites, a 553-kilowatt ("kW") project and a 943-kilowatt ("kW") project targeted for completion in 2025. The projects began construction in late November 2024 and will be complete by end of June 2025.

The Company continues to target larger customers for solar system sales and installations, specifically for utility and commercial customers. The Company's business development activity is now engaged in assessing specific projects of a scale up to 5MWs. The board believes the Company has a competitive advantage and can offer a compelling proposition in this segment of the market. In this regard, the Company's track record and engagement with local power companies and progressive, high-quality corporate customers evidences its capacity to successfully undertake solar projects in the multi-megawatt range.

While pursuing a determined, new focus on larger, commercial and local community solar projects, with a view to accelerating growth rapidly, the Company will continue, as a base level activity, to service the demand from small and medium-sized businesses in rural communities. The strength of demand for projects at this size level could be impacted by curtailment of certain incentives, referred to below, arising from budgetary developments arising from the current political background, referred to below.

The Company continues working with clients to process projects for U.S. federal grant applications including $1.1 million in grant-supported projects completed in 2024, $312,000 completed already in 2025 and another $653,000 in backlog. The grant applications are related to the United States Department of Agriculture ("USDA") Rural Energy for America Program ("REAP") eligible projects. Subject to USDA approval, the Company expects these projects will proceed, despite initial uncertainty arising from the political backdrop, as the US administration has recently developed guidance for the program. The Company will continue to complete grant approved projects and work to take advantage of these funding opportunities as they arise and are confirmed.

In British Columbia, Canada, the utility BC Hydro formally launched the 2024 Call for Power on April 3, 2024. The Company did not participate in this call but has maintained a legacy wind project in the province and will review participation in future RFP opportunities.

On March 14, 2024, the Company announced it had changed its auditor from KPMG LLP ("Former Auditor") to Kreston GTA LLP ("Successor Auditor") effective March 1, 2024. The change of auditor occurred at the request of the Company. The Company's board of directors accepted the resignation of the Former Auditor and appointed the Successor Auditor as the new auditor of the Company effective March 1, 2024, to hold office until the close of the Company's next annual general meeting of shareholders. There were no reservations in the Former Auditor's audit reports for any financial period during which the Former Auditor was the Company's auditor.

(All figures in Canadian Dollars)

Selected Annual Information	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2022
Statement of Loss			
Revenue	5,446,757	7,473,937	4,825,984
Net loss	(684,134)	(1,811,861)	(2,746,914)
Net loss per share	(0.00)	0.01	(0.00)
Financial Position			
Total assets	995,545	1,223,705	3,698,119
Long-term debt	119,550	115,731	348,199
Dividends	nil	nil	nil

Background Trends

Solar Alliance is focused on the growing commercial, small utility and community solar sectors in the United States, specifically in the Southeast. We are called upon to provide solutions for businesses, municipalities and nonprofits.

A key component for small businesses wanting to reduce utility costs has been the USDA REAP grants and loans (in addition to the ITC, Investment Tax Credits. Supported by funding from the U.S. Inflation Reduction Act and other legislation, REAP promotes lower energy costs and resilience while opening new income opportunities for the rural small businesses and agri-businesses which the USDA serves. Doubt cast over the continuation of this program over the long term would impact upon the smaller projects we currently service.
.
On the other hand, the Solar Energy Industries Association states that in 2024 solar and energy storage accounted for 84% of new grid capacity, helping the U.S. meet a critical need for more capacity to support day-to-day energy needs. Despite some uncertainty about federal policy moving forward, SEIA declares that solar and storage continue to align compellingly with a made-in-America energy agenda, providing a growing pool of skilled jobs and strengthening national security. Legislative action is predicted to impact smaller residential projects, but we expect tax credits will continue to support commercial projects in our target range. The current policy environment surrounding solar investment and market volatility may impact our financial prospects.

Solar Alliance is well-positioned through years of expertise, our team of North American Board of Certified Energy Practitioners (NABCEP) professionals on staff, our relationships with local utilities and community decision makers, and our portfolio of past projects, to remain an in-demand professional resource for those seeking energy solutions.

Results of Operations

Revenue for the year ended December 31, 2024 was $5,446,757compared to $7,473,937 in the comparative period.

Operating and selling expenditures, excluding non-cash depreciation and share-based payments, were $2,842,305 in the year ended December 31, 2024 compared to $2,712,908 in the comparative period, an increase of $129,397. The decrease is mainly attributable to a decrease in professional fees.

(All figures in Canadian Dollars)

Summary of Quarterly Results

	Three Month Period Ended December 31, 2024	Three Month Period Ended September 30, 2024	Three Month Period Ended June 30, 2024	Three Month Period Ended March 31, 2024
	$	$	$	$
Revenue	2,185,598	945,303	711,532	1,604,324
Net income (loss)	(350,606)	(274,493)	(200,338)	141,303
Net loss per share	0.00	0.00	0.00	0.00
	Three Month Period Ended December 31, 2023	**Three Month Period Ended September 30, 2023**	**Three Month Period Ended June 30, 2023**	**Three Month Period Ended March 31, 2023**
	$	$	$	$
Revenue	2,634,422	2,410,725	1,454,213	974,577
Net income (loss)	(1,682,371)	665,789	197,311	(992,590)
Net loss per share	0.00	0.00	0.00	0.00

The above 2024 quarterly breakdown is restated for consistency with the Audited Accounts for the full year.

Liquidity and Capital Resources

Solar Alliance began the 2024 fiscal year with $702,988 cash. During the year ended December 31, 2024, the Company used $1,517,803 in operating activities, net of working capital changes, used $20,488 in investing activities and received $845,000 from financing activities, to end December 31, 2024 with $9,697 cash.

On June 17, 2024, the Company issued 2,909,090 common shares at a price of $0.055 per share to settle debts of $160,000.

On June 17, 2024, the Company issued 2,300,000 common shares at a price of $0.05 per share to settle debts of $115,000.

On June 27, 2024, the Company completed a private placement through the issuance of 4,000,000 units at a price of $0.05 per unit for gross proceeds of $200,000. 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 $0.07 per share for a period of 36 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 $130,396. The warrants were valued using the Black-Scholes pricing model with the following assumptions: a risk-free interest rate of 3.86%; an expected volatility of 116.63%; an expected life of three years; a forfeiture rate of zero and an expected dividend of zero.

On July 19, 2024, the Company completed a private placement through the issuance of 9,000,000 units at a price of $0.05 per unit for gross proceeds of $450,000. 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 $0.07 per share for a period of 36 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 $130,396. The warrants were valued using the Black-Scholes pricing model with the following assumptions: a risk-free interest rate of 3.64%; an expected volatility of 98.04%; an expected life of three years; a forfeiture rate of zero and an expected dividend of zero.

On June 27, 2024, the Company completed a private placement through the issuance of 1,000,000 units at a price of $0.05 per unit for gross proceeds of $50,000. 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 $0.07 per share for a period of 36 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 $27,825. The warrants were valued using the Black-Scholes pricing model with the following assumptions: a risk-free interest rate of 3.35%; an expected volatility of 98.05%; an expected life of three years; a forfeiture rate of zero and an expected dividend of zero.

On October 25, 2024, the Company issued 1,000,000 common shares at a price of $0.045 to the former CEO for his services.

As at December 31, 2024, the Company had a working capital deficiency of $2,727,769 compared to a working capital deficiency of $2,312,786 at December 31, 2023. 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 year ended December 31, 2024:

1. Included in trade and other payables as at December 31, 2024 is $415,112 (December 31, 2023 - $289,000) 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. Included in short-term loans as at December 31, 2024 is $227,621 (December 31, 2023 - $137,500) due to current directors of the Company.
3. Included in interest expense as at December 31, 2024 is $24,567 (December 31, 2023 - $40,997) due to current directors of the Company.
4. Included in professional fees as at December 31, 2024 is $70,509 (December 31, 2023 - $32,962) to Marrelli Support Services Inc., a company which the CFO is related to. As of December 31, 2024, the company owed $24,857 which is included in trade and other payables.

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 year ended December 31, 2024 and 2023 were as follows:

(All figures in Canadian Dollars)

	Year Ended December 31, 2024	2023
Consulting fees	$ 92,000	$ 47,000
Salaries and benefits	187,533	246,471
Share-based payments	1,413	120,489
Total	$ 280,946	$ 413,960

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 December 31, 2024	295,193,938	14,300,000	9,275,000
Options expired	-	-	(2,100,000)
Balance at the date of this MD&A	295,193,938	14,300,000	7,175,000

Legal Claims

Due to the nature of the Company's operations, various legal, tax, environmental, and regulatory matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcomes of future events. While the outcomes of these matters are uncertain, based upon the information currently available, the Company does not believe that these matters in aggregate will have a material adverse effect on its consolidated financial statements. In the event that management's estimate of the future resolution of these matters changes, the Company will recognize the effects of these changes in its consolidated financial statements in the appropriate period relative to when such changes occur.

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 had $37,352 (December 31, 2023 - $133,802) as an expected credit loss allowance at December 31, 2024 and incurred $nil (2023 - $9,109) bad debt expenses during the year ended December 31, 2024.

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 short-term loans as all of these liabilities are due within the next 12 months.

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, 2024, 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$1,740,804 at December 31, 2024, 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 $174,080.

Market Risk

The current policy environment surrounding solar investment and market volatility may impact our financial prospects.

Climate Change

Global climate change continues to attract considerable public, scientific and regulatory attention. Governments and regulatory bodies at the international, national, regional and local levels have introduced or may introduce legislative changes to respond to the potential impacts of climate change. Additional government action to regulate climate change, including regulations on carbon emissions and energy use, could increase direct and indirect costs to the Company's operations and may have a material adverse impact on the Company.

Based on risk assessments conducted by the Company, climate change is not an immediate material risk faced by the Company. It is more likely to be an opportunity, as many companies take climate change seriously and incorporate sustainable energy use as a significant element of their corporate strategy.

Public Company Obligations

The Company's business is subject to evolving corporate governance and public disclosure regulations that have increased both the Company's compliance costs and the risk of non-compliance, which could have a material adverse impact on the Company's share price.

The Company is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including the Canadian Securities Administrators, the TSX-V, and the International Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity creating many new requirements. The Company's efforts to comply with rules and obligations could result in increased general and administration expenses and a diversion of management time and attention from revenue-generating activities.

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 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 consolidated financial statements, and (ii) the 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.

Additional Information

Additional information concerning the Company is available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.solaralliance.com.

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, 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.sedarplus.ca and on the Company's website at www.solaralliance.com.