Spirit Banner II Capital Corp.
Management Discussion and Analysis for the Year Ended March 31, 2020

The following Management's Discussion & Analysis ("MD&A") of Spirit Banner II Capital Corp. ("Spirit Banner II" or the "Company" or the "Corporation") for the year ended March 31, 2020 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 audited financial statements of the Company for the years ended March 31, 2020 and March 31, 2019, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. Accordingly, information contained herein is presented as of July 29, 2020, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Spirit Banner II's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company or on SEDAR at www.sedar.com.

Forward-Looking Statements
Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Corporation's future performance. All statements, other than statements of historical fact, may be forward-looking statements.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of various risk factors.

The Corporation

The Corporation was incorporated under the Business Corporation Act (Ontario) on September 29, 2017 and has applied to be classified as a Capital Pool Company, as defined in the Policy 2.4 of the TSX Venture Exchange (the “Exchange”).

The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“QT”). The Corporation has not commenced operations and has no assets other than cash. The Corporation's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm's length transaction, of the majority of the minority shareholders.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to the lesser of 30% of the gross proceeds realized by the Corporation in respect of the sale of its securities or $210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the TSX Venture. The Corporation is required to complete its QT on or before two years from the date the Corporation receives regulatory approval.

On October 26, 2017, the Corporation issued 1,100,000 common shares at $0.05 per share for total proceeds of $55,000.

On January 12, 2018, the Corporation issued 5,500,000 common shares at $0.05 per share for total proceeds of $275,000.

On November 1, 2018, the Company completed its initial public offering of 5,015,000 common shares by way of a prospectus for gross proceeds of $501,500 and has listed on the TSX Venture Exchange (the "Exchange") and its common shares commenced trading on November 5, 2018 under the trading symbol “SBTC.P”.

The issued and outstanding common shares were held in escrow pursuant to the requirements of the Exchange. As at March 31, 2020, 6,600,000 common shares are held in escrow. 10% of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on each of the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a Qualifying Transaction, must also be deposited in escrow until the final exchange bulletin is issued.

All common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be escrowed.

On March 25, 2019, the Company announced that it had entered into a binding letter of intent with Five Star Diamonds Ltd. (the "Five Star") to complete a proposed transaction whereby the Company would acquire Five Star's diamond projects in Brazil. On April 4, 2019 the Company advanced $25,000 to Five Star which is included in due diligence costs in the statement of loss and comprehensive loss. On September 26, 2019, the Company announced that both parties (the Company and Five Star) had been unable to negotiate the terms of a definitive agreement satisfactory to both parties and consequently have mutually decided to terminate the Letter of intent and abandon the transaction.

On February 28, 2020, the Corporation entered into a Binding Letter of Intent with GRB Grafite Do Brasil Minercao Ltda. ("GRB") which outlines the terms and conditions pursuant to which GRB and the Corporation will compete a transaction that will result in the Corporation acquiring from GRB the right to receive 20% of all silver, in whatever form, extracted or originating from specific mineral rights currently owned by GRB. It is intended that the transaction will be the Corporation's Qualifying Transaction. As consideration, the Corporation agrees to advance GRB a cash payment of $175,000 upon completion of the Qualifying Transaction and on March 9, 2020 advanced $25,000 as a non refundable deposit to GRB which is included in due diligence costs in the statements of loss and comprehensive loss. The Corporation will make a further $5,000,000 cash payment on the completion of a National Instrument 43-101 compliant resource statement that defines a minimum of 10 million ounces of silver. On July 27, 2020, the Corporation provided notice of their intent to terminate the letter of intent with GRB.

The registered office of the corporation is located at Suite 400, 90 Adelaide Street West, Toronto, Ontario M5J 4A6.

On July 29, 2020 the Board of Directors approved the audited annual financial statements for the years ended March 31, 2020 and 2019.

Initial Public Offering:

On November 1, 2018, the Company completed its initial public offering (the “Offering”) of 5,015,000 common shares (“Common Shares”) in the capital of the Corporation at a purchase price of $0.10 per Common Share by way of a prospectus for gross proceeds of $501,500 and has listed on the Exchange.

Canaccord Genuity Corp. (the “Agent”) acted as Agent in connection with the Offering. For its services, the Agent received an administrative fee and a cash commission equal to 10% of the gross proceeds of the Offering. In addition, the Agent and members of its selling group received options to purchase an aggregate of 501,500 common shares of the Corporation (the “Agent's Shares”) of the Corporation at an exercise price of $0.10 per Agent's Share, exercisable for twenty-four (24) months from the date of issuance, whereupon the Agent's Shares will expire.

In addition, the Corporation granted an aggregate of 1,161,500 stock options to its directors and officers at an exercise price of $0.10 per Common Share for a period of five years from the date of grant.

The Common Shares are now listed on the Exchange and its Common Shares commenced trading on November 5, 2018 under the trading symbol “SBTC.P”.

Annual Financial Information

The following table sets forth selected audited financial information of the Company as at and for the periods indicated. This financial information is derived from, and should be read in conjunction with, the audited annual financial statements of the Corporation for the years ended March 31, 2020 and March 31, 2019 and the notes thereto. Financial information presented below is prepared in accordance with accounting policies in accordance with IFRS unless otherwise stated.

	Year ended,	
	March 31, 2020	**March 31, 2019**
	$	$
Cash	472,400	640,878
Total Assets	477,167	644,778
Total Liabilities	15,381	43,269
Net Income (Loss)	(139,723)	(191,442)
Basic and Diluted Net Income (Loss) per Share	(0.03)	(0.09)

	March 31, 2020	**December 31, 2019**	**September 30, 2019**	**June 30, 2019**	**March 31, 2019**
	$	$	$	$	$
Total Assets	472,400	532,865	556,222	578,220	644,778
Total Revenue	-	-	-	-	-
Total Expense	36,808	18,585	48,931	35,399	63,123
Net Income (Loss)	(36,808)	(18,585)	(48,931)	(35,399)	(63,123)
Basic and Diluted Net Income (Loss) per Share	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)

Financial Highlights

<u>For the Year Ended March 31, 2020</u>

The Corporation recorded a net loss of $139,723 during the year ended March 31, 2020 (2019 - $191,442). The net loss for the year ended March 31, 2020, is due mainly to due diligence costs, professional fees, and listing fees.

Additional Disclosure for Venture Issuers without Significant Revenue

Since the Corporation has no revenue from operations, the following is a breakdown of the material costs incurred during the year ended:

	Year ended,	
	March 31, 2020	**March 31, 2019**
	$	$
Due Diligence cost	65,717	-
Legal fees	14,062	-
Professional fees	25,180	60,948
Listing fees	3,181	20,193
Stock based compensation	-	87,275
Office and administration	31,583	23,026

Liquidity and Capital Resources

As at March 31, 2020, the Corporation had cash of $472,400 and prepaid expenses of $4,767 resulting in total assets of $477,167. The Corporation had current liabilities of $15,381 and working capital of $461,786.

Negative cash flow of $168,478 were recorded from operating activities for the year ended March 31, 2020. This is primarily due to outflows relating to due diligence and professional fees.

Outstanding Share Data

The Corporation is authorized to issue an unlimited number of common shares. Each common share entitles the holder to one vote at all meetings of shareholders and represents an interest in dividends declared by the Corporation and an undivided interest in the net assets of the Corporation. As at the date of this MD&A, the Corporation has 11,615,000 common shares outstanding.

Off-Balance Sheet Arrangements

The Corporation has not had any off-balance sheet arrangements since incorporation to the date of this MD&A.

Related Party Transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

During the year ended March 31, 2019, the Corporation incurred stock based compensation expenses of $87,275 which was attributable to options issued to directors and officers. During the year ended March 31, 2020 and 2019 there were no other related party transactions and no remuneration was paid to key management personnel.

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Corporation includes equity, comprised of share capital, contributed surplus and deficit, in the definition of capital. The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the Exchange policy 2.4.

Risk Disclosures and Fair Values

The Corporation's financial instruments, consisting of cash recorded at fair value. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Additional Information

For further detail, see the Corporation's audited financial statements for the years ended March 31, 2020 and 2019. Additional information about the Corporation can also be found on SEDAR.