Spirit Banner II Capital Corp.
Interim Management Discussion and Analysis – Quarterly Highlights
For the Three and Nine Months Ended December 31, 2020

The following interim Management's Discussion & Analysis (“Interim MD&A”) of Spirit Banner II Capital Corp. (“Spirit Banner II” or the “Company” or the “Corporation”) for the three and nine months ended December 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 annual financial statements of the Company for the period ended March 31, 2020, together with the notes thereto, and unaudited condensed interim financial statements of the Company for the three and nine months ended December 31, 2020, 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 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 condensed interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of November 27, 2020, unless otherwise indicated.

For the purposes of preparing this Interim 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 corporation, 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 will be held in escrow pursuant to the requirements of the Exchange. 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 21, 2019, the Company announced that it entered into a Letter of Intent with Five Star Diamonds Ltd. which outlines the terms and conditions pursuant to which Spirit Banner II Capital Corp and Five Star Diamonds Ltd. will complete a transaction that will result in the acquisition of all of the diamond projects located in Brazil owned directly or indirectly by Five Star Diamonds Ltd., together with all related assets. On September 26, 2019, the Company announced that the parties have been unable to negotiate the terms of a definitive agreement satisfactory to both parties and consequently have mutually decided to terminate the LOI and abandon the Transaction.

On February 28, 2020, the Company and GRB Grafite Do Brasil Mineracao Ltda., ("GRB") entered into a letter of intent whereby the Company would acquire the right to receive 20% of all silver, in whatever form, extracted or originating from certain claims located in the municipalities of Santa Margarida do Sul and Sao Gabriel, State of Rio Grande do Sul owned by GRB. The Company terminated the letter of intent on July 28, 2020.

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

On February 26, 2021 the Board of Directors approved the unaudited condensed interim financial statements for the three and nine months ended December 31, 2020.

Financial Highlights

For the Nine Months Ended December 31, 2020

The Corporation recorded a net loss of $30,235 during the period ended December 31, 2020 (2019 - $102,915). The net loss is due mainly to 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:

	Nine months ended,	
	December 31, 2020	**December 31, 2019**
	$	$
Bank fees	643	81
Due diligence costs	-	32,881
Listing fees	6,113	3,861
Office and administration	-	14,549
Professional fees	23,479	17,044
Changes in fair value of stock options	-	15,913
	30,235	**84,330**

Liquidity and Capital Resources

As at December 31, 2020, the Corporation had cash of $430,627, accounts receivable of $nil and prepaid expenses of $4,767 resulting in total assets of $435,394. The Corporation had current liabilities of $3,843 and working capital of $431,551.

Negative cash flow of $41,773 were recorded from operating activities for the period ended December 31, 2020. This is primarily due to outflows relating to 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

For the six months ended September 30, 2020, there were transactions included in accounts receivable of $1,544 from Ion Energy Ltd. in which two directors of the Company are also directors of. Related party transactions were made on terms equivalent to those that prevail in arm's length transactions. The amount was paid in full on November 23, 2020.

On November 1, 2018, 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.

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 issued common shares, 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.

Trends and Economic Conditions

COVID-19 Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had significant impact on businesses through the restrictions put in place by the Canadian governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Additional Information

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