

Spirit Banner II Capital Corp. Announces Annual General and Special Meeting to Adopt and Align the Company with the New CPC Policy

TORONTO, Ontario, June 14, 2021 – Spirit Banner II Capital Corp. (TSX-V: SBTC.P) ("**Spirit Banner II**" or the "**Company**"), a capital pool company listed on the TSX Venture Exchange ("**TSXV**"), announces that, pursuant to recent changes by the TSXV to its Capital Pool Company program and TSXV Policy 2.4 - *Capital Pool Companies* ("**Policy 2.4**"), which became effective as at January 1, 2021 (the "**New CPC Policy**"), the Company intends to seek the requisite approvals of the shareholders of the Company (the "**Shareholders**") to adopt and align the Company with the New CPC Policy at its June 18, 2021 Annual General and Special Meeting of Shareholders (the "**Meeting**").

Capitalized terms used herein and not otherwise defined have the meaning ascribed to them in the TSXV Corporate Finance Manual or the New CPC Policy.

At the Meeting, as required to give effect to the New CPC Policy, Shareholders will be asked to pass three separate ordinary resolutions by the affirmative vote of not less than a majority of the votes cast by disinterested Shareholders who vote in respect thereof, in person or by proxy ("**Disinterested Approval**"), to:

- (a) approve the new stock option plan of the Company, which stock option plan contains amendments that reflect certain changes contemplated under the New CPC Policy;
- (b) approve the removal of the consequences associated with the Company not completing a Qualifying Transaction within 24 months of its listing date in accordance with the New CPC Policy; and
- (c) authorize the Company to make certain amendments to the Company's escrow agreement to effect certain changes contemplated under the New CPC Policy.

Adoption of an Option Plan

The Company shall seek Disinterested Approval to adopt a new stock option plan under which the total number of common shares of the Company reserved for issuance is 10% of common shares of the Company outstanding as at the date of grant of any stock option, rather than 10% of the common shares of the Company outstanding as at the closing of the Company's initial public offering. In seeking such approval from Shareholders, the Company shall exclude all votes attached to the common shares held by insiders to whom options have been granted under the Company's existing stock option plan, as well as their Associates and Affiliates.

Consequences of Failing to Complete a QT within 24 Months of the Listing Date

Under Policy 2.4, if the Company fails to complete a Qualifying Transaction within 24 months of its Listing Date, it faces the consequences of either (i) having its common shares delisted or suspended from the TSXV, or (ii) subject to the approval of the majority of shareholders, transferring its common shares to list on the NEX and cancelling certain Seed Shares issued to the Company's founders.

The New CPC Policy eliminates the requirement for a Capital Pool Company, such as the Company, to complete a Qualifying Transaction within 24 months of the Listing Date and eliminates the associated consequences of not completing such requirement. The Company believes that the removal of the requirement to complete a Qualifying Transaction within 24 months of Listing Date, and the associated consequences of not completing such requirement,

as exists under Policy 2.4, will put the Company in a better position to complete a Qualifying Transaction that will be beneficial to the Shareholders and the Company, by allowing increased flexibility to complete such a transaction.

The Company will seek Disinterested Approval to remove the consequences of not completing a Qualifying Transaction within 24 months after its Listing Date. In seeking such Disinterested Approval, the Company shall exclude all votes attached to its common shares held by Non-Arm's Length Parties to the Company who own Seed Shares, as well as their Associates and Affiliates.

Amendments to the Escrow Agreement

Under the New CPC Policy, securities subject to a CPC escrow agreement are subject to an 18-month escrow period, as opposed to the 36-month period previously required under Policy 2.4. At the Meeting, the Company shall seek Disinterested Approval to amend the terms of the CPC Escrow Agreement to which it is a party to reduce the length of the term of any escrow provision to an 18-month escrow term, as permitted by Section 10.2 of the New CPC Policy. In seeking such Disinterested Approval, the Company shall exclude all votes attached to its common shares held by shareholders who are parties to the CPC Escrow Agreement, as well as their Associates and Affiliates.

Other Changes

Under the New CPC Policy, the Company is permitted to adopt other transition provisions without obtaining shareholder approval. As a result, the Company intends to adopt the changes under the New CPC Policy that do not require shareholder approval, including, but not limited to:

- (a) increasing the maximum aggregate gross proceeds to the treasury that the Company can raise from the issuance of common shares under the Company's initial public offering, Seed Shares and private placements to the new maximum of \$10,000,000, rather than \$5,000,000 which was previously the limit for a CPC that had not completed its Qualifying Transaction;
- (b) removing the restriction which provided that no more than the lesser of 30% of the gross proceeds from the sale of securities issued by the Company and \$210,000 may be used for purposes other than identifying and evaluating assets or businesses and obtaining shareholder approval for a proposed Qualifying Transaction, and implementing the restrictions on the permitted use of proceeds and prohibited payments under the New CPC Policy, under which reasonable general and administrative expenses not exceeding \$3,000 per month are permitted; and
- (c) removing the restriction on the Company issuing new agent's options in connection with a private placement.

The proposed amendments remain subject to the final approval of the TSXV.

About Spirit Banner II Capital Corp.

The principal business of Spirit Banner II is to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction, and, once identified and evaluated, to negotiate an acquisition or participation in such assets or businesses. Until the completion of its Qualifying Transaction, Spirit Banner II will not carry on business other than the

identification and evaluation of assets or businesses in connection with a potential Qualifying Transaction.

For further information, contact:

Spirit Banner II Capital Corp.

Ali Haji

T: (647) 951-6508

E: ali@atmacapitalmarkets.com

Cautionary Note Regarding Forward-Looking Information

Certain statements contained in this news release constitute "forward-looking information" as such term is defined in applicable Canadian securities legislation. The words "may", "would", "could", "should", "potential", "will", "seek", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions as they relate to the Corporation, including the Corporation's goal of completing a Qualifying Transaction, are intended to identify forward-looking information. All statements other than statements of historical fact may be forward-looking information. Such statements reflect the Corporation's current views and intentions with respect to future events, and current information available to the Corporation, and are subject to certain risks, uncertainties and assumptions. Material factors or assumptions were applied in providing forward-looking information. Many factors could cause the actual results, performance or achievements that may be expressed or implied by such forward-looking information to vary from those described herein should one or more of these risks or uncertainties materialize. These factors include, without limitation: receipt of applicable director, shareholder and regulatory approval of a Qualifying Transaction; changes in law; the ability to implement business strategies and pursue business opportunities; state of the capital markets; the availability of funds and resources to pursue operations; as well as general economic, market and business conditions, as well as those risk factors discussed or referred to in disclosure documents filed by the Corporation with the securities regulatory authorities in certain provinces of Canada and available at www.sedar.com.

Should any factor affect the Corporation in an unexpected manner, or should assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the results or events predicted. Any such forward-looking information is expressly qualified in its entirety by this cautionary statement. Moreover, the Corporation does not assume responsibility for the accuracy or completeness of such forward-looking information. The forward-looking information included in this news release is made as of the date of this news release and the Corporation undertakes no obligation to publicly update or revise any forward-looking information, other than as required by applicable law.

NEITHER TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.