SHERPA II HOLDINGS CORP.

MANAGEMENT DISCUSSION & ANALYSIS
For the Nine Months Ended March 31, 2021

This Management Discussion and Analysis ("MD&A") is management's interpretation of the financial condition and results of operations of Sherpa II Holdings Corp. ("Sherpa II" or the "Company") for the nine months ended March 31, 2021. This MD&A should be read in conjunction with the audited financial statements of the Company for the fiscal year ended June 30, 2020 and the condensed interim financial statements for the nine months ended March 31, 2021, prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A supplements, but does not form part of, the Company's financial statements. Additional information regarding the Company can be found on SEDAR at www.sedar.com. All of the following amounts are expressed in Canadian dollars unless otherwise stated. This MD&A has been prepared as of May 31, 2021.

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company. The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. The statements reflect the current beliefs of the management of the Company and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements. Forward-looking statements in this document include statements regarding completion of the Transaction and Concurrent Private Placement (as such terms are hereinafter defined).

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations.

Overall Performance

The Company was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on January 18, 2018.

The Company was formed for the primary purpose of completing an Initial Public Offering ("IPO") on the TSX Venture Exchange ("Exchange") as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the Exchange. As a CPC, the Company's principal business would be to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction in accordance with Policy 2.4 of the Exchange ("Qualifying Transaction").

On September 20, 2018, the Company completed its IPO whereby it issued 2,881,000 common shares of the Company at a price of $0.10 per share for proceeds of $288,100. In addition, the Company completed a non-brokered private placement whereby it issued 1,500,000 common shares of the Company at a price of $0.10 per share for proceeds of $150,000. The Company also issued to the agent an option to acquire 288,100 common shares of the Company at a price of $0.10 per share, which expired on September 20, 2020. Aggregate share issuance costs related to these financings totaled $48,298.

On September 20, 2018, the Company granted 638,100 stock options exercisable at $0.10 for a period of 5 years. On November 1, 2019, 159,525 stock options were cancelled in connection with the resignation of a director of the Company.

On December 15, 2020 the Company completed its Qualifying Transaction, acquiring an 80% undivided interest in eight mineral claims (the "Bakar Claims") located in northwestern Vancouver Island, British Columbia and a 100% undivided interest in all technical data relating to the Bakar Claims from District Metals Corp. ("District"). As consideration for the Bakar Claims, the Company issued total consideration of:

- $50,000 cash payment
- 1,000,000 common shares of the Company
- $200,000 in work expenditures within six months of closing (the "Required Expenditures")
- Carry over of the 2.0% net smelter royalty ("NSR") from the royalty agreement dated July 12, 2019 between District and Longford Capital Corp. on one of the eight mineral claims that comprises the Bakar Claims. The 2.0% NSR may be repurchased entirely for $6,500,000 cash.

In connection with the Transaction, the Company entered into an unincorporated joint venture with District with respect to their respective joint ownership of the Bakar Claims. Sherpa II will serve as the Operator of the joint venture.

Costs incurred with respect to the property are summarized below:

Acquisition Costs	**Bakar Property**	
Balance, June 30, 2020	$	-
Additions		130,000
Balance, March 31, 2021	$	130,000
Deferred Exploration Costs		
Balance, June 30, 2020	$	-
Additions		48,764
Balance, March 31, 2021	$	48,764
Total		
Balance, June 30, 2020	$	-
Balance, March 31, 2021	$	178,764

As at December 31, 2020, the Company had paid the $50,000 cash purchase price and issued 1,000,000 common shares with a fair value of $80,000. The Company had incurred $3,487 of the $200,000 Required Expenditures.

Results of Operations

For the three months ended March 31, 2021, the Company reported a net loss of $41,692 (2020: $11,680). The increase in expenses of $30,012, largely driven by stock-based compensation expense of $26,332 compared to nil in the comparative period, as a result of granting stock options in the current period. Professional fees and transfer agent and filings fees were up $4,708 and $4,350, respectively, driven by activity related to the Qualifying Transaction with District (see "Overall Performance"). These increases were slightly offset by a decline in general and administrative expenses of $4,680.

For the nine months ended March 31, 2021, the Company reported a net loss of $214,732, an increase in loss of $170,347, compared to a loss of $44,385 reported for the nine months ended March 31, 2020. The increase in loss was primarily from higher professional fees, up $118,523, and transfer agent and filing fees, up $28,890, resulting from services provided in connection with the Qualifying Transaction. The Company also had an increase in stock-based compensation of $26,332 as a result of a stock option grant in the current quarter.

Summary of Quarterly Results

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Net Loss for the Period	$ (41,692)	$ (117,834)	$ (55,206)	$ (31,001)	$ (11,680)	$ (25,394)	$ (7,311)	$ (12,875)
Loss per Share	$ (0.00)	$ (0.01)	$ (0.02)	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.00)	$ (0.00)

Liquidity and Capital Resources

The Company's current assets exceeded its current liabilities by $286,542 at March 31, 2021 (June 30, 2020 - $313,706) and cash of $336,799 (June 30, 2020 - $332,619).

As of March 31, 2021, the Company had current liabilities of $56,451 (June 30, 2020 - $23,955).

On September 20, 2018, the Company completed its IPO whereby it issued 2,881,000 common shares of the Company at a price of $0.10 per share for proceeds of $288,100. In addition, the Company completed a non-brokered private placement whereby it issued 1,500,000 common shares of the Company at a price of $0.10 per share for proceeds of $150,000. The Company also issued to the agent an option to acquire 288,100 common shares of the Company at a price of $0.10 per share, which expired on September 20, 2020. Aggregate share issuance costs related to these financings totaled $48,298, which includes commission of $28,810 and corporate financing fee of $19,488 paid to the agent.

On December 15, 2020, the Company completed a private placement for aggregate gross proceeds of $300,000, which consisted of 1,250,000 common shares at $0.08 per share, for aggregate gross proceeds of $100,000 and 2,000,000 flow-through common shares at $0.10 per share, for aggregate gross proceeds of $200,000.

The Company's ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. While the Company has been successful in raising equity in the past, there can be no guarantee that it will be able to raise sufficient funds to fund its activities and general and administrative costs in the next twelve months and in the future. The condensed interim financial statements for the six months ended December 31, 2020 do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Company be unable to continue as a going concern.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Financial Instruments

Categories of financial instruments and fair value measurements

The Company's financial assets and liabilities are classified as follows:

		March 31, 2021		June 30, 2020
Financial assets:				
Fair value through profit and loss				
Cash	$	383,557	$	332,619
Receivables		1,427		-
Financial liabilities:				
Other financial liabilities				
Accounts payable	$	-	$	941

The fair values of the Company's cash and cash equivalents and accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments.

Management of financial risks

The Company's financial instruments expose the Company to certain financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. At March 31, 2021, the Company was exposed to credit risk on its cash.

The Company's cash is held with a high credit quality financial institution in Canada and as at March 31, 2021, management considers its exposure to credit risk to be low.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining adequate cash and managing its capital and expenditures.

At March 31, 2021, the Company had cash of $336,799 (June 30, 2020 - $332,619) and accounts payable and accrued liabilities of $17,149 (June 30, 2020 - $23,955) with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities at March 31, 2021. The Company assessed its liquidity risk as low as at March 31, 2021.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company's financial assets and financial liabilities are not exposed to interest rate risk due to their short-term nature and maturity. The Company is not exposed to interest rate risk at March 31, 2021.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies.

As at March 31, 2021, the Company is not exposed to foreign currency risk, as it does not have cash or payables denominated in a foreign currency.

Transactions with Related Parties

During the nine months ended March 31, 2021, the Company sold 250,000 common shares and 550,000 flow-through shares to officer and directors of the Company, as part of the private placement completed on December 15, 2020.

There were no related party transactions during the nine months ended March 31, 2020.

Proposed Transactions

None.

Critical Accounting Estimates

Not applicable for Venture Issuers.

New accounting standards and interpretations

During the nine months ended March 31, 2021 the Company adopted the following new accounting policy:

Flow-through shares

The value of the flow-through shares is bifurcated into a share component corresponding to the price of a non-flow-through share, and a liability component representing the premium paid. As eligible expenditures are incurred, the deferred premium liability is reversed into profit or loss on a pro-rata basis.

Risks and Uncertainties

The Company's business is mineral property acquisition, exploration and development business and as a result it may be exposed to a number of operational, financial, regulatory and other risks and uncertainties that are typical in the natural resource industry and common to other companies in the exploration and development stage. These risks may not be the only risks faced by the Company. Additional risks and uncertainties not presently known by the Company or which are presently considered immaterial could adversely impact the Company's business, results of operations, and financial performance in future periods. Refer to the Company's Filing Statement dated December 15, 2020 for a list of risk factors impacting the Company.

Other Requirements

Summary of Outstanding Securities as at May 31, 2021

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 10,631,000 common shares (including 2,700,000 common shares held in escrow).

Stock options: 638,100 @ $0.10 per share until September 20, 2023 and 425,000 options @ $0.11 per share until February 23, 2024.

Warrants: None.