

**SHERPA II HOLDINGS CORP.**  
**MANAGEMENT DISCUSSION & ANALYSIS**  
For the Three Months Ended September 30, 2018

**Date**

This Management Discussion and Analysis (“MD&A”) of Sherpa II Holdings Corp. (“Sherpa II” or the “Company”) has been prepared by management as of November 28, 2018 and should be read together with the unaudited condensed interim financial statements and related notes for the period ended June 30, 2018 which are prepared in accordance with International Financial Reporting Standards (“IFRS”). Additional information regarding the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com). All of the following amounts are expressed in Canadian dollars unless otherwise stated. The reader should also refer to the annual audited financial statements for the period ended June 30, 2018.

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.

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 discussions 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 at a price of \$0.10 per common share for proceeds of \$288,100. In addition, the Company completed a non-brokered private placement where by it issued 1,500,000 common shares at \$0.10 per common 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, expiring 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.

The proposed business of the Company and the completion of a Qualifying Transaction involves a high degree of risk and there is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment within the requisite time period. Additional funds will be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business will be profitable. These factors indicate the existence of a material uncertainty that may cast doubt about the Company’s ability to continue as a going concern. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

**Results of Operations**

For the three months ended September 30, 2018, the Company reported a net loss of \$81,237 comprised of general and administrative fees of \$31,991, professional fees of \$1,307 and stock based compensation of \$47,939. As the Company was incorporated on January 18, 2018, there is no comparative period.

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**Summary of Quarterly Results**

As the Company was incorporated on January 18, 2018, only the prior 3 quarters have been provided below:

	Q1 2019	Q4 2018	Q3 2018
Net Loss for the Period	\$ (81,237)	\$ (26,472)	\$ Nil
Loss per Share	\$ (0.17)	\$ -	\$ -

**Liquidity and Capital Resources**

The Company reported working capital of \$422,304 at September 30, 2018 (June 30, 2018 - \$65,800) and cash of \$422,730 (June 30, 2018 - \$79,181).

Current liabilities as at September 30, 2018 consisted of accounts payable of \$426.

On January 18, 2018, the Company issued 1 common share pursuant to the inception of the Company at a price of \$1.00 per share. On March 14, 2018, the 1 common share was repurchased by the Company at a cost of \$1.

On March 14, 2018, the Company issued 2,000,000 common shares at \$0.05 per share for total proceeds of \$100,000. The Company incurred share issuance costs of \$7,728 in relation to these issuances.

On September 20, 2018, the Company completed its IPO whereby it issued 2,881,000 common shares at a price of \$0.10 per common share for proceeds of \$288,100. In addition, the Company completed a non-brokered private placement where by it issued 1,500,000 common shares at \$0.10 per common 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, expiring September 20, 2020. Aggregate share issuance costs related to these financings totaled \$48,298.

The Company may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

**Off-Balance Sheet Arrangements**

The Company does not utilize off-balance sheet arrangements.

**Transactions with Related Parties**

None.

**Proposed Transactions**

None.

**Critical Accounting Estimates**

Not applicable for Venture Issuers.

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**Recent Accounting Policies Not Yet Adopted**

*New standard IFRS 9 "Financial Instruments"*

This new standard is a partial replacement of International Accounting Standard ("IAS") 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets.

The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The proposed effective date of IFRS 9 is annual periods beginning on or after January 1, 2018.

The Company has not early adopted this revised standard and is currently assessing the impact that this standard will have on its financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

**Financial Instruments and Other Instruments**

The carrying amounts of cash and accounts payable approximate fair value because of the short-term maturity of these items.

**Other Requirements**

***Summary of Outstanding Securities as at November 28, 2018***

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 6,381,000 Shares (including 2,000,000 Shares held in escrow)

Stock options: 638,100 @ \$0.10 per share.

Warrants: 288,100 @ \$0.10 per share

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at [www.sedar.com](http://www.sedar.com).