

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Sherpa II Holdings Corp. (the “**Company**” or “**Sherpa**”)
918-1030 West Georgia Street
Vancouver, British Columbia
V6E 2Y3

Item 2 Date of Material Change

August 18, 2020

Item 3 News Release

A news release (the “**News Release**”) with respect to the material change referred to in this report was disseminated by the Company on August 18, 2020 through Cision and was subsequently filed on SEDAR.

Item 4 Summary of Material Change

On August 18, 2020, the Company announced that it had entered into a definitive purchase agreement dated August 17, 2020 with District Metals Corp., an arm’s length party, which sets out the terms and conditions pursuant to which the Company will acquire an 80% undivided interest in eight mineral claims located in northwestern Vancouver Island, British Columbia and a 100% undivided interest in all technical data relating to the Bakar Claims (as defined below). The intention is for the Transaction (as defined below) to constitute Sherpa’s Qualifying Transaction, as such term is defined under the TSX Venture Exchange Policy 2.4 – *Capital Pool Companies*.

Item 5 Full Description of Material Change

On August 18, 2020, the Company announced that it had entered into a definitive purchase agreement (the “**Agreement**”) dated August 17, 2020 with District Metals Corp. (the “**Vendor**”), an arm’s length party, which sets out the terms and conditions pursuant to which the Company will acquire 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 (the “**Transaction**”). The intention is for the Transaction to constitute Sherpa’s Qualifying Transaction, as such term is defined under the TSX Venture Exchange (the “**Exchange**”) Policy 2.4 – *Capital Pool Companies* (the “**CPC Policy**”).

The Transaction is an asset acquisition and Sherpa will not be acquiring any corporate entity under the Transaction. Upon completion of the Transaction, Sherpa intends to be listed on the Exchange as a Tier 2 mining issuer and will principally focus on the exploration and development of the Bakar Claims.

The directors and officers of the Vendor own less than 1% of the issued and outstanding common shares of Sherpa. The Transaction is arm’s length and is therefore not a Non-Arm’s Length Qualifying Transaction under the CPC Policy. Accordingly, the CPC Policy does not require Sherpa to obtain shareholder approval of the Transaction.

Trading of the common shares of Sherpa will remain halted in connection with the dissemination of the News Release and will recommence trading at such time as the Exchange may determine, having regard to the completion of certain requirements pursuant to the CPC Policy. Further details of the proposed Transaction will follow in future news releases.

Terms of the Transaction

Pursuant to the Agreement, the Company has agreed to acquire from the Vendor an 80% undivided interest in the mineral rights comprising the Bakar Claims and a 100% undivided interest in all technical data relating to the Bakar Claims for total consideration of (a) \$50,000 in cash, and (b) 1,000,000 common shares of the Company. The Company has agreed to solely fund expenditures on the Bakar Claims in the amount of \$200,000 over a period of six months (the “**Required Expenditures**”). The Company and the Vendor have agreed to enter into an unincorporated joint venture with respect to their respective joint ownership of the Bakar Claims and the Company will assume the obligations of the Vendor under the royalty agreement dated July 12, 2019 between the Vendor and Longford Capital Corp., providing for a royalty equal to 2.0% of the net smelter returns in respect of the Bakar Claims.

The Agreement requires the Company to, as soon as practicable but subject to Exchange approval and compliance with Exchange policies, pay to the Vendor a refundable deposit of \$40,000 (the “**Deposit**”) in the form of an advance to the Vendor as part of the Required Expenditures. The Vendor shall use the Deposit only for exploration and related expenditures respecting the Bakar Claims, and any such expenditures must be pre-approved in writing by the Company. On closing the Transaction, any remaining, unspent amount of the Deposit shall be repaid by the Vendor to the Company. If the Agreement is terminated for any reason, then the Vendor shall be required to repay the full amount of the Deposit as soon as practicable following such termination, and in any event within 30 days of such termination. The Agreement also requires the Company to, on closing the Transaction or as soon as practicable thereafter, pay to third party service providers all amounts incurred or accrued, but unpaid, by the Vendor prior to the closing for exploration and related expenditures respecting the Bakar Claims, provided that such expenditures have been pre-approved in writing by the Company.

Upon completion of the Transaction, Sherpa does not expect to change its name or trading symbol.

Description of the Property

The Vendor currently owns a 100% right, title and interest in and to the Bakar Claims. The Bakar Claims consist of eight unpatented mineral claims covering 15,686.88 hectares. The Bakar Claims are located in northwestern Vancouver Island near the town of Holberg, British Columbia, Canada. Surface rights and permitting have yet to be completed to allow for further in-depth investigations. Based on the geological setting (i.e. within the sub-aerial Karmutsen volcanic and sedimentary sequence), and the copper-silver mineralogy assemblages and styles, the Bakar Claims are classified as a redbed copper-silver prospect. The Company is in the process of having the current technical report on the Bakar Claims readdressed to Sherpa and further and more fulsome disclosure will be provided in subsequent news releases. The technical report will be filed on Sherpa’s SEDAR profile once it has been finalized.

Concurrent Private Placement

Concurrent with the closing of the Transaction, Sherpa expects to complete a private placement of units (the “**Units**”) of the Company for gross proceeds of \$300,000 (the “**Private Placement**”). Each Unit is expected to be issued at a price of \$0.08 and consist of one common share of the Company and one common share purchase warrant (each, a “**Warrant**”). Each Warrant will be exercisable into one common share of Sherpa at a price of \$0.105 for five years. Sherpa may pay finder’s fees in connection with the Private Placement, in accordance with the policies of the Exchange. The net proceeds of the Private Placement will be used for exploration and related expenditures respecting the Bakar Claims and working capital purposes. Closing of the Private Placement is conditional upon completion of the Transaction. Further details regarding the Private Placement will be included in a subsequent news release once additional details become available.

It is expected that following the completion of the Transaction and the Private Placement, existing Sherpa shareholders will hold approximately 57.3% of the common shares of the Company, new Sherpa shareholders will hold approximately 33.7% of the common shares of the Company and the Vendor will hold approximately 9.0% of the common shares of the Company.

Conditions of Closing

Completion of the Transaction will be subject to certain conditions, including but not limited to: (a) the receipt of all necessary approvals of the boards of directors of Sherpa and the Vendor; (b) the receipt of all required consents and approvals, including without limitation, approval of the Transaction by the Exchange as Sherpa's Qualifying Transaction; (c) Sherpa satisfying the initial listing requirements set by the Exchange for a Tier 2 mining issuer; (d) the completion by Sherpa of the Private Placement; and (e) the completion of satisfactory mutual due diligence.

Closing of the Transaction is expected to occur on or prior to September 17, 2020 or such other date as may be agreed upon by the Company and the Vendor. The Agreement may be terminated by either party if (a) the Company and the Vendor mutually agree; (b) the Transaction is not permitted to be Sherpa's Qualifying Transaction by the Exchange; or (c) closing has not occurred on or before September 24, 2020.

Sponsorship

Sponsorship of a Qualifying Transaction of a capital pool company is required by the Exchange unless exempt in accordance with Exchange policies or a waiver is granted by the Exchange. Sherpa intends to apply for an exemption from the sponsorship requirements under section 3.4 of Exchange Policy 2.2 or a waiver of sponsorship if an exemption from sponsorship is unavailable; however, there can be no guarantee that a waiver will be granted if no exemption is available.

Board of Directors and Management

The board of directors of the Company (the "**Board**") currently consists of three directors (Thomas O'Neill, Robert Scott and Emily Davis). Upon completion of the Transaction, it is expected that one independent director will be added to the Board such that it consists of four directors, of which one will be independent. In addition, upon completion of the Transaction, it is expected that Robert Scott will be appointed as the Chief Financial Officer of the Company (Thomas O'Neill currently holding such position in addition to Chief Executive Officer). The Company will consider such further changes as may make sense for the business of the Company going forward, including adding another independent director when it is able to increase the size of the Board at its next shareholder meeting.

The below table sets out those persons who are currently expected to be directors and officers of the Company following completion of the Transaction.

Name	Office(s)
Thomas O'Neill	Chief Executive Officer and Director
Robert Scott	Chief Financial Officer and Director
Emily Davis	Director
Galen McNamara	Director
Maria Wells	Corporate Secretary

The following sets out the backgrounds of the persons named above.

Thomas O’Neill, Chief Executive Officer and Director

Mr. O’Neill is the founder of one of Vancouver’s leading insurance and financial advisory firms, Thomas O’Neill & Associates Inc. His company provides expertised guidance in the areas of individual insurance, employee benefits, group pension plans, and individual investment portfolios, in British Columbia, Alberta and Ontario, as well as internationally. Mr. O’Neill is also a founding member of the Executive Planning Group (EPG), a strategic alliance comprised of the top advisors across Canada. Mr. O’Neill has built strong relationships within both the mining/resource industry and investment brokerage business. His more than 30 years of experience in financial planning has given him the required knowledge to understand and assess the general applications of the accounting principles used by the Company and to understand the internal controls and procedures for financial reporting. With a sound understanding of these financial and accounting principles, as well as the particulars of the mining industry, Mr. O’Neill has sat on numerous boards of directors to impart his particular expertise.

Robert Scott, Chief Financial Officer and Director

Mr. Scott, CPA, CA, CFA brings more than 20 years of professional experience in accounting, corporate finance, and merchant and commercial banking and has served on the management teams and boards of a number of Canadian publicly traded companies. He is a founder and president of Corex Management Inc., a private company providing accounting, administration, and corporate compliance services to privately held and publicly traded companies for over 10 years. Mr. Scott currently holds senior management and board positions with a number of the Exchange and Canadian Securities Exchange issuers.

Emily Davis, Director

Mrs. Davis has more than 25 years of experience providing a variety of administrative and corporate services to publicly listed companies in the financial, technology and natural resource sectors. She acted as Chief Financial Officer and Corporate Secretary of the Company until November 2019. Currently Mrs. Davis is the Principal of Meraki Corporate Services Inc. Prior to that, Mrs. Davis was the President of Venture One Corp. and Director of Administration of TY Management Corp. She has also worked with several merchant banks, managing portfolios of private and public companies, focused on mining, energy and technology. Mrs. Davis currently serves as a director and/or officer of a number of public and private companies in a diverse group of industries.

Galen McNamara, Director

Mr. McNamara is a Geologist with more than 15 years of extensive discovery and capital markets experience. He is co-founder and Director of Summa Silver Corp (CSE: SSVR). He is the co-winner of the 2018 PDAC Bill Dennis “Prospector of the Year” Award and 2016 Mines and Money Exploration Award. He is the former Senior Project Manager – Exploration & Development at NexGen Energy, where he managed all field based drilling and exploration activities, and he was instrumental in the discovery and delineation of multiple high grade uranium zones. Mr. McNamara holds Bachelor and Master’s Degrees in Geology from Laurentian University.

Maria Wells, Corporate Secretary

Ms. Wells has been an integral member of some of Vancouver’s most successful teams in corporate finance and venture capital markets that have sourced, developed and facilitated capital investments, which financed and brought countless companies to market. She has over 30 years of experience with administrative and corporate services for a variety of private companies, and public companies on the Toronto Stock Exchange, the Exchange and the Canadian Securities Exchange. Ms. Wells is currently

Corporate Administrator of Sentinel Corporate Services Inc., and was previously with Dundee Securities, Investment Banking focused on mining for 10 years.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information contact Thomas O’Neill, Chief Executive Officer at (604) 484-4170.

Item 9 Date of Report

DATED as of this 20th day of August, 2020.

Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this material change report.

Forward-looking Statements

This material change report contains certain forward-looking statements, including statements about the Company’s completion of the Qualifying Transaction and the Private Placement as well as its future plans and intentions. Wherever possible, words such as “may”, “will”, “should”, “could”, “expect”, “plan”, “intend”, “anticipate”, “believe”, “estimate”, “predict” or “potential” or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. These statements reflect management’s current beliefs and are based on information currently available to management as at the date hereof.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. Such factors include, among other things: risks and uncertainties relating to the Company’s ability to complete the proposed Qualifying Transaction; and other risks and uncertainties, including those described in the Company’s prospectus dated August 31, 2018 filed with the Canadian Securities Administrators and available on www.sedar.com. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this material change report are based upon what management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this material change report, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.