

Sherpa II Prepares to Drill the Bakar Property

Vancouver, British Columbia--(Newsfile Corp. - February 7, 2022) - **Sherpa II Holdings Corp. (TSXV: SHRP) ("Sherpa II" or the "Company")** and its Joint Venture (JV) partner District Metals Corp. (TSXV: DMX) ("District") are pleased to provide an update on the Bakar Property located on Northern Vancouver Island, British Columbia (Figure 1).

In August 2020, the Company entered into an agreement to acquire an 80% interest in the Bakar Property from District ([August 18, 2020 news release](#)) by cash payment, the issuance of shares, and work expenditures. All of the transaction terms have been met by Sherpa II, and the subsequent JV on Bakar is comprised of 80% Sherpa II and 20% District. Exploration work on the Bakar Property has identified a very large and high priority target, named Elephant Crossing (EC), which is defined by coincident geochemical and geophysical anomalies (Figure 2).

EC Target Highlights (Figure 3):

- **Large VTEM** conductive anomaly covers an area of **1.5 km by 0.5 km** that commences at a shallow depth of 50 m with depth extents below 500 m.
- **Coincident ZTEM** conductive/contrast anomaly covers an area of **4.5 km by 0.8 km** that commences at a depth of 100 m with depth extents below 800 m.
- Located within a corridor of low magnetic response that correlates with the **convergence of the crustal scale William Lake and Holberg Faults**, which is an ideal setting for a Porphyry Copper or VMS mineralized system.
- **Chip rock samples** from sparse outcrop at the edge of the coincident VTEM and ZTEM anomalies returned **0.49% and 4.13% Cu**, which represents a **new discovery at Bakar**.
- The geophysical anomalies, structural setting, geochemical anomalies, alteration features, and topographic low are all **consistent with a Porphyry Copper or VMS host environment**.
- Given the potential magnitude of the EC Target the District-Sherpa JV has agreed to **drill up to 800 m in two holes**. A **drill permit application was submitted to the BC Ministry in November 2021**, and drilling will commence when the application is approved.

Thomas O'Neill, CEO of Sherpa II, commented: "The Elephant Crossing target presents an interesting opportunity that has never been drilled. With a relatively small and low-impact drill program we can efficiently test this target and see what lies beneath. We look forward to drilling this area in 2022."

Background

The Bakar Property was originally acquired by District in May 2019 largely based on the Millington Target where outcrop grab samples returned up to **38.7% Cu** and **221.0 g/t Ag** ([May 2, 2019 news release](#)), and outcrop channel samples returned up to **10.0 m at 4.92% Cu and 27.7 g/t Ag** ([October 7, 2019 news release](#)). A versatile time-domain electromagnetic (VTEM) survey was flown in May 2019, but showed no conductive response associated with the Millington Target. Three moderate priority VTEM targets were identified ([September 19, 2019 news release](#)) on the Bakar Property that included *Target Zone #1 - Soren Lake*, which corresponds to what is now the EC Target. The VTEM response at the EC Target comprises a large conductive anomaly covering an area of 1.5 km by 0.5 km that occurs from depths of 50 m to below 500 m, and is located approximately 3.0 km northwest of the Millington Target.

In September 2020 and May 2021, Dr. Allan Wainwright and Dan MacNeil of Vector Geological Solutions Inc. (Vector) were retained to carry out property wide prospecting, geological mapping, and

geochemical sampling at Bakar. The EC Target quickly became the main focus during fieldwork activities when prospecting discovered an outcrop that returned 4.13% Cu from a chip rock sample located at the northeast edge of the associated VTEM conductive anomaly. Outcrop at and surrounding the EC Target is scarce, however, detailed prospecting across the EC Target confirmed an area of 150 m by 75 m with strong alteration and sulphide mineralization. The greater footprint of the EC Target is less constrained, but measures 2 km by 2 km. The alteration consists of very strong pervasive chlorite, epidote-quartz stockworks associated with pyrite and chalcopyrite. Quartz and magnetite veins are associated with a sericite footprint containing up to 8% pyrite. Copper sulphides are quite common in the propylitic footprint at the EC Target.

Based on Vector's positive results at the EC Target a Z-Axis Tipper Electromagnetic (ZTEM) survey was flown in May/June 2021 to complement the coincident VTEM and geochemical anomalies. Interpretation of the ZTEM data showed a strong conductive/contrast response across all channels (360TPR - shallow depth, 90TPR - moderate depth, and 30TPR - deep depth) at the EC Target that plunges northwest from depth of 100 m to greater than 800 m, which confirms that the coincident ZTEM and VTEM anomalies are sub-vertical in nature. The volcanic and sedimentary rocks that underlie the EC Target are flat to shallow dipping to the southwest, which makes the sub-vertical ZTEM and VTEM anomalies very significant, and consistent with a Porphyry Copper or VMS mineralized system.

Based on coincident anomalies the Sherpa II-District JV has approved a drill program of 800 m in two holes at the EC Target. The drill permit application was submitted to the BC Ministry of Energy, Mines and Low Carbon Innovation in November 2021. Drilling will commence when permitting requirements have been met and approved.

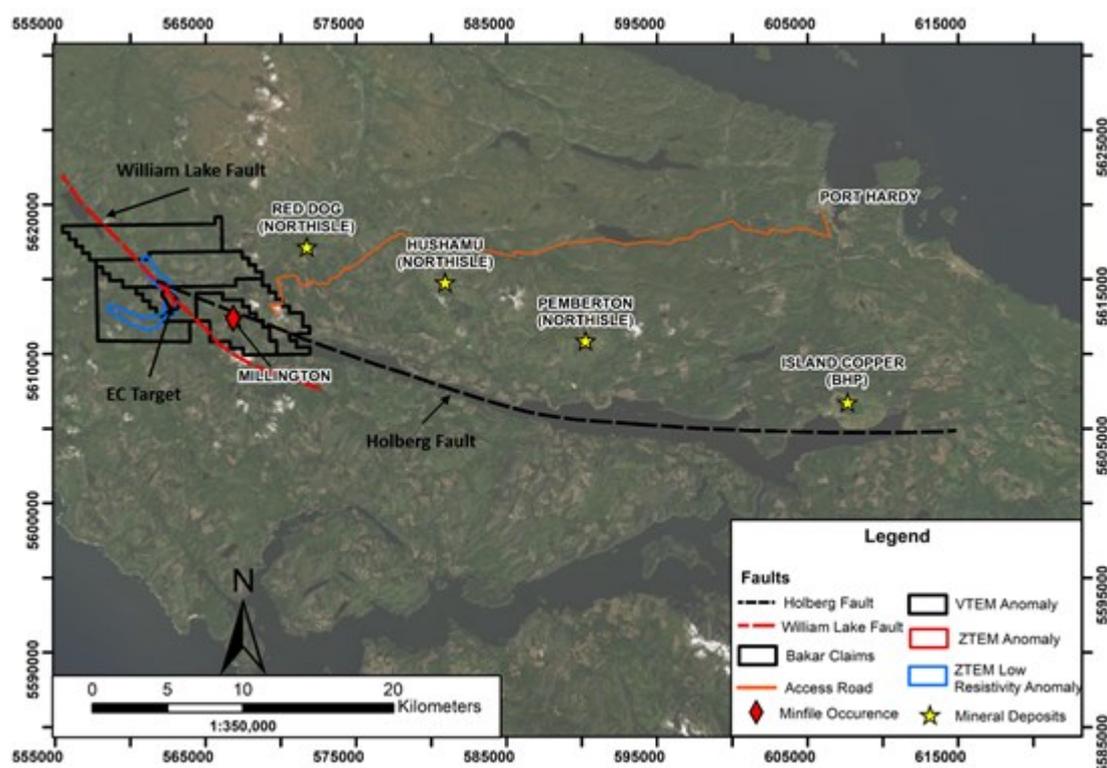


Figure 1: Bakar Property Location

To view an enhanced version of Figure 1, please visit:

https://orders.newsfilecorp.com/files/8417/112947_c02c836904450958_001full.jpg

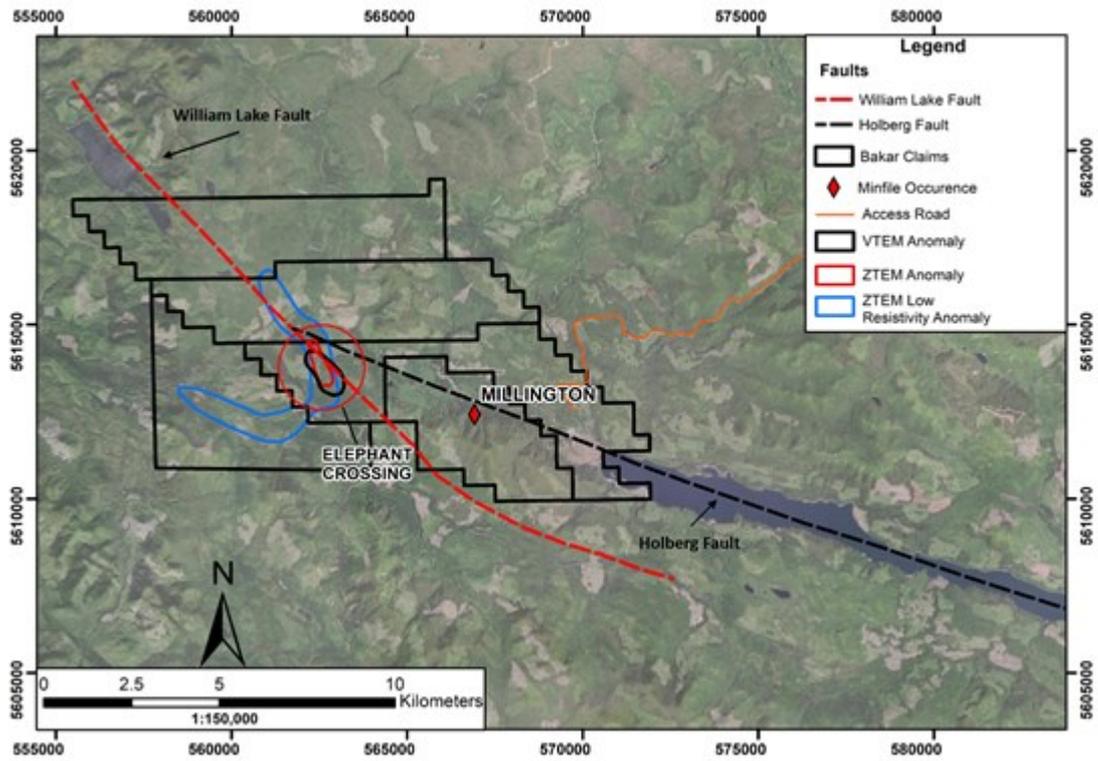


Figure 2: EC Target Location

To view an enhanced version of Figure 2, please visit:

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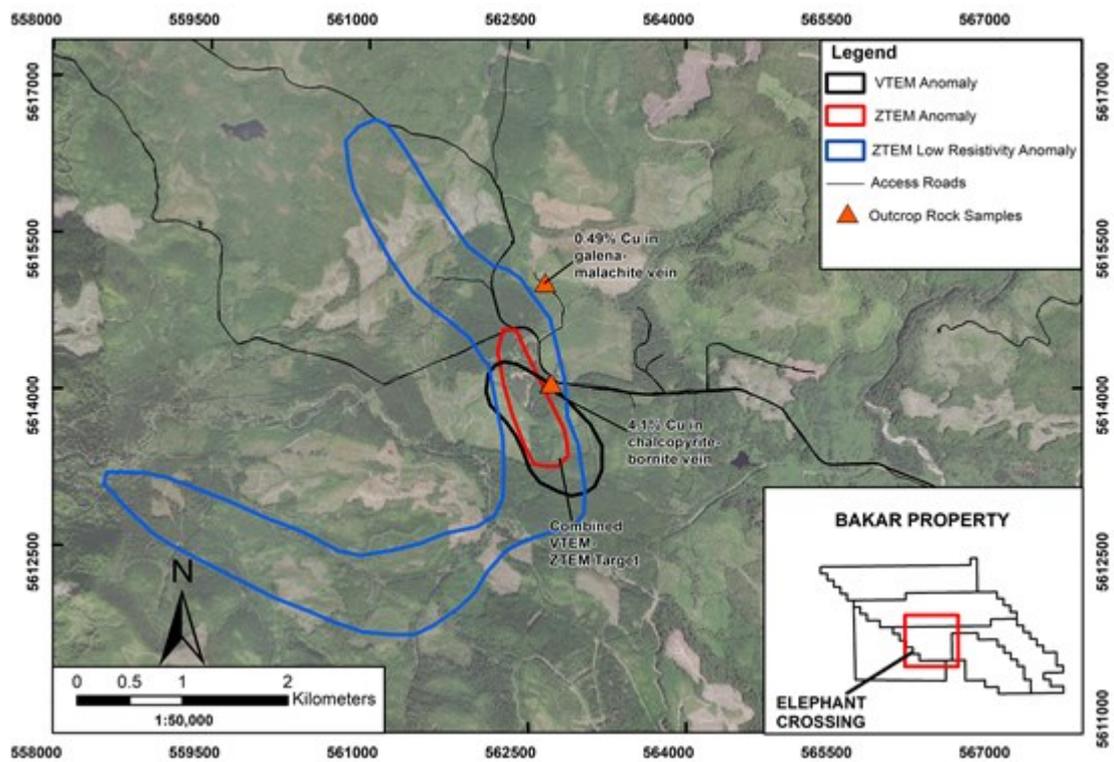


Figure 3: EC Target Compilation

To view an enhanced version of Figure 3, please visit:

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Technical Information

All scientific and technical information in this news release has been prepared by, or approved by Galen McNamara, PGeo, Director of the Company. Mr. McNamara is a qualified person for the purposes of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

The chip samples from outcrop reported in this news release were recovered and transported by Vector Geological Solutions Inc. from the Bakar Property to Bureau Veritas Mineral Laboratories (an accredited mineral analysis laboratory) in Vancouver, BC for preparation and analysis. Samples were analyzed for 45 elements with four acid digestion Inductivity Coupled Plasma - Mass Spectrometry (ICP-MS). Certified standards, blanks, and duplicates were inserted into the sample shipment to ensure integrity of the assay process. Selected samples were chosen for duplicate assay from the coarse reject and pulps of the original sample. No QA/QC issues were noted with the results reported.

Mr. McNamara has not verified any of the information regarding any of the properties or projects referred to herein other than the Bakar Property and mineralization at those other properties or projects is not necessarily indicative of mineralization on the Bakar Property.

About the Company

Sherpa II Holdings Corp. is a Canadian junior mineral exploration company with an 80% undivided interest in the Bakar Claims located in northwestern Vancouver Island, British Columbia and a 100% undivided interest in all technical data relating to the Bakar Claims.

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FORWARD-LOOKING STATEMENTS

This news release contains certain forward-looking statements, including, but not limited to, statements with respect to the use of proceeds from the Offering and the Company's 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.

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