

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1            Name and Address of Company**

Spirit Banner Capital Corp.  
90 Adelaide Street West, Suite 400  
Toronto, Ontario  
M5H 4A6

**Item 2            Date of Material Change**

November 18, 2019

**Item 3            News Release**

The news release attached as Schedule "A" was disseminated on November 18, 2019.

**Item 4            Summary of Material Change**

The material change is described in the press release attached as Schedule "A".

**Item 5            Full Description of Material Change**

The material change is described in the press release attached as Schedule "A".

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

Not applicable.

**Item 7            Omitted Information**

Not applicable.

**Item 8            Executive Officer**

Aneel Waraich  
Chief Executive Officer  
+1.647.998.4149  
awaraich@atmacapitalmarkets.com

**Item 9            Date of Report**

November 18, 2019

## Schedule “A”

### Spirit Banner Announces Non-Brokered Private Placement of Ion Energy Ltd. and Advance of Funds to Ion Energy Ltd.

**TORONTO, Ontario, November 18, 2019** – Spirit Banner Capital Corp. (“**Spirit Banner**” or the “**Corporation**”) (TSX-V: SBCC.P) is pleased to announce that Ion Energy Ltd. (“**Ion Energy**”) intends to complete a non-brokered private placement concurrent to the announced business combination transaction (the “**Proposed Transaction**”) with Spirit Banner and Ion Energy, previously disclosed in the Company’s press releases of March 4, 2019 and August 20, 2019. The Proposed Transaction will, if completed, constitute Spirit Banner’s “Qualifying Transaction” as such term is defined in Policy 2.4 (“**Policy 2.4**”) of the TSX Venture Exchange (the “**TSXV**”).

#### **Ion Energy Financing**

In order to meet initial listing requirements for the issuer resulting from the Proposed Transaction (the “**Resulting Issuer**”), Ion Energy will conduct a non-brokered private placement of a minimum of 3,333,333 subscription receipts (the “**Subscription Receipts**”), at a price of \$0.30 per Subscription Receipt for minimum gross proceeds of \$1,000,000 (the “**Financing**”). The Financing includes an over-allotment option, allowing Ion Energy to issue up to an additional 6,666,667 Subscription Receipts for additional gross proceeds of up to \$2,000,000.

Each Subscription Receipt will be automatically converted, without payment of additional consideration, into one unit in the capital of Ion Energy (a “**Unit**”) in connection with the Proposed Transaction and subject to other conditions precedent. Each Unit consists of one (1) common share (an “**Ion Energy Share**”) and one (1) common share purchase warrant (an “**Ion Energy Warrant**”) exercisable for an Ion Energy Share at a price of \$0.50 for a period of twenty-four (24) months following the conversion of the Subscription Receipts. Subsequent to the conversion of the Subscription Receipts it is anticipated that that the Ion Energy Shares and Ion Energy Warrants will be exchanged for equivalent Spirit Banner securities on a 1:1 basis (the “**Resulting Issuer Securities**”). The gross proceeds of the Financing will be held in escrow pending satisfaction of the escrow release conditions., which includes completion of the Proposed Transaction.

The Financing is intended to close on or about December 16, 2019.

In the event that the escrow release conditions are not satisfied prior to January 30, 2020, the proceeds will be returned to the holders of the Subscription Receipts and the Subscription Receipts shall be cancelled.

The Subscription Receipts issued pursuant to the Financing will be subject to a four-month hold period. It is intended that the Proposed Transaction will be structured so that the Resulting Issuer Securities issuable upon the conversion of the Subscription Receipts will not be subject to any statutory hold period following the closing of the Proposed Transaction.

The Financing remains subject to the final approval of the TSX Venture Exchange.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described in this news release in the United States. Such securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and, accordingly, may not be offered or sold within the United States, or to or for the account or benefit of persons in the United States or "U.S. Persons", as such term is defined in Regulation S promulgated under the U.S. Securities Act, unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements.

### **Advance of Funds**

On November 18, 2019, the Corporation and Ion Energy entered into an agreement whereby the Corporation will advance \$225,000 to Ion Energy as a refundable deposit for the proposed Qualifying Transaction (the "**Advance of Funds**"), as contemplated by Section 8.5(a) of TSXV Policy 2.4. The Advance of Funds does not bear interest and is due and payable on the earlier of (a) January 31, 2020; or (b) if the Qualifying Transaction does not complete, on the date 10 days after the termination of the Qualifying Transaction. The Advance of Funds is subject to TSXV approval and the requirements of section 8.5 of Policy 2.4 of the TSXV.

### **Trading Halt**

Spirit Banner's shares are currently halted from trading and are not expected to resume trading until the TSXV completes its review of the Proposed Transaction.

Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable, shareholder approvals. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement being prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Corporation should be considered highly speculative. The TSXV has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this news release.

### **For further information, contact:**

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### **Cautionary Note Regarding Forward-Looking Information**

*Information set forth in this news release contains forward-looking statements. These statements reflect management's current estimates, beliefs, intentions and expectations; they are not guarantees of future performance. Spirit Banner cautions that all forward looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond Spirit Banner's control. Such factors include, among other things: risks and uncertainties relating to Spirit Banner's ability to complete the proposed Qualifying Transaction, including those described in Spirit Banner's Prospectus dated December 12, 2017, available on the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com). Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. Except as required under applicable securities legislation, Spirit Banner undertakes no obligation to publicly update or revise forward-looking information.*

*Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. 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 management information circular or 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 press release. A halt in trading shall remain in place until after the Qualifying Transaction is completed or such time that acceptable documentation is filed with the TSX Venture Exchange.*

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.