Spirit Bear Capital Corp.
(A Capital Pool Company)

Management Discussion & Analysis

For the three months ended April 30, 2014

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This Management Discussion and Analysis ("**MD&A**") of financial position and results of operation are as at June 30, 2014 and should be read in conjunction with the unaudited condensed interim financial statements for the three months ended April 30, 2014 and related notes (the "**Financial Statements**"), the annual audited financial statements (the "**2014 Annual Financial Statements**") and the Company's annual management discussion and analysis (the "**2014 Annual MD&A**") for the year ended January 31, 2014 and related notes. The Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis are quoted in Canadian dollars. Additional information can be found at the website www.sedar.com.

Certain sections of this MD&A may contain forward-looking statements.

All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Readers are cautioned that these statements which describe the Company's plans, objectives, and budgets may differ materially from actual results. See additional discussion under "Risks and Uncertainties" section.

CORPORATE PROFILE AND OVERALL PERFORMANCE

Spirit Bear Capital Corp. (the "**Company**") was incorporated under the Business Corporations Act (British Columbia) on November 8, 2011. On May 14, 2012, the Company successfully completed its Initial Public Offering ("**IPO**") and commenced trading its stock on the TSX Venture Exchange ("**TSX-V**") under the symbol SBG.P. The Company is classified as a Capital Pool Company ("**CPC**") as defined in the TSX-V Policy 2.4. The principal business of the Company is the identification and evaluation of assets or a business and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities ("**Qualifying Transaction**").

The Company's head office, principal address and registered and records office is located at 300-576 Seymour Street, Vancouver, British Columbia, Canada, V6B 3K1.

As at April 30, 2014, the Company had cash and cash equivalents of $239,123 and a surplus working capital position of $223,831. See "Liquidity and Capital Resources".

In May 2014, the Company did not meet the deadline to complete its Qualifying Transaction as required by the TSX-V Exchange and the shares of the Company were suspended from trading on May 15, 2014. In order to avoid being delisted, the Company is seeking to list on the NEX, a separate board of the TSX-V Exchange, and is currently completing the procedures to finalize the transfer.

RESULTS OF OPERATIONS

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are expressed in Canadian ("CDN") dollars unless otherwise indicated. All information contained in this MD&A is current as of June 30, 2014 unless otherwise stated.

As at April 30, 2014, the Company was a CPC. Accordingly, the Company has not recorded any revenues, and depends upon share issuances to fund its administrative expenses. See the summary of results, below:

Selected Financial Data

	Three months ended April 30, 2014	Three months ended April 30, 2013
	$	**$**
Interest income	680	609
General and administrative expenses	(9,732)	(8,355)
Net and comprehensive loss	(9,052)	(1,110)
Basic and diluted loss per share	(0.00)	(0.00)
Working capital	226,103	260,241
Total assets	241,395	270,525
Total shareholders' equity	226,103	260,241

Net and comprehensive loss

At April 30, 2014, the Company had not yet achieved profitable operations and has accumulated losses of $104,118 (January 31, 2014 - $95,066) since inception. These losses resulted in a net loss per share (basic and diluted) for the three months ended April 30, 2014 of $0.00 (April 30, 2013 - $0.00).

Results of Operations

The operating and administrative expenses for the three months ended April 30, 2014 totalled $9,732 (2013 - $8,355). The major expenses were professional fees of $1,000 (2013 - $5,000) and regulatory and shareholders' service of $8,663 (2013 - $3,331).

The table below details the changes in major expenditures for the three months ended April 30, 2014 as compared to the corresponding three months ended April 30, 2013.

Expenses	**Increase / Decrease in Expenses**	**Explanation for Change**
Professional fees	Decrease of $4,000	Decrease due to less accounting fees incurred.
Regulatory and shareholders' service	Increase of $5,332	Increase due to higher filing fees associated with several provincial securities' commissions.

Summary of quarterly results for the last consecutive 8 quarters

Historical quarterly financial information derived from the Company's eight most recently completed quarters is as follows:

	Quarters Ended			
	April 30, 2014	**January 31, 2014**	**October 31, 2013**	**July 31, 2013**
	$	$	$	$
Net and Comprehensive Loss	(9,052)	(7,390)	(8,465)	(9,231)
Basic and Diluted Loss Per Share	(0.00)	(0.00)	(0.00)	(0.00)
Weighted Average Shares	3,000,000	3,000,000	3,000,000	3,000,000
	April 30, 2013	**January 31, 2013**	**October 31, 2012**	**July 31, 2012**
	$	$	$	$
Net and Comprehensive Loss	(1,110)	(6,339)	(1,495)	(48,919)
Basic and Diluted Loss Per Share	(0.00)	(0.00)	(0.00)	(0.03)
Weighted Average Shares	3,000,000	3,000,000	3,000,000	1,302,198

Basic and diluted loss per share and weighted average shares calculation does not include 2,000,012 escrowed shares as they are contingently returnable.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity.

The Company's liquidity and capital resources are as follows:

	April 30, 2014	January 31, 2014
	$	$
Cash and cash equivalents	239,123	240,779
Total current assets	241,395	242,696
Accounts payable and accrued liabilities	15,292	7,541
Working capital	226,103	235,155

As at April 30, 2014, the Company had cash and cash equivalents of $239,123 (January 31, 2014 - $240,779) and had a working capital surplus of $226,103 (January 31, 2014 - $235,155). The balance in cash and cash equivalents is from the proceeds of $300,000 received upon the Company completing its initial public offering on May 14, 2012.

Management believes the Company has sufficient funds on hand to meet anticipated administrative and other related expenditures.

As of the date hereof, the Company did not have any commitments for capital expenditures.

As a CPC at April 30, 2014, the Company was subject to externally imposed capital requirements as outlined in Exchange Policy 2.4 and summarized below:

1) No salary, consulting, management fees or similar remuneration of any kind may be paid directly or indirectly to a related party of the Company or a related party of a Qualifying Transaction;

2) Gross proceeds realized from the sale of all securities issued by a CPC may only be used to identify and evaluate assets or businesses and obtain shareholder approval for a Qualifying Transaction;

3) No more than the lesser of $210,000 and 30% of the gross proceeds from the sale of securities issued by a CPC may be used for purposes other than to identify and evaluate Qualifying Transactions;

4) After the completion of its IPO and until the completion of a Qualifying Transaction, a CPC may not issue any securities unless written acceptance of the Exchange is obtained before the issuance of the securities.

SHAREHOLDERS' EQUITY

As at April 30, 2014, the Company had 5,000,012 common shares issued and outstanding of which 2,000,012 shares of the Company are held in escrow and will be released to shareholders upon completion of a qualified transaction in accordance with Exchange Policy 2.4 over a period of up to 36 months.

STOCK OPTIONS AND WARRANTS

Stock Options

The Company has adopted a stock option plan (the "Stock Option Plan") pursuant to which it can grant options to directors, officers and technical consultants for up to 10% of the issued and outstanding common shares. Under the plan, the exercise price of an option may not be less than the closing market price during the trading day immediately preceding the date of the grant of the option, less any applicable discount allowed by the TSX-V. The options can be granted for a maximum term of 10 years and vest at the discretion of the board of directors.

Any common shares acquired pursuant to the exercise of options prior to the completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow until the final exchange bulletin is issued.

Pursuant with the IPO, the Company granted 300,000 stock options to its agent at an exercise price of $0.10 per stock option for a period of 2 years. These stock options expired unexercised on May 14, 2014.

Concurrent with the close of the IPO, the Company granted 500,000 stock options to its directors and officers to acquire 500,000 common shares at a price of $0.10 per common share for a period of 5 years from May 14, 2012.

As at the date of this report, the Company had 500,000 stock options outstanding and exercisable.

OFF-BALANCE SHEET TRANSACTIONS

The Company does not have any off-balance sheet arrangements as at April 30, 2014 or as of the date of this report.

CRITICAL JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates on the resulting effects of the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

All of the Company's significant accounting policies and estimates are included in Note 2 of its 2014 Annual Financial Statements for the year ended January 31, 2014. The most significant accounts that require estimates as the basis for determining the stated amounts include the valuation of share-based compensation and recognition of deferred tax amounts as follows:

Valuation of share-based compensation
The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates, and forfeiture rates. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Income taxes
In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There were no changes to the Company's accounting policies during the three months ended April 30, 2014.

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the three months ended April 30, 2014 and have not been applied in preparing the Financial Statements.

a) IFRS 9 – Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is tentatively effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company does not expect any effect on its financial statements from the adoption of this standard.

RELATED PARTY TRANSACTIONS

Summary of key management personnel compensation:

	For the three months ended April 30, 2014	2013
	$	$
Professional fees (recovery)	-	(6,636)

As at April 30, 2014, $2,643 (January 31, 2014 - $nil) was included in accounts payable and accrued liabilities owing to a Company controlled by Richard Silas, a director of the Company for reimbursement of expenses.

RISKS & UNCERTAINTIES

The Company currently has no source of recurring income, has not commenced commercial operations, has no significant assets other that cash, has no history of earnings and does not intend to pay dividends. In addition, there can be no assurance that the Company will be able to obtain additional financing in the future on terms acceptable to the Company or at all.

As the Company did not meet the deadline of May 14, 2014 to complete its Qualifying Transaction as required by the TSX-V Exchange, the shares of the Company were suspended from trading on May 15, 2014. In order to avoid being delisted, the Company is seeking to list on the NEX, a separate board of the TSX-V Exchange, and is currently completing the procedures to finalize the transfer.

The Company's success depends to a certain degree upon key members for the management. It is expected that these individuals will be a significant factor in our growth and success. The loss of the service of members of the management team or certain key employees could have a material adverse effect on the Company.

FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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. The Company's primary exposure to credit risk is on its cash and cash equivalents held in bank accounts. The Company has deposited the cash and cash equivalents with its bank and lawyer's trust account from which management believes the risk of loss is remote.

Fair Value

The Carrying values of the financial instruments noted above approximate their fair values due to their immediate or short term maturity.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions and management actively negotiates favorable market related interest rates.

Currency Risk

The Company's operations and financing activities are conducted in Canadian dollars and as a result, the Company is not subject to significant exposure to market risks from changes in foreign currency rates.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities are due within the current operating period. The Company has a sufficient cash balance to settle current liabilities.

Capital Management

The Company defines capital as the Company's shareholder's equity. The Company's objectives when managing capital is to safeguard its accumulated capital by maintaining a sufficient level of funds to complete the Company's qualifying transaction (as defined in policy 2.4 of the Exchange) while providing adequate returns to shareholders. See Note 9 of the Financial Statements for the three months ended April 30, 2014 for further discussion.

DISCLOSURE OF DATA FOR OUTSTANDING COMMON SHARES AND OPTIONS

As at the date of this report, the Company had 5,000,012 common shares outstanding and 500,000 stock options outstanding.

The following table summarizes the options outstanding and exercisable at the date of this report:

Options outstanding	Exercise price	Options exercisable	Expiry date
	$		
500,000	0.10	500,000	May 14, 2017

OTHER MD&A REQUIREMENTS

Additional information relating to the Company may be found on SEDAR at www.sedar.com including, but not limited to:

- the Company's condensed interim financial statements for the three months ended April 30, 2014; and
- the Company's audited financial statements for the years ended January 31, 2014 and 2013

This MD&A has been approved by the Board on June 30, 2014.