

**FORM 51-102F3**

**Material Change Report**

**Item 1. Name and Address of Company**

Spirit Bear Capital Corp. (the "Company")  
303 – 750 West Pender Street  
Vancouver, BC, V6C 2T7

Telephone: 604-681-0084

**Item 2. Date of Material Change**

News Release dated December 22, 2017

**Item 3. News Release**

News Release dated December 22, 2017 was disseminated and filed on SEDAR on December 22, 2017.

**Item 4. Summary of Material Change**

Spirit Bear Capital Corp. announces Letter of Intent for Qualifying Transaction with FINX Solutions Inc.

**Item 5. Full Description of Material Change**

**NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION  
IN THE UNITED STATES.**

**Vancouver, B.C – December 22, 2017-** Spirit Bear Capital Corp. (the "**Company**") (NEX:SBG.H) a capital pool company trading on the NEX board of the TSX Venture Exchange (the "**Exchange**"), is pleased to announce that it has entered into a letter of intent on December 4, 2017, as amended on December 22, 2017 (collectively, the "**LOI**"), with FinX Solutions Inc. ("**FinX**") pursuant to which Spirit Bear will acquire all of the issued and outstanding shares of FinX (the "**FinX Shares**") in exchange for shares of Spirit Bear (each, a "**Spirit Bear Share**") on a basis of 1.977 Spirit Bear Shares for each FinX Share. The transaction is expected to be completed by way of a share exchange agreement which will result in FinX becoming a wholly-owned subsidiary of Spirit Bear (the "**Proposed Transaction**") and Spirit Bear operating in the Financial Technology industry sector. In addition, subject to the policies of the Exchange, all outstanding stock options and common

share purchase warrants of FinX (the “**FinX Dilutive Securities**”) that have not been duly exercised prior to the effective time of the Proposed Transaction (the “**Effective Time**”) will be exchanged for new dilutive securities of Spirit Bear (the “**Spirit Bear Dilutive Securities**”) that will entitle the holders to receive, upon exercise thereof, Spirit Bear securities, rather than FinX securities, on substantially the same economic terms and conditions as were applicable to such FinX Dilutive Securities immediately before the Effective Time.

The LOI is to be superseded by a definitive agreement (the “**Definitive Agreement**”) between Spirit Bear and FinX (such agreement to include representations, warranties, conditions and covenants typical for a transaction of this nature) to be signed on or about January 12, 2018 (or such other date as may be mutually agreed in writing between Spirit Bear and FinX). The Proposed Transaction is subject to, among other things, receipt of the requisite shareholder approval as to certain matters, approval of the Exchange and standard closing conditions, including the approval of the directors of each of Spirit Bear and FinX of the Definitive Agreement, as well as the conditions described below.

The Proposed Transaction will constitute the Spirit Bear’s qualifying transaction (the “**Qualifying Transaction**”) pursuant to Policy 2.4 – *Capital Pool Companies* of the Exchange (the “**Policy**”).

The Proposed Transaction is not a Non Arm’s Length Qualifying Transaction pursuant to Section 2.1 of the Policy and, as such, the Company is not required to obtain shareholder approval for the Proposed Transaction. However, the Company intends to hold an annual general and special meeting of shareholders to approve certain matters ancillary to the Proposed Transaction, including a name change and change in the board of directors, effective upon closing of the Proposed Transaction (“**Closing**”). The Company intends to call the annual general and special meeting as soon as practicable and to be held on or about February 28, 2018.

Upon completion of the Proposed Transaction, Spirit Bear will continue on with the business of FinX, with FinX as its wholly-owned, operating subsidiary.

### **The Proposed Transaction**

The Proposed Transaction will be effected by way of a share exchange agreement (the “**Agreement**”) whereby Spirit Bear will acquire all of the issued and outstanding FinX Shares such that, in accordance with the Agreement the issued and outstanding share capital of Spirit Bear immediately prior to Closing (excluding any shares of Spirit Bear to be issued pursuant to the Concurrent Spirit Bear Financing, as defined below) will equate to not more than 9,400,006 common shares, and each shareholder of FinX (including those who have become shareholders as a result of the FinX Financing, as defined below) (each, a “**FinX Shareholder**”) will receive 1.977 Spirit Bear Shares for each FinX Share held by such FinX Shareholder resulting in approximately 22,100,000 Spirit Bear Shares being issued to the FinX Shareholders. In addition, subject to the policies of the Exchange, all outstanding FinX Dilutive Securities that have not been duly exercised prior to the Effective Time (currently there are 1,300,000 stock options outstanding, 589,000 warrants outstanding and 117,800 Broker’s Warrants outstanding (as defined below)) will be exchanged for new Spirit Bear Dilutive Securities that will entitle the holders to receive, upon exercise thereof, Spirit

Bear securities, rather than FinX securities, on substantially the same economic terms and conditions as were applicable to such FinX Dilutive Securities immediately before the Effective Time.

All Spirit Bear Shares issued pursuant to the Proposed Transaction may be subject to an Exchange imposed restriction on resale. Some of the Spirit Bear Shares to be issued to the FinX Shareholders pursuant to the Proposed Transaction, including up to 100% of the securities to be issued to “Principals” (as defined under applicable laws), may also be subject to escrow provisions imposed pursuant to the policies of the Exchange.

The parties have agreed that during the period from signing the LOI through to execution of the Definitive Agreement, each of Spirit Bear and FinX will continue their respective operations in the ordinary course and will not solicit or accept alternative offers (subject to fiduciary duties). Subject to satisfactory completion of due diligence, the parties expect to execute the Definitive Agreement on or about January 12, 2018 and have agreed to use their best efforts to complete the Proposed Transaction by March 15, 2018 or as soon as reasonably practicable.

None of the securities to be issued pursuant to the Agreement have been or will be registered under the U.S. Securities Act, or any state securities laws, and any securities issued pursuant to the Agreement that are anticipated to be issued to U.S. Persons as defined under Rule 902(k) of Regulation S promulgated under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) are expected to be issued in reliance upon available exemptions from such registration requirements pursuant to Rule 506(b) and/or Section 4(a)(2) of the U.S. Securities Act and applicable exemptions under state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities.

### **Financings**

FinX has recently completed a private placement (the “**FinX Financing**”) of \$589,000 worth of units of FinX (each, a “**FinX Unit**”), at a price of \$0.50 per FinX Unit. Each FinX Unit is comprised of one common share of FinX and one-half of one common share purchase warrant of FinX (each whole warrant being, a “**FinX Warrant**”) and with each FinX Warrant being exercisable for one common share of FinX (each, a “**FinX Warrant Share**”), at an exercise price of \$0.75 per FinX Warrant Share until 24 months from the completion of the Proposed Transaction. The FinX Financing involved the payment of broker’s fees in the amount of 10% of the gross proceeds of the FinX Financing in cash and broker’s warrants (each, a “**Broker’s Warrant**”) entitling the agent to purchase that number of FinX Units equal to 10% of the number of FinX Units sold in the FinX Financing, with each Broker’s Warrant exercisable at \$0.50 per FinX Unit until 24 months from the completion of the Proposed Transaction.

Spirit Bear expects to complete a private placement concurrent with or prior to the completion of the Proposed Transaction (the “**Concurrent Spirit Bear Financing**”) of not less than \$2,625,000 by way of the issuance of subscription receipts of Spirit Bear (each, a “**Subscription Receipt**”), at a proposed subscription price of not less than \$0.75 per Subscription Receipt, where each Subscription Receipt will convert into one unit (each, a “**Unit**”) of Spirit Bear upon certain release conditions (the “**Release Conditions**”) being met, without payment of any additional consideration, and with each such Unit being

comprised of not greater than one common share and one-half of one common share purchase warrant of Spirit Bear (each whole warrant being, a “**Warrant**”) and with each whole Warrant being exercisable for one common share of Spirit Bear (each, a “**Warrant Share**”), at an exercise price of not less than \$1.25 per Warrant Share, and for not longer than three years from the completion of the Proposed Transaction. The Concurrent Spirit Bear Financing is expected to include the payment of customary broker’s and finder’s fee, if applicable.

The securities to be issued pursuant to the Concurrent Spirit Bear Financing have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Any securities to be issued to U.S. Persons pursuant to the Concurrent Spirit Bear Financing will be “restricted securities” as defined under Rule 144(a)(3) of the U.S. Securities Act and will contain the appropriate restrictive legends as required under the U.S. Securities Act and National Instrument 45-102.

#### **Conditions to Proposed Transaction**

Prior to completion of the Proposed Transaction (and as conditions of closing):

- Spirit Bear shall, with appropriate shareholder approval, change its name to a name as the FinX Shareholders may determine and acceptable to the Exchange and change its board of directors, effective upon Closing;
- each of the parties shall obtain approval of their respective board of directors of the Proposed Transaction;
- Spirit Bear shall complete the Concurrent Spirit Bear Financing;
- Spirit Bear shall have filed a filing statement in accordance with the rules of the Exchange (the “**Filing Statement**”), outlining the terms of the Proposed Transaction. FinX will provide assistance and details as to the business, assets, properties and operations of FinX and will be responsible for any and all audited financial statements related to its business and operations (and for assisting with preparing any required pro forma financial statements, based in part on information provided by Spirit Bear); and
- Spirit Bear shall have obtained conditional approval from the Exchange for the Proposed Transaction as its Qualifying Transaction.

Sponsorship of a qualifying transaction of a capital pool company is required by the Exchange unless exempt in accordance with Exchange policies. The parties will be seeking a waiver of any requirement for a Sponsor, but in the event a waiver is not available, will seek a sponsorship relationship for this transaction with a TSXV member firm, and will update the markets accordingly.

It is currently anticipated that the board of directors of Spirit Bear upon completion of the

Proposed Transaction will consist of three directors, two of whom shall be designed by FinX and the remaining one director shall be designated by Spirit Bear.

On Closing, all officers of Spirit Bear will be appointed by the new board of directors.

As a result of the Agreement, FinX will become a wholly-owned subsidiary of Spirit Bear and Spirit Bear will continue on with the business of FinX.

### **About FinX**

FinX is a private company incorporated under the *Business Corporations Act* (Ontario) and is engaged in the business of expanding product offerings for mobile payment operators and enabling the operator's users to be able to lend currency from their mobile device and to be able to transact with cryptocurrency.

FinX is a private company incorporated under the *Business Corporations Act* (Ontario) and is a technology company founded in 2017 as a result of strategic advice between Kingsdale Capital Inc and Exilion Technologies Inc. Exilion Technologies Inc., incorporated in 2008, is a software consulting company that specializes in fintech, blockchain and algorithm-intensive solutions. Its experienced team has a track record of several successfully delivered technical projects in the fintech area, including cryptocurrency exchanges, algorithmic trading systems, smart routing solutions and integration of various financial services. Exilion Technologies created and launched BFX Swapmaster platform - suite of algorithms for automated lending on cryptocurrency exchanges. Since mid-2015, the BFX Swapmaster platform has been operating successfully as a lending platform.

Based on advice and recommendations from Kingsdale Capital Inc., Exilion Technologies decided to place the BFX Swapmaster platform and other payment solutions described below into a newly formed company called FinX Solutions Inc.

FinX focuses on development and marketing of white-label blockchain technology integration solutions for existing financial businesses. In particular, FinX's goal is to enable mobile payment, remittance and other financial business operators to expand their offering by introducing cryptocurrency capabilities to their existing customer base.

The FinX solution provides several key capabilities:

- *a secure smart wallet solution for cryptocurrency handling;*
- *over-the-counter cryptocurrency purchases and sales; and*
- *lending of traditional and other cryptocurrencies.*

FinX intends to expand its offering by adding multi-currency, multi-signature wallets; wallet support for ERC-20 tokens (ICO tokens); smart routing by integration with several major cryptocurrency exchanges in order to achieve best price execution price and higher liquidity for users.

### **Proposed Management of the Resulting Issuer**

Subject to Exchange approval, on completion of the Proposed Transaction, it is currently

anticipated that the board of directors of the Resulting Issuer will consist of three directors. It is expected that the management team and the board of directors of the Resulting Issuer will include the persons identified below:

**Zula Kropivnitski – Director and CFO**

Ms. Kropivnitski has been the Chief Financial Officer and the Chief Executive Officer of the Company since November 23, 2017 and a director of the Company since September 15, 2017. Ms. Kropivnitski has been the Chief Financial Officer of Lexagene Holdings Inc. since August 7, 2015, Healthspace Data Systems Ltd. since November 14, 2016, Abraplata Resource Corp. since October 23, 2015, and Shelby Ventures Inc. since May 2, 2012. Ms. Kropivnitski has been a director of Rockshield Capital Corp. since November 23, 2016. In addition, she serves as the Controller of Preakness Management Ltd., a private company.

Ms. Kropivnitski has over ten years of international experience in the resource sector. Ms. Kropivnitski served as the Controller to Sacre-Coeur Minerals and African Queen Mines Ltd., served as Senior Accountant to Manex Resource Group and its group of mining exploration companies and has been involved in all areas of financial reporting, corporate finance, and related aspects of regulatory compliance. Ms. Kropivnitski received her Certified General Accountant professional accounting designation from the Certified General Accountants Association of British Columbia, Canada and later obtained her ACCA designation from the Association of Chartered Certified Accountants. She has a Masters of Mathematics and a Masters of Economics degrees which were obtained from the Moscow Engineering Physics Institute in Russia.

**Tim Peterson – Director**

Mr. Peterson obtained a Bachelor of Arts degree in economics from the University of Western Ontario. He sat on the Board of Directors of Augen Gold, Trelawney Mining, Northern Crown Capital, Inc. (a merchant banking firm), Process Capital, Nordex Explosives and Oxygen and Prescott Paper Products, as well as the Mississauga Hospital Foundation.

Mr. Peterson is a former Ontario MPP (Mississauga South). Mr. Peterson is the brother of two prominent Liberal politicians: former Premier of Ontario, David Peterson and former federal cabinet minister, Jim Peterson.

**Joseph Heng – Director**

Mr. Heng is a Chartered Professional Accountant with 40 years of experience and has served as Director and Chief Financial Officer for various public companies.

**Rob Fia – Chief Executive Officer**

Mr. Fia has over 17 years' experience in the investment business both in equity research and corporate finance. Mr. Fia has 14 years experience working with promising young blockchain technology, medical device, mining and oil & gas companies and advising corporate executives on business matters dealing with corporate finance & share structuring, strategy, expansion, mergers and acquisitions, concept creation, private equity, corporate development and corporate governance advice.

Currently, Mr. Fia serves as Co-Head of Corporate Finance at Kingsdale Capital Markets Inc. and a board member of NEX & TSXV listed and private companies.

On Behalf of the Board of Directors

*“Zula Kropivnitski”*

Zula Kropivnitski

Chief Executive Officer, Chief Financial Officer and Director

**For further information please contact:**

Zula Kropivnitski

Telephone: (604) 681-0084

**Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable

**Item 7. Omitted Information**

Not applicable

**Item 8. Executive Officer**

The following senior officer of the Issuer is knowledgeable about the material change disclosed in this report.

Zula Kropivnitski

Chief Executive Officer

Telephone: 604-681-0084.

**Item 9. Date of Report**

DATED at Vancouver, British Columbia, this 22<sup>nd</sup> day of December, 2017.

*(Signed) Zula Kropivnitski*

---

Zula Kropivnitski  
Chief Executive Officer