

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 19, 2018

Item 3. News Release

The Company disseminated a news release concerning the material change described herein on December 19, 2018 and subsequently filed a copy on SEDAR at www.sedar.com.

Item 4. Summary of Material Change

Spirit Bear Capital to acquire Gaia Investments.

Item 5. Full Description of Material Change

December 19, 2018 – Vancouver, British Columbia – Spirit Bear Capital Corp. (the “**Company**”) (NEX: SGB.H) is pleased to announce that it has entered into a letter of intent (the “**Letter of Intent**”) on December 17, 2018, with Gaia Investments Inc. (“**Gaia Investments**”). Based in Calgary, Alberta, Gaia Investments is a privately held company in the business of developing a facility and infrastructure for the manufacturing and marketing of hemp-based products in Canada.

In accordance with the terms of the Letter of Intent, it is anticipated that the Company will establish a wholly-owned subsidiary which will amalgamate with Gaia Investments (the “**Transaction**”), following which the resulting amalgamated entity will continue as a wholly-owned subsidiary of the Company. In consideration for completion of the Transaction, the Company proposes to issue 120,000,000 common shares to the existing shareholders of Gaia Investments. In connection with the entering into of the Letter of Intent, the Company has paid a deposit of \$10,500 to Gaia Investments, which will be refundable to the Company in the event the Transaction is not completed within a certain timeframe.

In connection with completion of the Transaction, Gaia Investments intends to complete a private placement financing (the “**Financing**”) through the offering of up to 40,000,000 subscription receipts (each, a “**Receipt**”) at a price of \$0.10 per Receipt for gross proceeds

of up to \$4,000,000. Proceeds of the Financing will be held in escrow pending completion of the Transaction. Immediately prior to completion of the Transaction, each Receipt will automatically be converted into one common share of Gaia Investments, which will then be exchanged for one common share of the Company.

The Transaction constitutes a “Qualifying Transaction” for the Company under TSX Venture Exchange (the “**Exchange**”) Policy 2.4 – *Capital Pool Companies*. Following completion of the Transaction, it is anticipated that the Company will be listed on the Exchange as a Tier 2 Industrial Issuer under the name “Gaia Investments Inc.” Closing of the Transaction is subject to a number of conditions including completion of satisfactory due diligence, entering into a definitive agreement, completion of the Financing, Gaia Investments having received a license to cultivate and sell hemp products in accordance with the *Cannabis Act* (Canada) and the *Industrial Hemp Regulations*, approval of the Exchange and satisfaction of other closing conditions as are customary in transactions of this nature. There can be no assurance that the Transaction will be completed as proposed or at all. Trading in the common shares of the Company will remain halted pending further filings with the Exchange.

The Transaction is not a “Non-Arms’ Length Transaction” as that term is defined in the policies of the Exchange, nor is the Transaction subject to approval of the shareholders of the Company. The Company does not intend to pay any finders’ fees or commissions in connection with completion of the Transaction, but Gaia Investments may pay finders’ fees or commissions to eligible parties have introduced subscribers to the Financing. Subject to the approval of the Exchange, the Company may advance funds to Gaia Investments for working capital purposes prior to completion of the Transaction. The Company intends to seek a waiver of the sponsorship requirements prescribed by Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements* in connection with the Transaction.

Further information regarding the Transaction, including a detailed use of proceeds for the Financing, financial information of Gaia Investments, and details regarding the proposed board and management of the Company following completion of the Transaction will be made available in due course. Readers are encouraged to review the filing statement which will be prepared by the Company in connection with the Transaction and made available under the Company’s profile on SEDAR.

For further information, contact Zula Kropivnitski at 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 Company is knowledgeable about the material change disclosed in this report.

Zula Kropivnitski
Chief Executive Officer
Telephone: 604-681-0084.

Item 9. Date of Report

December 19, 2018