

FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1 NAME AND ADDRESS

*Spirit Bear Capital Corp. (the "Company")
Suite 303, 750 West Georgia Street
Vancouver, British Columbia, V6C 2T7*

ITEM 2 DATE OF MATERIAL CHANGE

January 31, 2019

ITEM 3 NEWS RELEASE

The Company issued a news release on January 31, 2019 relating to the material change, which was disseminated through Stockwatch and subsequently filed on SEDAR.

ITEM 4 SUMMARY OF MATERIAL CHANGE

The Company entered into a definitive amalgamation agreement with Gaia Grow Corp. ("Gaia"), pursuant to which Gaia has agreed to amalgamate with a wholly-owned subsidiary of the Company.

ITEM 5 FULL DESCRIPTION OF MATERIAL CHANGE

See attached news release.

ITEM 6 RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not applicable. This report is not being filed on a confidential basis.

ITEM 7 OMITTED INFORMATION

Not applicable.

ITEM 8 EXECUTIVE OFFICER

The following executive officer of the Company is knowledgeable about the material change and this report:

*Zula Kropivnitski, Chief Executive Officer
Telephone: 604.681.0084*

ITEM 9 DATE OF REPORT

January 31, 2019

SPIRIT BEAR CAPITAL CORP.
Suite 303, 750 West Pender Street
Vancouver, British Columbia
V6C 2T7

NEWS RELEASE

SPIRIT BEAR CAPITAL ENTERS INTO DEFINITIVE AGREEMENT TO ACQUIRE GAIA

January 31, 2019 – Vancouver, British Columbia – Spirit Bear Capital Corp. (the “**Company**”), a capital pool company pursuant to Policy 2.4 of the TSX Venture Exchange (the “**Exchange**”) (NEX: SGB.H), is pleased to announce that it has entered into a definitive amalgamation agreement, effective January 31, 2019 (the “**Definitive Agreement**”), with Gaia Grow Corp. (formerly, Gaia Investments Inc.) (“**Gaia**”). Gaia is a privately held arm’s length company continued under the laws of the *Business Corporations Act* (British Columbia) and is in the business of developing a facility and infrastructure for the manufacturing and marketing of hemp-based products in Canada. The Definitive Agreement replaces the existing letter of intent entered into with Gaia dated effective December 10, 2018 (the “**LOI**”).

In accordance with the terms of the Definitive Agreement, Gaia and the Company will combine their respective businesses by way of a “three-cornered” amalgamation in which a wholly-owned subsidiary of the Company will amalgamate with Gaia (the “**Transaction**”), following which the resulting amalgamated entity will continue as a wholly-owned subsidiary of the Company. Following completion of the Transaction, it is anticipated that the Company will change its name to “Gaia Grow Crop.” and it is the intention of the parties that the Company (the Company after the Transaction being referred to herein as the “**Resulting Issuer**”) will continue to carry on the business of Gaia.

Further Details Regarding the Transaction

In connection with completion of the Transaction, it is a condition to closing that Gaia completes 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 (the “**Subscription Amount**”). 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 (each, a “**Receipt Share**”).

Pursuant to the terms of the Transaction, the holders of common shares in the capital of Gaia (the “**Gaia Shares**”) (including those held by investors in the Financing subsequent to the completion thereof) will receive one (1) common share of the Resulting Issuer (the “**Resulting Issuer Shares**”) in exchange for each outstanding Gaia Share. Prior to the closing of the Transaction, it is expected that Gaia will have 120,000,000 Gaia Shares outstanding (not including the Receipt Shares issuable on conversion of the Receipts). As at the date of this press release, the Company has 28,800,012 common shares issued and outstanding. On completion of the Transaction, and assuming completion of the Financing for the Subscription Amount, it is anticipated that there will be an aggregate of approximately 195,125,012 Resulting Issuer Shares issued and outstanding (inclusive of the Finder’s Shares (as defined below)).

The Transaction constitutes a “Qualifying Transaction” for the Company under 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 Grow Corp.” Closing of the Transaction is subject to a number of conditions including completion of the Financing, approval of the Exchange, approval of Gaia’s shareholders with

respect to the amalgamation that will facilitate the completion of the Transaction 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 intends to issue 6,325,000 common shares (the “**Finders’ Shares**”) to an arms’-length party who assisted the Company in facilitating the Transaction, and it is expected that Gaia will pay finders’ fees or commissions to eligible parties have introduced subscribers to the Financing. 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.

Subject to the approval of the Exchange, the Company intends to offer a credit facility (the “**Credit Facility**”) to Gaia to fund the operating capital requirements of Gaia prior to completion of the Transaction. It is expected that total advances under the Credit Facility will be limited to \$200,000, and that the Credit Facility will be secured against a general charge over all of the assets of Gaia. The Credit Facility will not bear interest, but will be repayable in full by Gaia in the event the Transaction does not proceed. The Company previously advanced \$10,500 to Gaia as a deposit in connection with the entering into of the LOI.

Proposed Management and Board of Directors of the Resulting Issuer

Following completion of the Transaction, it is anticipated that the board of directors of the Company will be reconstituted to consist of Frederick Pels, James Tworek, Adam Hoffman and Marc Lowenstein. Management of the Company will consist of Frederick Pels as Chief Executive Officer, James Tworek as President, Zula Kropivnitski as Chief Financial Officer and Cassandra Gee as Corporate Secretary. The following are brief profiles of the proposed members of management and the board of directors:

Frederick Pels: Director and Chief Executive Officer

Trilingual in English, Hebrew and Russian, Mr. Pels has honed his keen entrepreneurial skills, vast background in finance, contacts throughout the business community and experience within the industry since 2013. Prior to coordinating the seed investment in Gaia, Mr. Pels oversaw the establishment and expansion of the Green Room as a leader in medical cannabis supply, industry best practices and education about the cannabis industry itself. Leading by example, he plans to continue to prioritize public safety and work with all levels of government as they navigate how to regulate the growing and sale of cannabis both domestically and internationally.

James Tworek: Director and President

Fully bilingual in English and Spanish, Mr. Tworek has worked in banking and finance for the past twenty years. His experience in raising capital on a global basis has brought him success in structured finance and working with family offices, private equity and venture capital firms alike. James has always been an avid athlete. His participation in martial arts, track and field and snow sports led him to incorporate CBD-based products into his recovery regime and has turned him into an avid proponent of cannabinoid therapy. He was given the opportunity in 2016 to work on corporate finance contracts in the Canadian Medical Cannabis sector and it has given him the experience to take on the early-stage development financing and capital raising for clients in every aspect of business.

Adam Hoffman: Independent Director

Mr. Hoffman is an officer of a startup technology company and sits on the Board of Trustees of several private family trusts. A graduate of the University of Western Ontario in 2006 with a Bachelor of Laws as well as an Honours Business Administration degree from Richard Ivey School of Business, Mr. Hoffman was called to the Law Society of Alberta in 2007. Mr. Hoffman is an Associate at Nerland Lindsey LLP and provides family governance services with Family Wealth Coach. He also holds the Trust and Estate Practitioner designation from the Society of Trust and Estate Practitioners.

Marc Lowenstein: Independent Director

Mr. Lowenstein joined Fric Lowenstein in 2015 after completing his law degree at Bond University in Australia. Before law school, Marc spent more than 10 years in the construction industry in various positions ranging from a labourer, foreman, superintendent up to a project engineer for a large heavy civil construction company. Marc has also worked as a National Construction Safety Officer and consultant where he built, implemented and supervised health and safety programs for companies in the construction industry. Marc is focusing his practice on real estate and matters relating to construction including contracts, litigation and dispute resolution. Marc also recently joined the ADR Institute of Alberta and is working towards becoming a Qualified Arbitrator (Q. Arb.).

Zula Kropivnitski: Chief Financial Officer

Ms. Kropivnitski has been a director of the Company since September 2017 and has served as Chief Executive Officer and Chief Financial Officer of the Company since November 2017. Ms. Kropivnitski has served as the Chief Financial Officer and director for various public companies and has been instrumental in their growth. Ms. Kropivnitski also serves as a Controller of Preakness Management Ltd., a private company. As Chief Financial Officer, Ms. Kropivnitski has been responsible for all areas of financial reporting, corporate finance and 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 also holds a Master of Mathematics and Master of Economics.

Further information regarding the Transaction, including a detailed use of proceeds for the Financing and financial information of Gaia 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.

On behalf of the Board,

Spirit Bear Capital Corp.

Zula Kropivnitski, Chief Executive Officer

The TSX Venture Exchange has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this press release. Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and approval of Gaia's shareholders with respect to the amalgamation that will facilitate the completion of the Transaction. The Transaction cannot close until the required approvals are obtained, and the outstanding conditions satisfied. 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 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 the Company should be considered highly speculative.

This news release may contain certain "Forward-Looking Statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws. When or if used in this news release, the words "anticipate", "believe", "estimate", "expect", "target", "plan", "forecast", "may", "schedule" and similar words or expressions identify forward-looking statements or information. These forward-looking statements or information may relate to proposed financing activity, including the Financing, regulatory or government requirements or approvals, the reliability of third party information, completion of the Transaction, anticipated information related to the Resulting Issuer in connection therewith, anticipated issued and outstanding Resulting Issuer Shares upon completion of the Transaction and other factors or information. Such statements represent the Company's current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social risks, contingencies and uncertainties, including, but not limited to, assumptions that all conditions to the closing of the Transaction will be satisfied, that the Transaction will be completed on the terms set forth in the Definitive Agreement and that the Financing will be available on terms acceptable terms or at all. Many factors, both known and unknown, could cause results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements. Such risk factors may include, among others, the risk that required approvals and the satisfaction of material conditions are not obtained in connection with the Transaction, the risk that the Transaction is not approved or completed on the terms set out in the Definitive Agreement or at all and risks related to the hemp market, including restrictions imposed by Health Canada or such other regulatory approvals. The Company does not intend, and does not assume any obligation, to update these forward-looking statements or information to reflect changes in assumptions or changes in circumstances or any other events affecting such statements and information other than as required by applicable laws, rules and regulations.