

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 April 30, 2019.

Item 3. News Release

The Company disseminated a news release concerning the material change described herein on April 30, 2019 and subsequently filed a copy on SEDAR at www.sedar.com.

Item 4. Summary of Material Change

Spirit Bear Capital continues progress with acquisition of Gaia.

Item 5. Full Description of Material Change

April 30, 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), announces that it continues to progress with its proposed acquisition (the “**Transaction**”) of Gaia Grow Corp. (“**Gaia**”). In accordance with the terms of the Transaction, 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, 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.

About 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 operations of Gaia are carried out through its’ wholly-owned subsidiary, Gaia Bio-Pharmaceuticals Inc. (“**Gaia Bio**”), a privately held company incorporated under the laws of the *Business Corporations Act* (Alberta). Gaia Bio holds a license to cultivate and sell

industrial hemp under the *Cannabis Act* (Canada) and the *Industrial Hemp Regulations*. Gaia Bio is also an applicant for a license to cultivate cannabis for medical purposes under the *Cannabis Act* (Canada). While Gaia Bio has applied for a license to cultivate cannabis, the primary focus of Gaia Bio is the cultivation and sale of hemp. Gaia Bio does not anticipate receiving a license to cultivate cannabis prior to completion of the Transaction, nor does it expect to engage in the cultivation of cannabis in the near term.

Gaia acquired all of the outstanding common shares of Gaia Bio (the “**Gaia Bio Shares**”) on March 22, 2019, pursuant to the terms of a purchase of business agreement dated August 6, 2018, as amended on November 2, 2018 (together, the “**Purchase Agreement**”). In accordance with the Purchase Agreement, Gaia issued 8,400,000 common shares in the capital of Gaia (the “**Gaia Shares**”) in consideration for the acquisition of all of the outstanding Gaia Bio Shares, and agreed to assume certain ongoing financial obligations of Gaia Bio. Following completion of the Transaction, the former shareholders of Gaia Bio may also be entitled to an additional conditional payment in the event the shares issued to acquire Gaia Bio are valued at less than \$2,000,000 at any time during the sixty-day period following Gaia Bio receiving a license to cultivate cannabis. In such a case, an additional payment of \$1,600,000 (the “**Additional Payment**”) will be owing to the former shareholders of Gaia Bio, to be satisfied in cash or through the issuance of common shares of the Resulting Issuer (the “**Resulting Issuer Shares**”) based upon the thirty-day volume weighted average trading price of the Resulting Issuer Shares on the Exchange at the time of issuance.

Prior to the acquisition of Gaia Bio, the business of Gaia consisted primarily of sourcing capital to fund the operations of Gaia Bio, and the proposed operations of the Resulting Issuer following completion of the Transaction.

Further Details Regarding the Transaction

In connection with completion of the Transaction, Gaia is completing a private placement financing (the “**Financing**”) through the offering of subscription receipts (each, a “**Receipt**”) at a price of \$0.10 per Receipt. 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 Gaia Share (each, a “**Receipt Share**”). Gaia has completed two tranches of the Financing through the issuance of 39,826,827 Receipts, for gross proceeds of \$3,982,683, and anticipates completing a final tranche of the Financing prior to completion of the Transaction.

Pursuant to the terms of the Transaction, the holders of Gaia Shares (including the holders of Receipt Shares held by investors in the Financing) will receive one (1) Resulting Issuer Share in exchange for each outstanding Gaia Share. Prior to the closing of the Transaction, it is expected that Gaia will have approximately 120,000,000 Gaia Shares outstanding (not including the Receipt Shares issuable on conversion of the Receipts).

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.” and the ticker symbol “GAIA”. 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.

Further information regarding the Transaction, the Financing, and the proposed members of management and the board of directors of the Resulting Issuer, readers are encouraged to review the Company's news releases of January 31st and March 27th, 2019. A filing statement is being prepared by the Company to provide additional information regarding the Transaction, and the operations of Gaia, and will be 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

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

April 30, 2019