Spirit Bear Capital Corp.
(A Capital Pool Company)

Management Discussion & Analysis

For the three months ended April 30, 2019

303 - 750 West Pender Street
Vancouver, BC
V6C 2T7

This Management Discussion and Analysis ("**MD&A")** of financial position and results of operation are as at May 13, 2019 and should be read in conjunction with the consolidated interim financial statements for the three months ended April 30, 2019 and related notes (the "**Interim Financial Statements**"). The Interim 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. The Company is classified as a Capital Pool Company ("CPC") while the principal business is the identification and evaluation of assets or a business (the "Qualifying Transaction" ("QT")) 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.

On January 31, 2019, the Company entered into an amalgamation agreement (the "Amalgamation Agreement") with Gaia Grow Corp. ("Gaia"), a privately held arm's length company continued under the laws of the *Business Corporations Act* (British Columbia). Gaia is 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 Amalgamation Agreement, the Company, 1193805 B.C. and Gaia will combine their respective businesses by way of a three-cornered amalgamation (the "Transaction"), following which Gaia will continue as a wholly owned subsidiary of the Company. Following completion of the Transaction, it is anticipated that the amalgamated company will change its name to Gaia Grow Corp. and the resulting issuer will continue to carry on the business of Gaia.

In connection with completion of the Transaction, it is a condition to closing that Gaia completes a private placement financing through the offering of up to 40 million subscription receipts (the "Receipts") at a price of 10 cents per receipt for gross proceeds of up to $4 million. 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. Upon completion of the Transaction, the holders of common shares in the capital of Gaia will receive one common share of the resulting issuer in exchange for each outstanding common share of Gaia.

The Transaction will constitute a QT for the Company under Policy 2.4. Closing of the Transaction is subject to a number of conditions including completion of the financing, approval of the TSX-V, approval of the Company's shareholders and satisfaction of other closing conditions as are customary in transactions of this nature.

During the year ended January 31, 2019, the Company provided a loan of $10,500 to Gaia. During the three months ended April 30, 2019, the Company provided a loan of $200,000 to Gaia. The loan is non-interest bearing and repayable on demand after May 31, 2019.

Subject to the approval of the TSX-V, the Company has also offered a credit facility to Gaia. 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 does not bear interest, but will be repayable in full by Gaia in the event the Transaction does not proceed.

On June 28, 2019 the Qualifying Transaction was conditionally accepted by the TSX Venture Exchange.

The Company is presently listed and trading on the NEX under the symbol SBG.H.

The Company's head office, principal address and registered and records office is located at Suite 303, 750 West Pender Street Vancouver, BC V6C 2T7.

In October 2017 the Company closed a private placement and issued a total of 5,400,000 common shares at a price of CDN$0.095 per Share, for gross proceeds of CDN$513,000. All Shares issued are subject to a hold period of four months and one day and as such may not be traded until February 4, 2018. No finder's fee was paid in connection with the private placement.

As at July 2, 2019, the Company had cash and cash equivalents of $703,558 and accumulated deficit of $443,530. See "Liquidity and Capital Resources".

RESULTS OF OPERATIONS

As at April 30, 2019, the Company was a CPC. Accordingly, the Company has not recorded any revenues, and depends upon share issuances to fund its administrative expenses.

Selected Financial Data

	For the years ended January 31,		
	2019	2018	2017
	$	$	$
Interest income	323	673	889
General and administrative expenses	165,883	(56,917)	(35,106)
Net and comprehensive loss	(113,818)	(118,732)	(34,247)
Basic and diluted loss per share	(0.01)	(0.02)	(0.01)
Working capital	894,953	536,987	148,701
Total assets	984,599	637,357	157,201
Total shareholders' equity	894,953	536,987	148,701

Results of Operations

Three months ended April 30, 2019

The professional fees expense incurred during the three months ended April 30, 2019 of $23,510 (April 30, 2018 - $67,613) related to transactions described in the "Corporate Profile and Overall Performance" section above. Expense incurred during the three months ended April 30, 2019 related to the transaction with Gaia while expense incurred during the same period of the previous year related to the agreement with FinX.

Expense of $15,006 directly relates to qualifying transaction with Gaia and consists of filing fee.

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

	Quarters Ended			
	April 30, 2019	January 31, 2019	October 31, 2018	July 31, 2018
	$	$	$	$
Net and Comprehensive Gain (Loss)	(48,252)	(32,203)	(19,112)	20,561
Basic and Diluted Loss Per Share	(0.00)	0.00	0.00	0.00
Weighted Average Shares	28,800,012	22,032,889	10,813,049	9,400,006

	Quarters Ended			
	April 30, 2018	January 31, 2018	October 31, 2017	July 31, 2017
	$	$	$	$
Net and Comprehensive Loss	(83,064)	(84,364)	(20,447)	(7,033)
Basic and Diluted Loss Per Share	(0.01)	(0.01)	(0.00)	(0.00)
Weighted Average Shares	9,400,006	9,400,006	4,643,478	3,000,000

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, 2019	January 31, 2019
	$	$
Cash and cash equivalents	715,660	963,641
Total current assets	954,441	984,599
Trade payables and accrued liabilities	107,770	89,646
Working capital	846,671	894,953

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, the Company is 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 QT;

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 QT;

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 QT;

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

OFF-BALANCE SHEET TRANSACTIONS

The Company does not have any off-balance sheet arrangements as at April 30, 2019 or as of the date of this report.

CRITICAL JUDGEMENTS AND ESTIMATES

The preparation of the Financial Statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets.

Significant Judgments

The preparation of the Financial Statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

ACCOUNTING STANDARDS AND AMENDMENTS NOT YET ADOPTED

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the year ended January 31, 2018 and have not been applied in preparing these financial statements. The Company is currently considering the possible effects of the revised standard which will be effective to the Company's financial statements for the year ending January 31, 2018 or later:

IFRS 2 – Share Based Payments: the amendments eliminate the diversity in practice in the classification and measurement of particular share-based payment transactions which are narrow in scope and address specific areas of classification and measurement. It is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted provided it is disclosed. Management does not anticipate this standard having a material effect on the Company's financial statements.

IFRS 9 – Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 15 – Clarifications to IFRS 15 "Revenue from Contracts with Customers" issued. The amendments do not change the underlying principles of the standard, just clarify and offer some additional transition relief. The standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 16 – Leases, establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. The standard is effective for annual periods beginning on or after January 1, 2019.

IAS 12 – Income Taxes: amendments to IAS 12 to clarify the recognition of a deferred tax asset for unrealized losses.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

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.

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 a high credit quality financial institution as determined by rating agencies. The risk of loss is low.

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. Trade payables and accrued liabilities are due within the current operating period. The Company has a sufficient cash balance to settle current liabilities.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to market risk.

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.

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 QT while providing adequate returns to shareholders.

SHARE CAPITAL

As at April 30, 2019, the Company had 28,800,012 (January 31, 2019 – 28,800,012) common shares issued and outstanding of which 2,000,012 (January 31, 2019 – 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

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 5 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

The reserve account records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. During the year ended January 31, 2019, 500,000 incentive stock options of the Company expired unexercised.

DISCLOSURE OF DATA FOR OUTSTANDING COMMON SHARES

As at the date of this report, the Company had 28,800,012 common shares outstanding, and the Company does not have options or warrants outstanding.

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 financial statements for the three months ended April 30, 2019; and
- the Company's audited financial statements for the year ended January 31, 2019.

This MD&A has been approved by the Board on July 2, 2019.