

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 July 5, 2019.

Item 3. News Release

The Company disseminated a news release concerning the material change described herein on July 5, 2019 and subsequently filed a copy on SEDAR at www.sedar.com.

Item 4. Summary of Material Change

Spirit Bear Capital received the conditional acceptance of the Exchange for its proposed acquisition of Gaia Grow Corp.

Item 5. Full Description of Material Change

July 5, 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 has received the conditional acceptance of the Exchange for 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.

In connection with completion of the Transaction, Gaia has completed a private placement financing (the “**Financing**”) through the offering of 45,076,969 subscription receipts (each, a “**Receipt**”) at a price of \$0.10 per Receipt, for gross proceeds of \$4,507,696. Proceeds of the Financing are being 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**”).

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*. The Company has filed a filing statement on SEDAR (www.sedar.com), dated June 28, 2019, relating to the Transaction (the “**Filing Statement**”). Readers are encouraged to review the Filing Statement, which provides detailed information about the Transaction and the business of Gaia. The Company will issue a further news release announcing the closing of the Transaction and the date on which trading in the common shares of the Company will resume on the Exchange. Trading in the common shares of the Company will remain halted pending completion of the Transaction and issuance of the final Exchange approval bulletin.

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 remains subject to the satisfaction of customary closing conditions. There can be no assurance that the Transaction will be completed as proposed or at all. Issuance of the final Exchange approval bulletin, and the resumption of trading on the Exchange, remains subject to the completing of customary filings required by the policies of the Exchange.

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.

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

July 5, 2019