

FORM 51-102F3

MATERIAL CHANGE REPORT

1. **Name and Address of Company:**

Aurora Spine Corporation (the "Company")
1920 Palomar Point Way
Carlsbad, California 92008

2. **Date of Material Change:**

January 15, 2014.

3. **News Release:**

A news release disclosing the material change was issued on January 15, 2014 through the facilities of Marketwired and was filed with the applicable securities regulatory authorities via SEDAR on such date.

4. **Summary of Material Change:**

On January 15, 2014, the Company announced that it had completed its previously announced private placement of common shares, pursuant to which the Company issued 3,173,936 common shares at a price of CDN\$3.15 per share for aggregate gross proceeds of CDN\$9,997,898.40 (the "Offering"). The Offering was led by Clarus Securities Inc. (the "Lead Agent").

In connection with the Offering, the Company paid a cash commission to the Lead Agent equal to 5.5% of the gross proceeds raised under the brokered portion of the Offering; provided however, that the fee paid in respect of presidents' list purchasers was 2.0% rather than 5.5%.

5. **Full Description of the Material Change:**

On January 15, 2014, the Company announced that it had completed its previously announced Offering of common shares, pursuant to which the Company issued 3,173,936 common shares at a price of CDN\$3.15 per share for aggregate gross proceeds of CDN\$9,997,898.40.

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The net proceeds from the Offering will be used to fund manufacturing and sales and marketing of the Company's ZIP and other FDA approved products and for general working capital purposes.

Pursuant to applicable Canadian securities laws, the securities issued under the Offering will be subject to a hold period until May 16, 2014.

6. **Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102:**

Not applicable.

7. **Omitted Information:**

Not applicable.

8. **Executive Officer:**

For further information, please contact Trent Northcutt, Chief Executive Officer, at (951) 312-2566.

9. **Date of Report:**

January 21, 2014.