



GAIA TO ACQUIRE RETAIL CANNABIS STORES IN BRITISH COLUMBIA FROM BLACKHAWK

Vancouver, British Columbia - February 28, 2020 - Gaia Grow Corp. (TSXV: GAIA) (“**Gaia**”) and Blackhawk Resource Corp. (CSE: BLR) (“**Blackhawk**”) are pleased to announce that they have entered into an agreement (the “**Agreement**”), dated February 27, 2020, for the purchase and sale of three pre-licence retail cannabis stores in British Columbia (the “**Proposed Transaction**”).

The Agreement sets out the terms by which Gaia will acquire all of the issued and outstanding share capital of 1202465 B.C. Ltd. (“**Nelson Store**”) and Patriot Cannabis Brands Inc. (“**Powell River Stores**” and together with the Nelson Store, the “**Targets**”) from Blackhawk. The Nelson Store, located at 306B Victoria Street in Nelson, British Columbia, currently has an Approval in Principle (AIP) issued by the Liquor & Cannabis Regulation Branch of British Columbia to operate a cannabis retail store, while the Powell River Stores both have applications in process to operate licensed cannabis dispensaries at the premises located at Unit No. 3, 4296 Joyce Avenue and 6239 Walnut Street in Powell River, British Columbia.

“We are extremely excited to announce this transaction,” says Frederick Pels, CEO of Gaia Grow Corp. “We believe these additions could add significant shareholder value and we look forward to updating our investors over the coming quarters as we work to build, grow and monetize these assets.”

The aggregate purchase price for the Targets is \$1,500,000 (the “**Purchase Price**”), which will be satisfied through the issuance of 30,000,000 common shares in the capital of Gaia (each a “**Common Share**”), at a deemed price per Common Share of \$0.05. Blackhawk does not currently hold any securities of Gaia. Upon the issuance of the 30,000,000 Common Shares, Blackhawk will hold a total of 30,000,000 Common Shares representing approximately 12.9% of the issued and outstanding Common Shares and will become a new insider of Gaia.

The Agreement and the Proposed Transaction are subject to, among other conditions: (i) Gaia being satisfied regarding its due diligence, analysis and other customary examinations related to the financial position of the Targets; and (ii) the Common Shares of Gaia having been conditionally accepted for listing on the Canadian Securities Exchange and having been delisted from the TSX Venture Exchange. The Proposed Transaction cannot be completed until these conditions, among other, have been satisfied.

Gaia has applied to list its Common Shares on the Canadian Securities Exchange. Any listing is subject to meeting applicable listing requirements of the Canadian Securities Exchange, and to the Common Shares being delisted from the TSX Venture Exchange.



The listing of the Common Shares of Gaia has not been accepted by the Canadian Securities Exchange at this time, and there can be no guarantee that the Common Shares of Gaia will be listed for trading on the Canadian Securities Exchange. The listing of Gaia on the Canadian Securities Exchange is not contingent on completion of the Proposed Transaction, and the board of directors of Gaia has resolved to proceed with the listing even if the Proposed Transaction is not completed.

Frederick Pels and Marc Lowenstein are directors of both Gaia, and Blackhawk, however the Proposed Transaction is not considered to be a related party transaction within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*. The Proposed Transaction has been approved by the independent directors of each of Gaia, and Blackhawk.

The Proposed Transaction is not expected to result in a change of control, or change of business for Gaia, under the policies of the TSX Venture Exchange, or the Canadian Securities Exchange, nor does it represent a fundamental acquisition for Gaia as defined by the policies of the TSX Venture Exchange. The Proposed Transaction also does not represent a disposition of substantially all of the assets or business undertaking of Blackhawk.

On Behalf of the Board of Directors of
GAIA GROW CORP. and BLACKHAWK RESOURCE CORP.

“Frederick Pels”
Chief Executive Officer

For further information, readers are encouraged to contact Frederick Pels, Chief Executive Officer of Gaia and Blackhawk at 403-991-7737 or by email at fp@gaiagrow.com.

Neither the TSX Venture Exchange, nor the Canadian Securities Exchange, has passed upon the merits of the Proposed Transaction, or the intend listing of Gaia on the Canadian Securities Exchange and the corresponding delisting from the TSX Venture Exchange. Neither the 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.

CAUTIONARY AND FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance and includes the expectation that the parties will successfully complete the Proposed Transaction. All statements other than statements of historical fact may be forward-looking statements or information. Forward-looking statements and information are often, but not always, identified by the use of words such as “appear”,



“seek”, “anticipate”, “plan”, “continue”, “estimate”, “approximate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe”, “would” and similar expressions.

Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the hemp industry in general such as operational risks in growing; competition; incorrect assessment of the value and potential benefits of various transactions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals and changes in legislation, including but not limited to tax laws and government regulations. Accordingly, readers should not place undue reliance on the forward-looking statements, timelines and information contained in this news release.