AMALGAMATION AGREEMENT

THIS AGREEMENT is made effective as of the 31st day of January, 2019.

AMONG:

> **SPIRIT BEAR CAPITAL CORP.**, a corporation existing under the laws of the Province of British Columbia
>
> ("**Spirit Bear**")

AND:

> **1193805 B.C. LTD.**, a corporation existing under the laws of the Province of British Columbia
>
> ("**Subco**")

AND:

> **GAIA GROW CORP.**, a corporation existing under the laws of the Province of British Columbia
>
> ("**Gaia**")

WHEREAS:

A. Spirit Bear was incorporated pursuant to the *Business Corporations Act* (British Columbia) ("**BCBCA**") on November 8, 2011;

B. Spirit Bear is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario;

C. Subco was incorporated pursuant to the BCBCA on January 14, 2019, and is a wholly-owned subsidiary of Spirit Bear;

D. Gaia was incorporated under the name "Gaia Investments Inc." pursuant to the *Business Corporations Act* (Alberta) on June 22, 2018, and was continued under the BCBCA on January 18, 2019, with the name "Gaia Grow Corp."

E. Gaia is a privately held company in the business of developing a facility and infrastructure for the manufacturing and marketing of hemp-based products in Canada; and

F. Spirit Bear and Gaia wish to combine their respective businesses by way of a "three-cornered" amalgamation in which Subco will amalgamate with Gaia (the "**Amalgamation**") to form one corporation ("**Amalco**") under Section 269 of the BCBCA, pursuant to which: (i) Spirit Bear shall issue securities of Spirit Bear to the security holders of Gaia in exchange for their securities of Gaia outstanding at the Effective Time (as hereafter defined) on a one-for-one basis, and (ii) Amalco shall become a wholly-owned subsidiary of Spirit Bear, all in the manner contemplated herein and pursuant to the terms and conditions hereof.

THEREFORE this Agreement witness that in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

Article 1
INTERPRETATION AND CONSTRUCTION

1.1 Defined Terms

In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following words and terms shall have the indicated meanings and grammatical variations of such words and terms shall have corresponding meanings:

(a) "**Agreement**" means this Amalgamation Agreement and any supplementary or ancillary agreement, instrument or document hereto, all as may be amended from time to time;

(b) "**Amalco**" has the meaning set out in the recitals hereof;

(c) "**Amalco Shares**" means common shares in the capital of Amalco;

(d) "**Amalgamating Companies**" means Subco and Gaia;

(e) "**Amalgamation**" has the meaning set out in the recitals hereof;

(f) "**Amalgamation Resolution**" means the resolution passed by the Gaia Shareholders, to adopt this Amalgamation Agreement pursuant to subsection 271(6)(a)(i);

(g) "**BCBCA**" has the meaning set out in the recitals hereof;

(h) "**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in the Province of British Columbia;

(i) "**Certificate of Amalgamation**" means a certificate issued by the Registrar pursuant to the BCBCA to evidence the Amalgamation;

(j) "**Closing**" means the completion of the Amalgamation contemplated herein;

(k) "**Confidential Information**" has the meaning set out in section 6.3 hereof;

(l) "**Dissent Rights**" has the meaning set forth in sections 2.3 hereof;

(m) "**Dissenting Shareholders**" means Gaia Shareholders who exercise their Dissent Rights in accordance with section 2.4 hereof;

(n) "**Effective Date**" means the date of the Amalgamation, as set out on the Certificate of Amalgamation;

(o) "**Effective Time**" means the time on the Effective Date that the Amalgamation becomes effective;

(p) "**Exchange**" means the TSX Venture Exchange;

(q) "**Existing Gaia Shareholders**" means the existing holders of the Gaia Shares as of the date of this Agreement;

(r) "**Gaia**" means Gaia Grow Corp., a corporation existing under the laws of the Province of British Columbia;

(s) "**Gaia Bio Acquisition**" means the acquisition by Gaia of all of the issued and outstanding common shares of Gaia Bio-Pharmaceuticals Inc., a company incorporated under the laws of the Province of Alberta;

(t) "**Gaia Dissent Shares**" has the meaning set forth in section 2.4 hereof;

(u) "**Gaia Financial Statements**" means all financial statements of Gaia, both audited and unaudited as applicable, for the periods required pursuant to applicable regulatory policies for inclusion in any disclosure document or other filing to any applicable regulatory authorities, and includes, but is not limited to, the audited financial statements of Gaia for the period from incorporation through to December 31, 2018;

(v) "**Gaia Private Placement**" means the private placement of Gaia Subscription Receipts, at a price of $0.10 per Gaia Subscription Receipt, the proceeds of which will be held in escrow and will not be released until completion of the Amalgamation;

(w) "**Gaia Shareholders**" means the holders of the Gaia Shares;

(x) "**Gaia Shares**" means common shares in the capital of Gaia;

(y) "**Gaia Subscription Receipt**" means a subscription receipt of Gaia issued in connection with the Gaia Private Placement, each of which will automatically convert into a Gaia Share immediately prior to completion of the Amalgamation;

(z) "**Material Adverse Change**" means a change in the business, operations or capital of Spirit Bear, Subco or Gaia that would reasonably be expected to have a significant adverse effect on the market price or value of a security of that company, including adverse changes of material fact, or any other event or development that could reasonably have a significant adverse impact on that company's affairs, operations or financial results;

(aa) "**Registrar**" means the Registrar of Corporations or a Deputy Registrar of Corporations for the Province of British Columbia duly appointed under the BCBCA;

(bb) "**Spirit Bear**" means Spirit Bear Capital Corp., a corporation incorporated under the laws of the Province of British Columbia;

(cc) "**Spirit Bear Shares**" means common shares in the capital of Spirit Bear, as presently constituted;

(dd) "**Spirit Bear Shareholders**" means the holders of the Spirit Bear Shares;

(ee) "**Subco**" means 1193805 B.C. Ltd., a corporation incorporated under the laws of the Province of British Columbia;

(ff) "**Subco Shareholder**" means Spirit Bear, the holder of all of the issued and outstanding Subco Shares; and

(gg) "**Subco Shares**" means common shares in the capital of Subco.

1.2 Construction

In this Agreement, unless there is something in the context or subject matter inconsistent therewith:

(a) the terms "this Agreement", "herein", "hereof" and "hereunder" and similar expressions refer to this Agreement and any supplementary or ancillary agreement, instrument or document hereto, all as may be amended from time to time, and not to any particular article, section or other portion of this Agreement;

(b) any reference to a currency shall refer to Canadian currency unless otherwise specifically referenced;

(c) words importing the singular shall include the plural, and vice versa; words importing gender shall include the opposite gender; words importing natural persons shall include corporations, partnerships, trusts and other legal entities, and vice versa; and words importing a particular form of legal entity shall include all other forms of legal entities interchangeably; and

(d) the division of this Agreement into Articles, sections, subsections, paragraphs and other subdivisions, and the use of headings, are for ease of reference only and shall not affect the interpretation or construction hereof.

1.3 Date for Any Action

If the date on which any action is required to be taken hereunder is not a Business Day in the place where an action is required to be taken, such action shall be required to be taken on the next succeeding day that is a Business Day in such place.

1.4 Appendices

The following appendices are hereby incorporated in and form part of this Agreement:

(a) Appendix A – Amalgamation Application
(b) Appendix B – Articles of Amalco
(c) Appendix C – Issued and Outstanding Securities (and obligations to issue securities) of Spirit Bear, Subco, and Gaia

Article 2
THE AMALGAMATION

2.1 Statement of General Intent

This Agreement and the Amalgamation are intended, subject to the terms and conditions hereof, to result in the formation of Amalco; the issuance of Spirit Bear Shares to the Gaia Shareholders, in exchange for their Gaia Shares outstanding at the Effective Time on a one-for-one basis; and Amalco becoming a wholly-owned subsidiary of Spirit Bear. To this end, each of Spirit Bear and Gaia agrees to act in good faith and use all commercially reasonable efforts to take and do, or cause to be taken and done, all acts and other things necessary, proper or advisable to obtain all necessary approvals to complete the Amalgamation in accordance with the terms and conditions hereof and applicable laws, and to cooperate with each other in connection therewith.

2.2 Structure of Amalgamation

Upon and subject to the terms and conditions hereof, the Amalgamating Companies hereby agree to effect the Amalgamation under Section 269 of the BCBCA and to continue as one corporation subsequent to the Amalgamation on the terms and conditions prescribed herein. At the Effective Time:

(a) the Amalgamating Companies shall be amalgamated under the BCBCA and shall continue as one corporation subsequent to the Amalgamation on the terms and conditions prescribed in this Agreement, and in connection therewith:

(i) the Amalgamation of the Amalgamating Companies and their continuation as one company shall become irrevocable;

(ii) the Amalgamation Application of Amalco that shall be filed with the Registrar shall be as set forth in Appendix “A” attached hereto;

(iii) Amalco shall have, as its Articles, the Articles attached hereto as Appendix “B”, provided that those Articles have been signed by one or more of the individuals identified in this Agreement as the directors of Amalco;

(iv) Amalco shall become capable immediately of exercising the functions of an incorporated company;

(v) the shareholders of Amalco shall have the powers and liability provided in the BCBCA;

(vi) each shareholder of each of the Amalgamating Companies is bound by this Agreement;

(vii) the property, rights and interests of each of the Amalgamating Companies shall continue to be the property, rights and interests of Amalco;

(viii) Amalco shall continue to be liable for the obligations of each of the Amalgamating Companies;

(ix) an existing cause of action, claim or liability to prosecution is unaffected;

(x) a legal proceeding being prosecuted or pending by or against either of the Amalgamating Companies may be prosecuted, or its prosecution may be continued, as the case may be, by or against Amalco; and

(xi) a conviction against, ruling, order or judgment in favour or against either of the Amalgamating Companies may be enforced by or against Amalco;

(b) each Subco Share issued and outstanding at the Effective Time shall be exchanged for one fully paid and non-assessable Amalco Share, and thereafter all the Subco Shares shall be cancelled without any repayment of capital in respect thereof;

(c) each Gaia Share (other than those held by any Dissenting Shareholder) issued and outstanding at the Effective Time shall be exchanged for one fully paid and non-assessable Spirit Bear Shares, free and clear of any and all encumbrances, liens, charges, demands of any kind and nature, and thereafter all of the Gaia Shares shall be cancelled without any repayment of capital in respect thereof; and

(d) each Dissenting Shareholder shall cease to have any rights as a shareholder other than the right to be paid the fair value of the Gaia Shares held by the Dissenting Shareholder in accordance with Section 237-247 of the BCBCA.

No fractional Spirit Bear Shares will be issued by Spirit Bear. In lieu of any fractional entitlement, the number of Spirit Bear Shares to be issued to each former Gaia Shareholder shall be rounded up to the next greater whole number of Spirit Bear Shares if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the next lesser whole number of Spirit Bear Shares if the fractional entitlement is less than 0.5 and, in calculating such fractional interests, all Spirit Bear Shares registered in the name of or beneficially held by such Gaia Shareholder or its nominee, as the case may be, shall be aggregated.

2.3 Rights of Dissent for the Subco Shareholder

The Subco Shareholder may exercise rights of dissent (the "**Dissent Rights**") in respect of the Amalgamation pursuant to, in the manner set forth in, and in strict compliance with Section 242 of the BCBCA. Spirit Bear, being the sole Subco Shareholder and having full notice and knowledge of the Dissent Rights and the details of the Amalgamation, hereby waives its Dissent Rights in respect of the Amalgamation in accordance with Section 239 of the BCBCA.

2.4 Rights of Dissent for Gaia Shareholders

The Gaia Shareholders may exercise Dissent Rights in respect of the Amalgamation pursuant to, in the manner set forth in, and in strict compliance with Section 242 of the BCBCA. The Gaia Shareholders who duly exercise their Dissent Rights with respect to their Gaia Shares (the "**Gaia Dissent Shares**"), shall:

(a) if they are ultimately entitled to be and are paid fair value for their Gaia Dissent Shares, be deemed to have transferred their Gaia Dissent Shares to Gaia immediately prior to the Effective Time for cancellation without any repayment of capital in respect thereof and the certificates representing same shall cease to represent any right or claim of any nature or kind; or

(b) if they are not ultimately entitled, for any reason, to be paid fair value for their Gaia Dissent Shares, be deemed to have participated in the Amalgamation on the same basis as a Gaia Shareholder who did not exercise the Dissent Rights, and shall receive Spirit Bear Shares in exchange for their Gaia Shares on the same basis as every other Gaia Shareholder in accordance with subsection 2.2(c),

always provided that in no case shall Spirit Bear or Amalco be required to recognize such persons as holding Gaia Shares at or after the Effective Time.

Gaia shall provide prompt notice to Spirit Bear of any Gaia Shareholder's exercise or purported exercise of Dissent Rights.

In no circumstances shall Spirit Bear, Gaia or any other person be required to recognize a person exercising Dissent Rights unless such person is a registered holder of those Gaia Shares in respect of which such rights are sought to be exercised. For greater certainty, in no case shall Spirit Bear, Gaia or any other person be required to recognize Dissenting Shareholders as holders of Gaia Shares after the Effective Time, and the names of such Dissenting Shareholders shall be deleted from the register of Gaia Shareholders as of the Effective Time. In addition to any other restrictions under the BCBCA, Gaia Shareholders who vote, or who have instructed a proxyholder to vote, in favour of the Amalgamation Resolution shall not be entitled to exercise Dissent Rights.

2.5 Certificates

After the Effective Time, the registrar and transfer agent of Spirit Bear, will forward or cause to be forwarded by first class mail (postage prepaid) to such former Gaia Shareholders at the address specified in the central securities register maintained by Gaia, DRS statements or share certificates issued by such transfer agent, evidencing the number of Spirit Bear Shares issued to such Gaia Shareholder under the Amalgamation. After the Effective Date, all share certificates held by Gaia Shareholders will be deemed null and void.

2.6 Initial Amalco Corporate Matters

At the Effective Time, and thereafter subject to such change as may be properly effected under the BCBCA and the Articles of Incorporation of Amalco, as the case may be:

(a) **Name.** The name of Amalco shall be "Gaia Grow Holdings Corp.", or such other name as Spirit Bear and Gaia shall agree.

(b) **Registered Office.** The registered and records office of Amalco shall be Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

(c) **First Director.** The first director of Amalco shall be Frederick Pels.

(d) **First Officer**. The first officer at Amalco shall be Frederick Pels, to be appointed as the Chief Executive Officer and Chairman of Amalco.

(e) **Authorized Capital.** The authorized capital of Amalco shall consist of an unlimited number of common shares without par value, with the rights and restrictions set out in the Articles of Amalco.

(f) **Restrictions on Business.** There shall be no restrictions on the business that Amalco may carry on.

(g) **Restrictions on Share Transfer.** Unless and for so long as Amalco is not a public company, no Amalco Shares may be transferred without the written consent of the directors of Amalco, which consent may be withheld at their sole discretion and without reason therefor.

(h) **Fiscal Year.** The fiscal year end of Amalco shall be January 31.

(i) **Auditor.** The auditor of Amalco shall be the auditor of Spirit Bear, unless the appointment of an auditor is waived.

(j) **Amalgamation Application.** The form of the Amalgamation Application to be filed with the Registrar in connection with the Amalgamation, including the form of Amalco's Articles, is attached hereto as Appendix "A".

(k) **Articles of Amalco.** A copy of the Articles of Amalco, signed by the individual referred to in subsection (c) above, is attached hereto as Appendix "B".

2.7 Spirit Bear Corporate Matters on Closing

Subject to the terms and conditions of this Agreement, at the Closing:

(a) **Name.** Spirit Bear shall change its name to "Gaia Grow Corp.", or such other name as Spirit Bear and Gaia shall agree.

(b) **Directors.** Spirit Bear shall reconstitute its board of directors such that Zula Kropivnitski, Nizar Bharmal and John Lagourgue shall resign, and the following directors shall be appointed in substitution thereof, subject to Spirit Bear's receipt of all necessary documentation to effect such appointments:

(i) Frederick Pels;

(ii) James Tworek;

(iii) Adam Hoffman;

(iv) Marc Lowenstein; and

(v) any such additional directors as agreed upon between the parties.

(c) **Officers.** Spirit Bear shall reconstitute its senior management such that all current members of management shall resign and the following officers shall be appointed, subject to Spirit Bear's receipt of all necessary documentation to effect such appointments:

(i) Frederick Pels – Chief Executive Officer;

(ii) James Tworek – President;

(iii) Zula Kropivnitski – Chief Financial Officer;

(iv) Cassandra Gee – Corporate Secretary; and

(v) any such additional officers as agreed upon between the parties.

Article 3
CONDITIONS PRECEDENT TO THE AMALGAMATION

3.1 Mutual Conditions Precedent

Each party's obligation to satisfy their respective covenants herein and consummate the Amalgamation and other transactions contemplated herein is subject to the satisfaction, on or before the Effective Date (or such other date as otherwise may be specifically indicated), of the following conditions, any of which may be waived by mutual consent of the parties subject to the satisfaction or in absence of such further conditions with respect to the giving of such waiver, and without prejudice to their rights to rely on one or more other conditions precedent:

(a) effective upon the Closing, the board of directors of Spirit Bear (the "**Board**") shall be reconstituted to consist of no more than four members, comprising the following persons:

(i) Frederick Pels;

(ii) James Tworek;

(iii) Adam Hoffman;

(iv) Marc Lowenstein; and

(v) such other persons agreeable to both Spirit Bear and Gaia;

(b) effective upon the Closing, the management of Spirit Bear (the "**Management**") shall be reconstituted to comprise the following persons:

(i) Frederick Pels – Chief Executive Officer;

(ii) James Tworek – President;

(iii) Zula Kropivnitski – Chief Financial Officer;

(iv) Cassandra Gee – Corporate Secretary; and

(v) such other persons agreeable to both Spirit Bear and Gaia;

(c) all necessary documents, approvals and consents shall be obtained to effect the appointments to the Board and the Management of Spirit Bear described in subsections 3.1(a) and 3.1(b) above;

(d) neither Spirit Bear nor Gaia shall have issued any further securities without the consent of the other party, other than as contemplated herein, or in the case of

Gaia in connection with the Gaia Private Placement or the Gaia Bio Acquisition, such that no more than 120,000,000 Spirit Bear Shares shall be issued to the Existing Gaia Shareholders (with the exception of such Existing Gaia Shareholders that have participated in the Gaia Private Placement) in connection with the Amalgamation;

(e) the Gaia Private Placement shall have been completed for gross proceeds of not less than $4,000,000, unless Gaia has obtained the prior written consent of Spirit Bear to amend the terms of the Gaia Private Placement, such that the parties have sufficient working capital to meet the minimum listing requirements prescribed by the Exchange;

(f) Gaia shall have completed the Gaia Bio Acquisition;

(g) each of Subco and Gaia shall have received the requisite approval of their respective shareholders for the adoption of this Agreement and the completion of the Amalgamation as required by the BCBCA, and shall have taken all necessary steps so that the Amalgamation may be effected;

(h) all other approvals, consents and orders that are necessary or advisable for the consummation of the Amalgamation or other transactions contemplated herein, including, but not limited to, the approval of the Exchange, shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to each of the parties hereto, acting reasonably;

(i) there shall be no material action, cause of action, claim, demand, suit, investigation or other proceedings in progress, pending or threatened against or affecting any of Spirit Bear, Subco, Gaia or any such company's respective officers and directors, at law or in equity, or before any governmental department, commission, or agency, which involve the reasonable likelihood of any judgment or liability against any of the parties;

(j) there shall not be in force any prohibition at law, order or decree restraining or enjoining the consummation of the Amalgamation or other transactions contemplated herein;

(k) the approval of the Registrar of the Amalgamation under the BCBCA;

(l) the representations and warranties of the parties herein shall be true and correct in all material respects as at the Effective Time; and

(m) all covenants, obligations and conditions of the parties herein on their parts shall be performed, satisfied and observed prior to or at the Effective Time shall have been performed, satisfied and observed in all material respects.

3.2 Spirit Bear and Subcos' Conditions Precedent

The obligation of Spirit Bear and Subco to satisfy their respective covenants herein and consummate the Amalgamation and other transactions contemplated herein is subject to the satisfaction, on or before the Effective Date (or such other date as otherwise may be specifically

indicated), of the following conditions, any of which may be waived by mutual consent of Spirit Bear and Subco subject to the satisfaction or in absence of such further conditions with respect to the giving of such waiver, and without prejudice to their rights to rely on one or more other conditions precedent:

(a) Gaia shall have delivered to Spirit Bear a list of all Gaia Shareholders and the holders of all of the Gaia Subscription Receipts, including the amount of Gaia Shares and Gaia Subscription Receipts, as applicable, held by each of them as at the Effective Time, certified to be complete and accurate in all respects by a director or senior officer of Gaia;

(b) Gaia shall have delivered to Spirit Bear the Gaia Financial Statements;

(c) the time period for the exercise of any Dissent Rights shall have expired and Gaia Shareholders shall not have exercised such Dissent Rights;

(d) Gaia shall have delivered to Spirit Bear all of the documents set out in Section 4.4 herein;

(e) Gaia shall have delivered to Spirit Bear any other such documents and other information as Spirit Bear, and any regulatory authority or body having jurisdiction, shall have reasonably requested; and

(f) there shall have been no Material Adverse Changes with respect to Gaia between the date of signing this Agreement and the completion of the Amalgamation

3.3 <u>Gaia Conditions Precedent</u>

The obligation of Gaia to satisfy its covenants herein and consummate the Amalgamation and other transactions contemplated herein is subject to the satisfaction, on or before the Effective Date (or such other date as otherwise may be specifically indicated), of the following conditions, any of which may be waived by Gaia subject to the satisfaction or in absence of such further conditions with respect to the giving of such waiver, and without prejudice to its rights to rely on one or more other conditions precedent:

(a) Spirit Bear shall have delivered to Gaia all of the documents set out in Section 4.2 herein;

(b) Spirit Bear Shares shall be listed on the NEX board of the Exchange and Spirit Bear shall be a reporting issuer in good standing in the provinces of Alberta, British Columbia and Ontario and shall not be in material default of any requirement of any applicable securities Laws or the requirements of the Exchange and neither Spirit Bear nor any of its securities shall be the subject of any cease trade order or regulatory enquiry or investigation in any jurisdiction;

(c) there being no outstanding Spirit Bear Shares or convertible securities or stock options outstanding to acquire Spirit Bear Shares other than as set forth in Appendix “C”;

(d) the Spirit Bear Shares to be issued on the Closing shall be issued as fully paid and non-assessable shares in the capital of Spirit Bear, free and clear of any and

all encumbrances, liens, charges, "restricted period" (pursuant to Section 2.5 of National Instrument 45-102 Resale of Securities), demands of whatsoever nature under Canadian law, except those imposed pursuant escrow restrictions of the Exchange;

(e) the issuance of the Spirit Bear Shares on Closing shall be exempt from prospectus requirements in Canada;

(f) each of Spirit Bear and Subco shall have delivered to Gaia such documents and other information as Gaia, and any other regulatory authority or body having jurisdiction, shall have reasonably requested or required; and

(g) there shall have been no Material Adverse Changes with respect to Spirit Bear or Subco between the date of signing this Agreement and the completion of the Amalgamation.

Article 4
CLOSING

4.1 Time and Place of Closing

The Closing shall take place at the Effective Time at such place as may be mutually agreed between Spirit Bear and Gaia, or as soon as reasonably practicable thereafter at such time, on such date and at such place as Spirit Bear and Gaia may otherwise agree.

4.2 Spirit Bear Deliveries at Closing

At the Closing, Spirit Bear shall deliver to Gaia:

(a) a certified copy of the directors' resolutions or other documentation evidencing the approval of Spirit Bear of the Amalgamation, the entering into of this Agreement and all matters related to the Amalgamation;

(b) a certified copy of the directors' resolutions or other documentation evidencing the approval of Subco of the Amalgamation, the entering into of this Agreement and all matters related to the Amalgamation;

(c) a certified copy of the sole shareholders' resolution evidencing the Subco Shareholders' adoption of this Agreement and approval of the Amalgamation;

(d) a certified copy of the Certificate of Amalgamation;

(e) copies of the share certificates or DRS statements representing the Spirit Bear Shares issued pursuant to subsection 2.2(c);

(f) a certificate signed by a director or senior officer of Spirit Bear confirming that all Spirit Bear's conditions precedent to the Amalgamation for the benefit of Spirit Bear have been satisfied or waived by Spirit Bear, and that all representations and warranties of Spirit Bear contained herein are true and correct as if they had been made at the Effective Time;

(g) copies of resignations from Zula Kropivnitski, Nizar Bharmal and John Lagourgue as directors of Spirit Bear;

(h) evidence satisfactory to Gaia that Spirit Bear has received conditional approval of the Exchange for the Amalgamation; and

(i) such other documents and instruments in connection with the Closing as may be reasonably requested by Gaia.

4.3 Amalcos' Deliveries at Closing

At the Closing, Amalco shall deliver to Spirit Bear share certificates representing the Amalco Shares issued pursuant to subsection 2.2(b).

4.4 Gaia Deliveries at Closing

At the Closing, Gaia shall deliver to Spirit Bear:

(a) a certified copy of the directors' resolutions or other documentation evidencing the approval of Gaia of the Amalgamation, the entering into of this Agreement and all matters related to the Amalgamation;

(b) a certified copy of the shareholders' resolutions or other documentation evidencing the Gaia Shareholders adoption of this Agreement and approval of the Amalgamation;

(c) a list of all Gaia Shareholders and the holders of all Gaia Subscription Receipts, including the amount of the Gaia Shares and Gaia Subscription Receipts, as applicable, held by each of them, as at the Effective Time, certified to be complete and accurate in all respects by a director or senior officer of Gaia;

(d) the minute books and corporate records of Gaia (which shall thereafter form part of the pre-Amalgamation minutes and corporate records of Amalco);

(e) a certificate signed by a director or senior officer of Gaia confirming that all Gaia's conditions precedent to the Amalgamation for the benefit of Gaia have been satisfied or waived by Gaia, that all representations and warranties of Gaia contained herein are true and correct as if they had been made at the Effective Time and that no Gaia Shareholders have exercised their Dissent Rights; and

(f) such other documents and instruments in connection with the Closing as may be reasonably requested by Spirit Bear.

Article 5
TERMINATION

5.1 Right to Terminate

This Agreement may be terminated at any time prior to the Effective Time, by the mutual consent of the parties or in the following circumstances by written notice given by the terminating party to the other parties hereto:

(a) by either of Spirit Bear or Gaia, if the Effective Time has not occurred on or before June 30, 2019, or such other date as mutually agreed to between Gaia and Spirit Bear; or

(b) by either of Spirit Bear or Gaia (the "**Non-Defaulting Party**"), if the other party hereto is in default (the "**Defaulting Party**") of any covenant on its part to be performed hereunder, and the Non-Defaulting Party has given written notice (the "**Default Notice**") of such default to the Defaulting Party and the Defaulting Party has failed to cure such default within fourteen days of the Default Notice,

and in such event, each party hereto shall be released from all obligations under this Agreement without liability, always provided that such release without liability shall not apply if such termination is a result of the party's failure to perform, satisfy or observe in good faith its obligations to be performed, satisfied or observed hereunder.

5.2 Effect of Termination

Notwithstanding section 5.1, each party's right of termination under this Article is in addition to and not in derogation of or limitation to any other rights, claims, causes of action or other remedy that such party may have under this Agreement or otherwise at law with respect to any misrepresentation, breach of covenant or indemnity contained herein.

Article 6
CONDUCT OF AFFAIRS PRIOR TO CLOSING

6.1 Conduct of Business

From the date of this Agreement until the earlier of the Closing or the termination of this Agreement, and except as expressly contemplated by this Agreement, each party hereto shall conduct its business, affairs and operations in the ordinary and usual course consistent with past practices and shall not:

(a) enter into (or terminate) any material contract or material transaction, except where any such material contract relates to the establishment of Gaia's business necessary to meet the listing criteria of the Exchange;

(b) expend any material amount of funds or incur any material liabilities or obligations, except to the extent such expenses relate to the transactions contemplated by this Agreement, or are necessary for the establishment of Gaia's business;

(c) issue any securities other than in accordance with the Gaia Private Placement or Gaia Bio Acquisition, such that no more than 120,000,000 Spirit Bear Shares shall be issued to the Existing Gaia Shareholders (with the exception of such Existing Gaia Shareholders that have participated in the Gaia Private Placement) in connection with the Amalgamation,

or otherwise take any other action with the intent or foreseeable effect of leading to any of the foregoing, without first obtaining the written of the other parties hereto, which consent shall not be unreasonably withheld or delayed.

6.2 Non-Solicitation

From the date of this Agreement until the earlier of the Closing or the termination of this Agreement, each party hereto and their respective directors, officers, employees and agents shall not, and shall not permit any other person to, directly or indirectly discuss, solicit, encourage, accept or approve any offer to acquire it or its business or assets, whether as a primary or back-up offer, or take any other action with the intent or foreseeable effect of leading to any negotiation, agreement, commitment or understanding for the acquisition of it or its business or assets or leading to the frustration of or any interference with this Agreement. Notwithstanding the foregoing, nothing herein contained shall be interpreted as limiting the directors of either party from performing their fiduciary duties as directors under applicable law.

6.3 Access to Information; Use and Confidentiality

From the date of this Agreement until the earlier of the Closing or the termination of this Agreement, each party hereto shall give to the other parties full access during normal business hours to all directors, officers, employees, consultants, properties, assets, contracts, books, accounts, records and other information, data and documents pertaining to the party and its business, affairs, operations, properties, assets, liabilities and financial condition ("**Confidential Information**"), always provided that such access shall not materially interfere with the normal business operations of the person. Upon the termination of this Agreement for any reasons, any party in receipt of Confidential Information shall promptly return same to the originating party together with any copies thereof and any other information, data and documents in any form produced, made or derived therefrom.

Confidential Information to which a party receives access to or is given in accordance herewith shall be used solely for the purpose of completing the Amalgamation and shall be treated on a strictly confidential basis, except any such information, data and documents which has been previously or has become generally disclosed to the public other than through a breach of this confidentiality provision, or that is required to be disclosed by a court of competent jurisdiction. The parties agree to restrict access to Confidential Information on a need to know basis and to take all appropriate steps to safeguard against the accidental disclosure or improper use of Confidential Information.

6.4 Public Disclosure

All public announcements regarding this Agreement or the Amalgamation shall be subject to review and reasonable consultation of all parties hereto as to form, content and timing, before public disclosure, always provided that a party shall be entitled to make such public announcement if required by applicable law or regulatory requirements to immediately do so and it has taken reasonable efforts to comply herewith.

Article 7
REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties of Spirit Bear and Subco

Each of Spirit Bear and Subco, jointly and severally represents and warrants to Gaia that:

(a) it is incorporated or otherwise formed under the laws of British Columbia, is a valid and existing company, and, with respect to the filing of annual reports, is in good

standing and no proceedings have been taken or authorized by Spirit Bear or Subco in respect of the bankruptcy, reorganization, insolvency, liquidation, dissolution or winding up of Spirit Bear or Subco, as applicable;

(b) where applicable, it has all requisite corporate power and capacity to carry on its business as now conducted and to own, lease and operate its property and assets, and it is duly and appropriately registered, licensed and otherwise qualified to carry on its business and to own, lease and operate its property and assets and is in good standing in all material respects in each jurisdiction where it carries on business or owns, leases or operates its property or assets;

(c) it is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario and it is not in material default of any material requirement under the securities laws of said provinces;

(d) its authorized and issued share capital is as set out set out in Appendix “C” hereto, and other than as set out in Appendix “C”:

(i) there are no rights, privileges or agreements requiring it to repurchase, redeem, retract or otherwise acquire, whether directly or indirectly, any of its issued shares or other securities; and

(ii) there are no options, warrants, rights, privileges or agreements requiring it to sell, or otherwise issue (by exercise, conversion, exchange or otherwise), whether directly or indirectly, any of its unissued shares;

and such information contained in Appendix “C” hereto shall remain accurate and complete in all material respects at the Closing unless otherwise agreed by the parties subject only to the issuance of Spirit Bear Shares pursuant to the Amalgamation;

(e) it has no subsidiaries other than Subco, and Subco has no assets or active business operations;

(f) it has all requisite corporate power and capacity and has taken all necessary corporate action to authorize it to execute and deliver this Agreement and perform its obligations hereunder, and this Agreement has been duly authorized, executed and delivered by it and constitutes a legal, valid and binding obligation enforceable against it in accordance with this Agreement's terms, except as may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws of general application affecting the enforceability of remedies and rights of creditors and except that equitable remedies such as specific performance and injunction are in the discretion of a court;

(g) its execution and delivery of this Agreement and its performance of its obligations hereunder does not and shall not result in the breach of, constitute a default under or conflict with:

(i) any provision of its constating documents;

(ii) any resolutions of its shareholders or directors;

(iii) any statute, rule or regulation applicable to it or its property;

(iv) any order, decree or judgment of a court or regulatory authority or body having jurisdiction over it or its property;

(v) any mortgage, indenture, agreement or other commitment to which it is a party or it or its property is bound; or

(vi) any agreement which would permit any party to that agreement to terminate such agreement or accelerate the maturity of any indebtedness of Spirit Bear or Subco, or that would result in the creation or imposition of any encumbrance of the Spirit Bear Shares or the assets of Spirit Bear;

(h) there are no claims, actions, suits or proceedings (judicial, administrative or otherwise) commenced, pending or threatened against it, or any of its subsidiaries, as applicable, nor to its knowledge is any of the foregoing contemplated nor to its knowledge is there any basis therefore;

(i) all consents, approvals, permits, authorizations or filings as may be required for the execution and delivery of this Agreement, and the completion of the Amalgamation contemplated herein, have been obtained;

(j) Spirit Bear has complied with and is in compliance, in all material respects, with all applicable laws, and has all material licences, permits, orders or approvals of, and has made all required registrations with, any governmental or regulatory body that are material to the conduct of its business;

(k) Spirit Bear is a "capital pool company" (as defined in the Exchange Policy 2.4 – *Capital Pool Companies* (the "**CPC Policy**")) created in accordance with and currently in material compliance with the CPC Policy and currently listed on the NEX board of the Exchange. No securities commission or other authority of any government or self-regulatory organization, including without limitation the Exchange, has issued any order preventing the Amalgamation or the trading of any securities of Spirit Bear;

(l) as of their respective dates, all information and materials filed by Spirit Bear with the British Columbia Securities Commission, the Ontario Securities Commission and the Alberta Securities Commission and (or equivalent other provincial securities regulator) since the date of its incorporation, and which is available through the SEDAR website as of the date hereof (including all exhibits and schedules thereto and documents incorporated by reference therein) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and complied in all material respects with all applicable legal and stock exchange requirements;

(m) there is no "material fact" or "material change" (as those terms are defined under applicable securities Laws) in the affairs of Spirit Bear that has not been generally disclosed to the public;

(n) Computershare Investor Services Inc. has been duly appointed as the registrar and transfer agent of Spirit Bear;

(o) no order ceasing or suspending trading in any securities of Spirit Bear prohibiting the sale of securities of Spirit Bear or the trading of any of Spirit Bear's issued securities has been issued and, to the best of Spirit Bear's knowledge, no proceedings for such purpose are pending or threatened;

(p) the minute books and corporate records of Spirit Bear are maintained substantially in accordance with all applicable laws and are complete and accurate in all material respects. The financial books and records and accounts of Spirit Bear in all material respects (i) have been maintained in accordance with good business practices on a basis consistent with prior years, (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Spirit Bear, and (iii) accurately and fairly reflect the basis for the financial statements of Spirit Bear;

(q) the financial statements of Spirit Bear have been prepared in accordance with the International Financial Reporting Standards, present fairly, in all material respects, the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of Spirit Bear as of the date thereof, and there have been no adverse material changes in the financial position of Spirit Bear since the date thereof and the business of Spirit Bear has been carried on in the usual and ordinary course consistent with past practice since the date thereof;

(r) Spirit Bear has filed all tax returns, reports and other tax filings, and has paid, deducted, withheld or collected and remitted on a timely basis all amounts to be paid, deducted, withheld or collected and remitted with respect to any taxes, interest and penalties as required under all applicable tax laws. There are no assessments, reassessments, actions, suits or proceedings, in progress, pending, or threatened, against Spirit Bear, and no waivers have been granted by Spirit Bear in connection with any taxes, interest or penalties. The provisions for taxes reflected in the Spirit Bear financial statements are sufficient for the payment of all accrued and unpaid taxes, interest and penalties for all periods and all transactions up to the end of the most recent financial period addressed in the Spirit Bear financial statements;

(s) except as disclosed in Spirit Bear’s most recent annual financial statements, since January 31, 2018, there has not been:

(i) any change in the financial condition, operations, results of operations, or business of Spirit Bear, nor has there been any occurrence or circumstances which, to the knowledge of Spirit Bear, with the passage of time might reasonably be expected to have a material adverse effect on the business or operations of Spirit Bear; or

(ii) any loss, labour trouble, or other event, development or condition of any character (whether or not covered by insurance) suffered by which, to the knowledge of Spirit Bear, has had, or may reasonably be expected to have, a material adverse effect on the business or operations of Spirit Bear;

(t) except to the extent reflected or reserved in the most recent Spirit Bear annual financial statements, or incurred subsequent to January 31, 2018 and incurred in the ordinary course of Spirit Bear's business, Spirit Bear does not have any outstanding indebtedness or any liabilities or obligations (whether accrued, absolute, contingent or otherwise, including under any guarantee of any debt);

(u) Spirit Bear does not own any property or assets, other than cash or cash equivalents. Spirit Bear does not lease any property or premises and is not required to make any payments in connection with its use or occupation of any property or premises; and

(v) Spirit Bear has no reasonable grounds for believing that a creditor of Spirit Bear or Subco will be prejudiced by the Amalgamation.

7.2 Additional Representations and Warranties of Subco

Subco represents and warrants to Gaia that it is incorporated or otherwise formed under the laws of British Columbia, is a valid and existing company, and, with respect to the filing of annual reports, is in good standing.

7.3 Representations and Warranties of Gaia

Gaia represents and warrants to each of Spirit Bear and Subco that:

(a) it exists under the laws of British Columbia, is a valid and existing company and with respect to the filing of annual reports is in good standing, and no proceedings have been taken or authorized by Gaia in respect of the bankruptcy, reorganization, insolvency, liquidation, dissolution or winding up of Gaia;

(b) it has all requisite corporate power and capacity to carry on its business as now conducted and to own, lease and operate its property and assets, and it is duly and appropriately registered, licensed and otherwise qualified to carry on its business and to own, lease and operate its property and assets and is in good standing in each jurisdiction where it carries on business or owns, leases or operates its property or assets;

(c) its authorized and issued share capital is as set out set out in Appendix "C" hereto, and other than as disclosed herein:

(i) there are no rights, privileges or agreements requiring it to repurchase, redeem, retract or otherwise acquire, whether directly or indirectly, any of its issued shares or other securities; and

(ii) there are no options, warrants, rights, privileges or agreements requiring it to sell, or otherwise issue (by exercise, conversion, exchange or otherwise), whether directly or indirectly, any of its unissued shares;

and such information contained in Appendix "C" hereto shall remain accurate and complete in all material respects at the Closing, subject to: (i) the issuance of Gaia Subscription Receipts in connection with the Gaia Private Placement and the issuance of Gaia Shares upon the due conversion of such Gaia Subscription

Receipts; and (ii) the issuance of 8,400,000 Gaia Shares in connection with the Gaia Bio Acquisition;

(d) it has all requisite corporate power and capacity and has taken all necessary corporate action to authorize it to execute and deliver this Agreement and perform its obligations hereunder, and this Agreement has been duly authorized, executed and delivered by it and constitutes a legal, valid and binding obligation enforceable against it in accordance with this Agreement's terms except as may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws of general application affecting the enforceability of remedies and rights of creditors and except that equitable remedies such as specific performance and injunction are in the discretion of a court;

(e) its execution and delivery of this Agreement and its performance of its obligations hereunder does not and shall not result in the breach of, constitute a default under or conflict with:

(i) any provision of its constating documents;

(ii) any resolutions of its shareholders or directors;

(iii) any statute, rule or regulation applicable to it or its property;

(iv) any order, decree or judgment of a court or regulatory authority or body having jurisdiction over it or its property;

(v) any mortgage, indenture, agreement or other commitment to which it is a party or it or its property is bound; or

(vi) any agreement which would permit any party to that agreement to terminate such agreement or accelerate the maturity of any indebtedness of Gaia, or that would result in the creation or imposition of any encumbrance of the Gaia Shares or the assets of Gaia;

(f) all Gaia Shares are issued as fully paid and non-assessable securities of Gaia and are free and clear of any and all encumbrances, liens, charges, demands of any kind and nature;

(g) there are no claims, actions, suits or proceedings (judicial, administrative or otherwise) commenced, pending or threatened against it, nor to its knowledge is any of the foregoing contemplated nor to its knowledge is there any basis therefor;

(h) it is not a reporting issuer or equivalent in any jurisdiction and has not contravened any applicable securities laws of any jurisdiction, including without limitation in relation to the issuing of its seed shares, founders shares or any other shares or other securities;

(i) Gaia has not issued any securities other than as disclosed herein, or in connection with the Gaia Private Placement or Gaia Bio Acquisition;

(j) Gaia is in good standing with respect to all of its obligations owing pursuant to all its material contracts, and each of such material contracts is a legal, valid and binding obligation of Gaia;

(k) to the knowledge of Gaia, other than as has been disclosed in writing directly to Spirit Bear, all activities of Gaia are in material compliance with and are in good standing under all applicable laws, rules, regulations and regulatory orders and prohibitions and there have been no violations thereof nor any basis for a claim or determination thereof, and there are no current, pending or threatened order, prohibition or other directive relating to any such matters nor to Gaia's knowledge any basis for such order, prohibition or other directive;

(l) the minute books and corporate records of Gaia are maintained substantially in accordance with all applicable laws and are complete and accurate in all material respects. The financial books and records and accounts of Gaia in all material respects (i) have been maintained in accordance with good business practices on a basis consistent with prior years, (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Gaia, and (iii) accurately and fairly reflect the basis for the Gaia Financial Statements;

(m) the Gaia Financial Statements have been prepared in accordance with the International Financial Reporting Standards, present fairly, in all material respects, the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of Gaia as of the date thereof, and there have been no adverse material changes in the financial position of Gaia since the date thereof and the business of Gaia has been carried on in the usual and ordinary course consistent with past practice since the date thereof;

(n) Gaia has filed all tax returns, reports and other tax filings, and has paid, deducted, withheld or collected and remitted on a timely basis all amounts to be paid, deducted, withheld or collected and remitted with respect to any taxes, interest and penalties as required under all applicable tax laws. There are no assessments, reassessments, actions, suits or proceedings, in progress, pending, or threatened, against Gaia, and no waivers have been granted by Gaia in connection with any taxes, interest or penalties. The provisions for taxes reflected in the Gaia Financial Statements are sufficient for the payment of all accrued and unpaid taxes, interest and penalties for all periods and all transactions up to the end of the most recent financial period addressed in the Gaia Financial Statements;

(o) except as disclosed in the Gaia Financial Statements, since December 31, 2018, there has not been:

(i) any change in the financial condition, operations, results of operations, or business of Gaia, nor has there been any occurrence or circumstances which, to the knowledge of Gaia, with the passage of time might reasonably be expected to have a material adverse effect on the business or operations of Gaia; or

(ii) any loss, labour trouble, or other event, development or condition of any character (whether or not covered by insurance) suffered by which, to the

knowledge of Gaia, has had, or may reasonably be expected to have, a material adverse effect on the business or operations of Gaia;

(p) except to the extent reflected or reserved in the Gaia Financial Statements, or incurred subsequent to December 31, 2018 and incurred in the ordinary course of Gaia's business, Gaia does not have any outstanding indebtedness or any liabilities or obligations (whether accrued, absolute, contingent or otherwise, including under any guarantee of any debt); and

(q) Gaia has no reasonable grounds for believing that a creditor of Gaia will be prejudiced by the Amalgamation.

Article 8
GENERAL

8.1 Expenses

The parties hereto acknowledge and agree that each party shall be responsible for its own costs, whether or not the transactions contemplated herein are completed, including but not limited to any fees, disbursements and charges incurred with respect to its due diligence investigations and the preparation of this Agreement and any other documents, certificates and opinions required for the Closing or otherwise required in connection herewith.

8.2 Notices

Each notice, demand or other communication required or permitted to be given hereunder shall be effective if by email, in writing and delivered personally, transmitted by fax (with electronic confirmed receipt) or sent by prepaid mail as follows:

(a) If to Spirit Bear or Subco,

Spirit Bear Capital Corp.
Suite 303, 750 West Pender Street
Vancouver, British Columbia, V6C 2T7
Fax: 604.681.0094
Email: zkropivnitski@preaknessgroup.com

Attention: Zula Kropivnitski, Chief Executive Officer

(b) If to Gaia:

Gaia Grow Corp.
Suite 420, 1925 18th Avenue North East
Calgary, Alberta, T2E 7T8
Email: fred@greenroommed.ca

Attention: Frederick Pels, Director

and any notice, demand or other communication given as aforesaid shall be deemed to be received on the date of email, personal delivery or facsimile transmission if delivered or transmitted during normal business hours (and on the first Business Day thereafter if delivered or

transmitted after normal business hours), and the third Business Day after mailing if sent by prepaid mail, excluding all days when normal mail service is interrupted. Any party may from time to time change its address of service by notice to the other parties in accordance herewith.

8.3 Entire Agreement and Further Assurances

This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, whether oral or written, existing between the parties with respect to the subject matter hereof, including the letter of intent entered into between Spirit Bear and Gaia, dated effective December 10, 2018.

The parties shall from time to time promptly execute or cause to be executed all such deeds, conveyances and other documents and instruments and do or cause to be done all such acts and other things which may be necessary or advisable to fully carry out and give effect to the intent of and matters contained in this Agreement.

8.4 Amendments and Waivers

This Agreement may only be amended by instrument in writing signed by the parties hereto, without further notice to or consent or approval by their respective shareholders unless strictly required by applicable law.

Any waiver or consent hereunder must be in writing and signed by the party giving the waiver or consent. No waiver or consent hereunder shall be construed or deemed to be a waiver or consent with respect to any other provision hereof or to be a continuous waiver or consent unless so expressly provided for.

8.5 Severability

If any provision or part thereof of this Agreement is declared by a court or other judicial or administrative body of competent jurisdiction to be illegal, invalid or unenforceable, that provision or part thereof shall be severed from this Agreement and the remaining provisions of part thereof of this Agreement shall continue in full force and effect and unaffected thereby.

8.6 Assignment and Enurement

This Agreement is personal in nature and may not be assigned in whole or in part without the express written consent of the other parties hereto. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

8.7 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The parties hereto acknowledge and agree that the courts of British Columbia shall have exclusive jurisdiction with respect to any dispute or other matter arising hereunder.

8.8 Time of the Essence

Time shall be of the essence hereof.

8.9 Execution and Delivery

This Agreement may be signed and delivered in two or more counterparts and by facsimile or functionally equivalent electronic means, and when taken together such counterparts and facsimiles shall be deemed to constitute one and the same and an originally executed instrument having effect from the date first above written notwithstanding the date of execution and delivery.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

SPIRIT BEAR CAPITAL CORP.

per: *"Zula Kropivnitski"*
Zula Kropivnitski
Chief Executive Officer

1193805 B.C. LTD.

per: *"Zula Kropivnitski"*
Zula Kropivnitski
Director

GAIA GROW CORP.

per: *"Frederick Pels"*
Frederick Pels
Director

APPENDIX A

to the Amalgamation Agreement made effective as of January 31, 2019 between Spirit Bear Capital Corp., 1193805 B.C. Ltd., and Gaia Grow Corp.

AMALGAMATION APPLICATION

See attached.

BC Limited Company

AMALGAMATION APPLICATION

BUSINESS CORPORATIONS ACT, section 275

BC Registry Services

Telephone: 1 877 526-1526
www.bcreg.ca

Mailing Address: PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3

Courier Address: 200 – 940 Blanshard Street
Victoria BC V8W 3E6

DO NOT MAIL THIS FORM to BC Registry Services unless you are instructed to do so by registry staff. The Regulation under the *Business Corporations Act* requires the electronic version of this form to be filed on the Internet at www.corporateonline.gov.bc.ca

Freedom of Information and Protection of Privacy Act (FOIPPA): Personal information provided on this form is collected, used and disclosed under the authority of the *FOIPPA* and the *Business Corporations Act* for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Manager of Registries Operations at 1 877 526-1526, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

A INITIAL INFORMATION – *When the amalgamation is complete, your company will be a BC limited company.*

What kind of company(ies) will be involved in this amalgamation?
(Check all applicable boxes.)

- [x] BC company
- [ ] BC unlimited liability company

B NAME OF COMPANY – *Choose **one** of the following:*

- [x] The name Gaia Grow Holdings Corp. is the name reserved for the amalgamated company. The name reservation number is: _____,

OR

- [ ] The company is to be amalgamated with a name created by adding "B.C. Ltd." after the incorporation number,

OR

- [ ] The amalgamated company is to adopt, as its name, the name of one of the amalgamating companies.

  The name of the amalgamating company being adopted is:

  _____

  The incorporation number of that company is: _____

Please note: If you want the name of an amalgamating corporation that is a foreign corporation, you must obtain a name approval before completing this amalgamation application.

C AMALGAMATION STATEMENT – *Please indicate the statement applicable to this amalgamation.*

- [ ] **With Court Approval:**
  This amalgamation has been approved by the court and a copy of the entered court order approving the amalgamation has been obtained and has been deposited in the records office of each of the amalgamating companies.

OR

- [x] **Without Court Approval:**
  This amalgamation has been effected without court approval. A copy of all of the required affidavits under section 277(1) have been obtained and the affidavit obtained from each amalgamating company has been deposited in that company's records office.

D AMALGAMATION EFFECTIVE DATE – *Choose **one** of the following:*

☑ The amalgamation is to take effect at the time that this application is filed with the registrar.

☐ The amalgamation is to take effect at 12:01a.m. Pacific Time on YYYY / MM / DD being a date that is not more than ten days after the date of the filing of this application.

☐ The amalgamation is to take effect at _____ ☐ a.m. or ☐ p.m. Pacific Time on YYYY / MM / DD being a date and time that is not more than ten days after the date of the filing of this application.

E AMALGAMATING CORPORATIONS

Enter the name of each amalgamating corporation below. For each company, enter the incorporation number. If the amalgamating corporation is a foreign corporation, enter the foreign corporation's jurisdiction and if registered in BC as an extraprovincial company, enter the extraprovincial company's registration number. Attach an additional sheet if more space is required.

NAME OF AMALGAMATING CORPORATION	BC INCORPORATION NUMBER, OR EXTRAPROVINCIAL REGISTRATION NUMBER IN BC	FOREIGN CORPORATION'S JURISDICTION
1. Gaia Grow Corp.	BC1194671	
2. 1193805 B.C. Ltd.	BC1193805	
3.		
4.		
5.		

F FORMALITIES TO AMALGAMATION

If any amalgamating corporation is a foreign corporation, section 275 (1)(b) requires an authorization for the amalgamation from the foreign corporation's jurisdiction to be filed.

☐ This is to confirm that each authorization for the amalgamation required under section 275(1)(b) is being submitted for filing concurrently with this application.

G CERTIFIED CORRECT – I have read this form and found it to be correct.

This form must be signed by an authorized signing authority for each of the amalgamating companies as set out in Item E.

NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
1. Frederick Pels	X	
2. Zula Kropivnitski	X	
3.	X	
4.	X	
5.	X	

NOTICE OF ARTICLES

A NAME OF COMPANY

Set out the name of the company as set out in Item B of the Amalgamation Application.

Gaia Grow Holdings Corp.

B TRANSLATION OF COMPANY NAME

Set out every translation of the company name that the company intends to use outside of Canada.

C DIRECTOR NAME(S) AND ADDRESS(ES)

Set out the full name, delivery address and mailing address (if different) of every director of the company. The director may select to provide either (a) the delivery address and, if different, the mailing address for the office at which the individual can usually be served with records between 9 a.m. and 4 p.m. on business days or (b) the delivery address and, if different, the mailing address of the individual's residence. The delivery address must not be a post office box. Attach an additional sheet if more space is required.

LAST NAME	FIRST NAME	MIDDLE NAME	
Pels	Frederick		
DELIVERY ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
Suite 420, 1925 18th Avenue North East, Calgary	Alberta	Canada	T2E 7T8
MAILING ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
Suite 420, 1925 18th Avenue North East, Calgary	Alberta	Canada	T2E 7T8
LAST NAME	FIRST NAME	MIDDLE NAME	
DELIVERY ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
MAILING ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
LAST NAME	FIRST NAME	MIDDLE NAME	
DELIVERY ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
MAILING ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
LAST NAME	FIRST NAME	MIDDLE NAME	
DELIVERY ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
MAILING ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE

D REGISTERED OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE	PROVINCE	POSTAL CODE
2200 HSBC Building, 885 West Georgia Street, Vancouver	BC	V6C 3E8

MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE	PROVINCE	POSTAL CODE
2200 HSBC Building, 885 West Georgia Street, Vancouver	BC	V6C 3E8

E RECORDS OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE	PROVINCE	POSTAL CODE
2200 HSBC Building, 885 West Georgia Street, Vancouver	BC	V6C 3E8

MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE	PROVINCE	POSTAL CODE
2200 HSBC Building, 885 West Georgia Street, Vancouver	BC	V6C 3E8

F AUTHORIZED SHARE STRUCTURE

Identifying name of class or series of shares	Maximum number of shares of this class or series of shares that the company is authorized to issue, or indicate there is no maximum number.		Kind of shares of this class or series of shares.			Are there special rights or restrictions attached to the shares of this class or series of shares?	
	THERE IS NO MAXIMUM (✔)	MAXIMUM NUMBER OF SHARES AUTHORIZED	WITHOUT PAR VALUE (✔)	WITH A PAR VALUE OF ($)	Type of currency	YES (✔)	NO (✔)
Common	✔		✔				✔

APPENDIX B

to the Amalgamation Agreement made effective as of January 31, 2019 between Spirit Bear Capital Corp., 1193805 B.C. Ltd., and Gaia Grow Corp.

ARTICLES OF AMALCO

See attached.

Incorporation number: _____

ARTICLES

of

Gaia Grow Holdings Corp.

TABLE OF CONTENTS

ARTICLES

of

Gaia Grow Holdings Corp.

(the "Company")

The Company will have as its Articles on amalgamation the following Articles.

Full name and signature of director	**Date of Signing**
_____ Frederick Pels	_____, 2019

1. INTERPRETATION

1.1. Definitions

In these Articles, unless the context otherwise requires:

(1) "board of directors", "directors" and "board" mean the directors or sole director of the Company for the time being;

(2) "Business Corporations Act" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(3) "Interpretation Act" means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(4) "legal personal representative" means the personal or other legal representative of a shareholder;

(5) "registered address" of a shareholder means the shareholder's address as recorded in the central securities register;

(6) "seal" means the seal of the Company, if any.

1.2. Business Corporations Act and Interpretation Act Definitions Applicable

The definitions in the Business Corporations Act and the definitions and rules of construction in the Interpretation Act, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the Business Corporations Act and a definition or rule in the Interpretation Act relating to a term used in these Articles, the definition in the Business

Corporations Act will prevail in relation to the use of the term in these Articles. If there is a conflict or inconsistency between these Articles and the Business Corporations Act, the Business Corporations Act will prevail.

2. SHARES AND SHARE CERTIFICATES

2.1. Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2. Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the Business Corporations Act.

2.3. Shareholder Entitled to Certificate or Acknowledgement

Each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgement of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgement and delivery of a share certificate or an acknowledgement to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.

2.4. Delivery by Mail

Any share certificate or non-transferable written acknowledgement of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5. Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgement, as the case may be, and on such other terms, if any, as they think fit:

(1) order the share certificate or acknowledgement, as the case may be, to be cancelled; and

(2) issue a replacement share certificate or acknowledgement, as the case may be.

2.6. Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgement

If a share certificate or a non-transferable written acknowledgement of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgement, as the case may be, must be issued to the person entitled to that share certificate or acknowledgement, as the case may be, if the directors receive:

(1) proof satisfactory to them that the share certificate or acknowledgement is lost, stolen or destroyed; and

(2) any indemnity the directors consider adequate.

2.7. Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.8. Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the Business Corporations Act, determined by the directors.

2.9. Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. ISSUE OF SHARES

3.1. Directors Authorized

Subject to the Business Corporations Act and the rights, if any, of the holders of issued shares of the Company, the Company may allot, issue, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2. Commissions and Discounts

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3. Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4. Conditions of Issue

Except as provided for by the Business Corporations Act, no share may be issued until it is fully paid. A share is fully paid when:

(1) consideration is provided to the Company for the issue of the share by one or more of the following:

(a) past services performed for the Company;

(b) property;

(c) money; and

(2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5. Share Purchase Warrants and Rights

Subject to the Business Corporations Act, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

4. SHARE REGISTERS

4.1. Central Securities Register

As required by and subject to the Business Corporations Act, the Company must maintain a central securities register in British Columbia. The directors may, subject to the Business Corporations Act, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2. Closing Register

The Company must not at any time close its central securities register.

5. SHARE TRANSFERS

5.1. Registering Transfers

A transfer of a share of the Company must not be registered unless the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

(1) a duly signed instrument of transfer in respect of the share;

(2) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate;

(3) if a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgement; and

(4) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, the due signing of the instrument of transfer and the right of the transferee to have the transfer registered.

5.2. Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

5.3. Transferor Remains Shareholder

Except to the extent that the Business Corporations Act otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4. Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgements deposited with the instrument of transfer:

(1) in the name of the person named as transferee in that instrument of transfer; or

(2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.5. Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgement of a right to obtain a share certificate for such shares.

5.6. Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

6. TRANSMISSION OF SHARES

6.1. Legal Personal Representative Recognized on Death

In case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2. Rights of Legal Personal Representative

The legal personal representative of a shareholder has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the Business Corporations Act and the directors have been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

7. PURCHASE OF SHARES

7.1. Company Authorized to Purchase Shares

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the Business Corporations Act, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

7.2. Purchase When Insolvent

The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

(1) the Company is insolvent; or

(2) making the payment or providing the consideration would render the Company insolvent.

7.3. Sale and Voting of Purchased Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

(1) is not entitled to vote the share at a meeting of its shareholders;

(2) must not pay a dividend in respect of the share; and

(3) must not make any other distribution in respect of the share.

8. BORROWING POWERS

The Company, if authorized by the directors, may:

(1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;

(2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;

(3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

(4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

9. ALTERATIONS

9.1. Alteration of Authorized Share Structure

Subject to Article 9.2 and the Business Corporations Act, the Company may by special resolution:

(1) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;

(2) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

(3) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;

(4) if the Company is authorized to issue shares of a class of shares with par value:

  (a) decrease the par value of those shares; or

  (b) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;

(5) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;

(6) alter the identifying name of any of its shares; or

(7) otherwise alter its shares or authorized share structure when required or permitted to do so by the Business Corporations Act;

and, if applicable, alter its Notice of Articles and, if applicable, its Articles, accordingly.

9.2. Special Rights and Restrictions

Subject to the Business Corporations Act, the Company may by special resolution:

(1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

(2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued;

and alter its Articles and Notice of Articles accordingly.

9.3. Change of Name

The Company may by special resolution authorize an alteration of its Notice of Articles in order to change its name and may by ordinary resolution or directors' resolution adopt or change any translation of that name.

9.4. Other Alterations

If the Business Corporations Act does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1. Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the Business Corporations Act, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2. Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company’s annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3. Calling and Location of Meetings of Shareholders

The directors may, at any time, call a meeting of shareholders. The location of a meeting of shareholders shall be determined by the directors and may be within or outside British Columbia.

10.4. Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

(1) if and for so long as the Company is a public company, 21 days;

(2) otherwise, 10 days.

10.5. Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Business Corporations Act, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

(1) if and for so long as the Company is a public company, 21 days;

(2) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.6. Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Business Corporations Act, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7. Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or may agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting, unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10.8. Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

(1) state the general nature of the special business; and

(2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:

   (a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

   (b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

10.9. Notice of Dissent Rights

The Company must send to each of its shareholders, whether or not their shares carry the right to vote, a notice of any meeting of shareholders at which a resolution entitling shareholders to dissent is to be considered specifying the date of the meeting and containing a statement advising of the right to send a notice of dissent together with a copy of the proposed resolution at least the following number of days before the meeting:

(1) if and for so long as the Company is a public company, 21 days;

(2) otherwise, 10 days.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1. Special Business

At a meeting of shareholders, the following business is special business:

(1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;

(2) at an annual general meeting, all business is special business except for the following:

   (a) business relating to the conduct of or voting at the meeting;

   (b) consideration of any financial statements of the Company presented to the meeting;

   (c) consideration of any reports of the directors or auditor;

   (d) the setting or changing of the number of directors;

   (e) the election or appointment of directors;

   (f) the appointment of an auditor;

(g) the setting of the remuneration of an auditor;

(h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;

(i) any other business which, under these Articles or the Business Corporations Act, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2. Special Majority

The majority of votes required for the Company to pass a special resolution at a general meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3. Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares and to Article 11.4, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

11.4. One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

(1) the quorum is one person who is, or who represents by proxy, that shareholder, and

(2) that shareholder, present in person or by proxy, may constitute the meeting.

11.5. Persons Entitled to Attend Meeting

In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the Business Corporations Act or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6. Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7. Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

(1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and

(2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8. Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9. Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

(1) the chair of the board, if any; or

(2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.10. Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11. Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12. Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13. Decisions by Show of Hands or Poll

Subject to the Business Corporations Act, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of

the result of the vote by show of hands, is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

11.14. Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.15. Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16. Casting Vote

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.17. Manner of Taking Poll

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

(1) the poll must be taken:

(a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and

(b) in the manner, at the time and at the place that the chair of the meeting directs;

(2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and

(3) the demand for the poll may be withdrawn by the person who demanded it.

11.18. Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.19. Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.20. Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.21. No Demand for Poll on Election of Chair

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.22. Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.23. Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

12. VOTES OF SHAREHOLDERS

12.1. Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

(1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and

(2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2. Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3. Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

(1) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

(2) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4. Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders registered in respect of that share.

12.5. Representative of a Corporate Shareholder

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint an individual person to act as its representative at any meeting of shareholders of the Company, and:

(1) for that purpose, the instrument appointing a representative must be received:

(a) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or

(b) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting;

(2) if a representative is appointed under this Article 12.5:

(a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

(b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6. Proxy Provisions Do Not Apply to All Companies

If and for so long as the Company is a public company Articles 12.7 to 12.15 apply only insofar as they are not inconsistent with any securities legislation in any province or territory of Canada or in the federal jurisdiction of the United States or in any states of the United States that is applicable to the Company and insofar as they are not inconsistent with the regulations and rules made and promulgated under that legislation and all administrative policy statements, blanket orders and rulings, notices and other administrative directions issued by securities commissions or similar authorities appointed under that legislation.

12.7. Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8. Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.9. When Proxy Holder Need Not Be Shareholder

If and for so long as the Company is not a public company, a person may only be appointed as a proxy holder if the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

(1) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;

(2) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or

(3) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

12.10. Deposit of Proxy

A proxy for a meeting of shareholders must:

(1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or

(2) unless the notice provides otherwise, be received, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.11. Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

(1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

(2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.12. Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company]
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the undersigned):

_____
Signed *[month, day, year]*

_____
[Signature of shareholder]

_____
[Name of shareholder-printed]

12.13. Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is received:

(1) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

(2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.14. Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

(1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;

(2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15. Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

13. DIRECTORS

13.1. First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the Business Corporations Act. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

(1) subject to paragraphs (2) and (3), the number of directors that is equal to the number of the Company's first directors;

(2) if the Company is a public company, the greater of three and the most recently set of:

(a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(b) the number of directors set under Article 14.4;

(3) if the Company is not a public company, the most recently set of:

(a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(b) the number of directors set under Article 14.4.

13.2. Change in Number of Directors

If the number of directors is set under Articles 13.1(2)(a) or 13.1(3)(a):

(1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;

(2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may, subject to Article 14.8, appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3. Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4. Qualifications of Directors

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the Business Corporations Act to become, act or continue to act as a director.

13.5. Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6. Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7. Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8. Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1. Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

(1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and

(2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment.

14.2. Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

(1) that individual consents to be a director in the manner provided for in the Business Corporations Act;

(2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or

(3) with respect to first directors, the designation is otherwise valid under the Business Corporations Act.

14.3. Failure to Elect or Appoint Directors

If:

(1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the Business Corporations Act; or

(2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

(3) when his or her successor is elected or appointed; and

(4) when he or she otherwise ceases to hold office under the Business Corporations Act or these Articles.

14.4. Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5. Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6. Remaining Directors' Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of

directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the Business Corporations Act, for any other purpose.

14.7. Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8. Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

(1) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or

(2) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment.

14.9. Ceasing to be a Director

A director ceases to be a director when:

(1) the term of office of the director expires;

(2) the director dies;

(3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or

(4) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10. Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11. Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a

director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

15. ALTERNATE DIRECTORS

15.1. Appointment of Alternate Director

Any director (an "appointor") may by notice in writing received by the Company appoint any person (an "appointee") who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

15.2. Notice of Meetings

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

15.3. Alternate for More Than One Director Attending Meetings

A person may be appointed as an alternate director by more than one director, and an alternate director:

(1) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;

(2) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;

(3) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;

(4) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

15.4. Consent Resolutions

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

15.5. Alternate Director Not an Agent

Every alternate director is deemed not to be the agent of his or her appointor.

15.6. Revocation of Appointment of Alternate Director

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

15.7. Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

(1) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;

(2) the alternate director dies;

(3) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;

(4) the alternate director ceases to be qualified to act as a director; or

(5) his or her appointor revokes the appointment of the alternate director.

15.8. Remuneration and Expenses of Alternate Director

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

16. POWERS AND DUTIES OF DIRECTORS

16.1. Powers of Management

The directors must, subject to the Business Corporations Act and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the Business Corporations Act or by these Articles, required to be exercised by the shareholders of the Company.

16.2. Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

17. INTERESTS OF DIRECTORS AND OFFICERS

17.1. Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the Business Corporations Act) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the Business Corporations Act.

17.2. Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

17.3. Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

17.4. Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the Business Corporations Act.

17.5. Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

17.6. No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

17.7. Professional Services by Director or Officer

Subject to the Business Corporations Act, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

17.8. Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the Business Corporations Act, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

18. PROCEEDINGS OF DIRECTORS

18.1. Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

18.2. Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

18.3. Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

(1) the chair of the board, if any;

(2) in the absence of the chair of the board, the president, if any, if the president is a director; or

(3) any other director chosen by the directors if:

  (a) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

  (b) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or

  (c) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

18.4. Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors:

(1) in person;

(2) by telephone; or

(3) with the consent of all directors who wish to participate in the meeting, by other communications medium;

if all the directors participating in the meeting, whether in person, by telephone or by other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the Business Corporations Act and these Articles to be present at the meeting and to have agreed to participate in that manner.

18.5. Calling of Meetings

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

18.6. Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

18.7. When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

(1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or

(2) the director or alternate director, as the case may be, has waived notice of the meeting.

18.8. Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

18.9. Waiver of Notice of Meetings

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

Attendance of a director or alternate director at a meeting of the directors is a waiver of notice of the meeting, unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

18.10. Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at two directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

18.11. Validity of Acts Where Appointment Defective

Subject to the Business Corporations Act, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

18.12. Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors may be passed without a meeting:

(1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or

(2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Article may be by signed document, fax, e-mail or any other method of transmitting legibly recorded messages. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the Business Corporations Act and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

19. EXECUTIVE AND OTHER COMMITTEES

19.1. Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

(1) the power to fill vacancies in the board of directors;

(2) the power to remove a director;

(3) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

19.2. Appointment and Powers of Other Committees

The directors may, by resolution:

(1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;

(2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:

(a) the power to fill vacancies in the board of directors;

(b) the power to remove a director;

(c) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(d) the power to appoint or remove officers appointed by the directors; and

(3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3. Obligations of Committees

Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

(1) conform to any rules that may from time to time be imposed on it by the directors; and

(2) report every act or thing done in exercise of those powers at such times as the directors may require.

19.4. Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 19.1 or 19.2:

(1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;

(2) terminate the appointment of, or change the membership of, the committee; and

(3) fill vacancies in the committee.

19.5. Committee Meetings

Subject to Article 19.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

(1) the committee may meet and adjourn as it thinks proper;

(2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

(3) a majority of the members of the committee constitutes a quorum of the committee; and

(4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

20. OFFICERS

20.1. Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

20.2. Functions, Duties and Powers of Officers

The directors may, for each officer:

(1) determine the functions and duties of the officer;

(2) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

(3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

20.3. Qualifications

No officer may be appointed unless that officer is qualified in accordance with the Business Corporations Act. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

20.4. Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

21. INDEMNIFICATION

21.1. Definitions

In this Article 21:

(1) "eligible penalty" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

(2) "eligible proceeding" means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an "eligible party") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:

(a) is or may be joined as a party; or

(b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

(3) "expenses" has the meaning set out in the Business Corporations Act.

21.2. Mandatory Indemnification of Eligible Parties

Subject to the Business Corporations Act, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

21.3. Indemnification of Other Persons

Subject to any restrictions in the Business Corporations Act, the Company may indemnify any person.

21.4. Non-Compliance with Business Corporations Act

The failure of a director, alternate director or officer of the Company to comply with the Business Corporations Act or these Articles or, if applicable, any former Companies Act or former Articles, does not invalidate any indemnity to which he or she is entitled under this Part.

21.5. Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

(1) is or was a director, alternate director, officer, employee or agent of the Company;

(2) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;

(3) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;

(4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

22. DIVIDENDS

22.1. Payment of Dividends Subject to Special Rights

The provisions of this Article 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

22.2. Declaration of Dividends

Subject to the Business Corporations Act, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

22.3. No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 22.2.

22.4. Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

22.5. Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

22.6. Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

(1) set the value for distribution of specific assets;

(2) determine that money in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and

(3) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7. When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

22.8. Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

22.9. Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

22.10. Dividend Bears No Interest

No dividend bears interest against the Company.

22.11. Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

22.12. Payment of Dividends

Any dividend or other distribution payable in money in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the registered address of the shareholder, or in the case of joint shareholders, to the registered address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

22.13. Capitalization of Retained Earnings or Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

23. ACCOUNTING RECORDS

23.1. Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the Business Corporations Act.

23.2. Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

24. NOTICES

24.1. Method of Giving Notice

Unless the Business Corporations Act or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the Business Corporations Act or these Articles to be sent by or to a person may be sent by any one of the following methods:

(1) mail addressed to the person at the applicable address for that person as follows:

(a) for a record mailed to a shareholder, the shareholder's registered address;

(b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

(c) in any other case, the mailing address of the intended recipient;

(2) delivery at the applicable address for that person as follows, addressed to the person:

(a) for a record delivered to a shareholder, the shareholder's registered address;

(b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

(c) in any other case, the delivery address of the intended recipient;

(3) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(4) sending the record by e-mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class;

(5) physical delivery to the intended recipient.

24.2. Deemed Receipt

A notice, statement, report or other record that is:

(1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing;

(2) faxed to a person to the fax number provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and

(3) e-mailed to a person to the e-mail address provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed.

24.3. Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with Article 24.1 is conclusive evidence of that fact.

24.4. Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such record to the joint shareholder first named in the central securities register in respect of the share.

24.5. Notice to Legal Personal Representatives and Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(1) mailing the record, addressed to them:

(a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

24.6. Undelivered Notices

If, on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 24.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

25. SEAL

25.1. Who May Attest Seal

Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

(1) any two directors;

(2) any officer, together with any director;

(3) if the Company only has one director, that director; or

(4) any one or more directors or officers or persons as may be determined by the directors.

25.2. Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer, or the signature of any other person as may be determined by the directors.

25.3. Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the Business Corporations Act or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under Article 25.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

26. PROHIBITIONS

26.1. Application

Article 26.2 does not apply to the Company if and for so long as it is a public company.

26.2. Consent Required for Transfer of Shares or Designated Securities

No securities of the Company other than non-convertible debt securities of the Company shall be transferred without the consent of the directors expressed by resolution and the directors shall not be required to give any reason for refusing to consent to any such transfer.

APPENDIX C
to the Amalgamation Agreement made effective as of January 31, 2019 between
Spirit Bear Capital Corp., 1193805 B.C. Ltd., and Gaia Grow Corp.

ISSUED AND OUTSTANDING SECURITIES (AND OBLIGATIONS TO ISSUE SECURITIES)

A. Spirit Bear Capital Corp.

Type of Security	**Number**
Spirit Bear Shares outstanding at date hereof	28,800,012
Other agreements/rights to issue Spirit Bear Shares	Nil

B. 1193805 B.C. Ltd.

Type of Security	**Number**
Subco Shares outstanding at date hereof	1

C. Gaia Grow Corp.

Type of Security	**Number**
Gaia Shares outstanding at date hereof	111,600,000
Other agreements/rights to issue Gaia Shares	Nil(1)

Note:

(1) Not including: (i) the Gaia Subscription Receipts to be issued in connection with the Gaia Private Placement, or Gaia Shares to be issued upon the due conversion of the Gaia Subscription Receipts and; (ii) the 8,400,000 Gaia Shares to be issued in connection with the Gaia Bio Acquisition.