

**GAIA GROW CORP.**  
**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1. Name and Address**

Gaia Grow Corp. (the “**Company**”)  
Suite 303, 750 West Pender Street  
Vancouver, British Columbia, V6C 2T7

**Item 2. Date of Material Change**

July 23, 2019.

**Item 3. News Release**

The Company issued a news release on July 23, 2019 relating to the material change, which was disseminated through Stockwatch and subsequently filed on SEDAR.

**Item 4. Summary of Material Change**

The Company completed a business combination (the “**Transaction**”) pursuant to which a wholly-owned subsidiary of the Company amalgamated with the privately held “Gaia Grow Corp.” (“**Gaia**”), pursuant to the *Business Corporations Act* (British Columbia) (the “**Amalgamation**”).

Pursuant to the Transaction, the Company acquired all of the outstanding common shares of Gaia (the “**Gaia Shares**”) and issued to Gaia shareholders one common share of the Company for each Gaia Share held, following which all Gaia Shares were cancelled. Immediately prior to the effective time of the Amalgamation, Gaia completed the conversion of 45,076,969 previously issued subscription receipts (the “**Receipts**”) into Gaia Shares, and the proceeds from the issuance of the Receipts were released to Gaia.

Following completion of the Transaction, the Company changed its name to “Gaia Grow Corp.” and reconstituted its board of directors and management.

**Item 5. Full Description of Material Change**

See attached news release.

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

Not applicable. This report is not being filed on a confidential basis.

**Item 7. Omitted Information**

Not applicable.

**Item 8. Executive Officer**

The following executive officer of the Company is knowledgeable about the material change and this report:

Frederick Pels, Chief Financial Officer  
Email: fp@gaiagrow.com

**Item 9. Date Of Report**

July 23, 2019.

**GAIA GROW CORP.**  
**(formerly, Spirit Bear Capital Corp.)**  
Suite 303, 750 West Pender Street  
Vancouver, British Columbia  
V6C 2T7

## **NEWS RELEASE**

### **SPIRIT BEAR CAPITAL COMPLETES ACQUISITION OF GAIA**

July 23, 2019 – Vancouver, British Columbia – Gaia Grow Corp. (formerly, Spirit Bear Capital Corp.) (the “**Company**”) (TSXV: GAIA), announces that it has completed the acquisition (the “**Transaction**”) of the privately held Gaia Grow Corp. (which has subsequently changed its name to “Gaia Grow Holdings Corp”) (“**Gaia**”). In accordance with the terms of the Transaction, Gaia has amalgamated with a wholly-owned subsidiary of the Company, and the Company has changed its name to “Gaia Grow Crop.”

In connection with completion of the Transaction, Gaia completed a private placement financing (the “**Financing**”) through the offering of 45,076,969 subscription receipts (each, a “**Receipt**”) at a price of \$0.10 per Receipt, for gross proceeds of \$4,507,697. Immediately prior to completion of the Transaction, each Receipt was automatically converted into one common share of Gaia (the “**Receipt Shares**”), and the proceeds from the Financing were released from escrow. Following the release of the proceeds, Gaia paid finders’ fees of \$86,065 to certain parties who had introduced subscribers to the Financing.

Pursuant to the terms of the Transaction, the Company has issued 120,000,000 common shares to the existing shareholders of Gaia, as well as 45,076,969 common shares to the existing holders of the Receipt Shares. The Company has also issued 6,325,000 common shares (the “**Finders’ Shares**”) to an arms’-length party who assisted the Company in facilitating the Transaction. Following completion of the Transaction, the Company has 200,201,981 common shares outstanding.

In connection with the Transaction, an aggregate of 101,553,529 common shares of the Company are subject to a Tier 2 Surplus Escrow Agreement, 21,176,471 common shares are subject to a Tier 2 Value Escrow Agreement, and 2,000,012 common shares are subject to a CPC Escrow Agreement, in accordance with the policies of the TSX Venture Exchange (the “**Exchange**”). The Finders’ Shares are subject to a four-month-and-one-day statutory hold period in accordance with applicable Canadian securities laws.

The Company has also assumed an obligation owing to former shareholders of Gaia Bio-Pharmaceuticals Inc. (“**Gaia Bio**”), a wholly-owned subsidiary of Gaia, in which such shareholders may be entitled to an additional payment in the event the 8,400,000 common shares issued by Gaia to acquire Gaia Bio are valued at less than \$2,000,000 at any time during the sixty day period following Gaia Bio receiving a licence to cultivate cannabis. In such a case, an additional payment of \$1,600,000 will be owing to the former shareholders of Gaia Bio, to be satisfied in cash or through the issuance of common shares of the Company based upon the greater of: (i) the thirty-day volume-weighted average trading price of the common shares of the Company on the Exchange at the time of issuance, and (ii) \$0.10 per share. Any common shares of the Company issued to satisfy this payment will be subject to a Tier 2 Value Escrow Agreement.

## **Board of Directors and Management**

Following completion of the Transaction, the board of directors of the Company has been reconstituted to consist of Frederick Pels, James Tworek, John Lagourgue and Marc Lowenstein. Frederick Pels has been appointed as Chief Executive Officer of the Company, James Tworek has been appointed as President, Zula Kropivnitski has been appointed as Chief Financial Officer, and Cassandra Gee has been appointed as Corporate Secretary.

## **Exchange Listing**

The Transaction constitutes a “Qualifying Transaction” for the Company under Exchange Policy 2.4 – *Capital Pool Companies*. The Company has filed a filing statement on SEDAR ([www.sedar.com](http://www.sedar.com)), dated June 28, 2019, relating to the Transaction (the “**Filing Statement**”). Readers are encouraged to review the Filing Statement, which provides detailed information about the Transaction and the business of Gaia. Following completion of the Transaction, the Company will be listed on the Exchange as a Tier 2 Industrial Issuer, under the ticker symbol “GAIA”. Trading in the common shares of the Company is currently halted pending completion of customary filings with the Exchange in respect of the Transaction, as well as completion of the acquisition of a lot of land (the “**Lamont Property**”) located in Lamont County, Alberta, for the purposes cultivating hemp. The Company will issue a further news release once the acquisition of the Lamont Property has been completed and a date for the resumption of trading has been confirmed.

## **Early Warning Disclosure**

In connection with completion of the Transaction, Transcend Capital Inc. (“**Transcend**”), a company controlled by Etienne Moshevich, and Pelsco Holdings Corp. (“**Pelsco**”), a company controlled by Frederick Pels, have acquired ownership and control of 63,500,000 and 38,823,529 common shares Company, representing approximately 31.72% and 19.39%, respectively, of the issued and outstanding common shares of the Company. Prior to completion of the Transaction, Transcend had ownership and control of 2,730,000 common shares of the Company, representing approximately 9.48% of the then issued and outstanding common shares of the Company, and Pelsco did not have ownership or control of any common shares of the Company. Following completion of the Transaction, Transcend has ownership and control of 66,230,000 common shares of the Company, and Pelsco has ownership and control of 38,823,529 common shares of the Company, representing approximately 33.08% and 19.39%, respectively, of the issued and outstanding common shares of the Company.

Each of Transcend, and Pelsco, acquired their additional common shares of the Company in consideration for common shares of Gaia held prior to the Transaction, and intend to hold these shares for investment purposes. Although neither party has any intention to acquire further common shares of the Company at this time, either may choose to do so as market conditions warrant. Copies of the early warning reports filed by each of Transcend, and Pelsco, in accordance with applicable securities laws, are available under the profile for the Company on SEDAR ([www.sedar.com](http://www.sedar.com)). To obtain a copy of the early warning reports, or for any further information, contact Frederick Pels at [fp@gaiagrow.com](mailto:fp@gaiagrow.com).

## **About Gaia**

Gaia is a privately held arm's-length company continued under the laws of the *Business Corporations Act* (British Columbia) and is in the business of developing a facility and infrastructure for the manufacturing and marketing of hemp-based products in Canada. The operations of Gaia are carried out through its' wholly-owned subsidiary, Gaia Bio, a privately held company incorporated under the laws of the *Business Corporations Act* (Alberta). Gaia Bio holds a license to cultivate and sell industrial hemp under the *Cannabis Act* (Canada) and the *Industrial Hemp Regulations*. Gaia Bio is also an applicant for a license to cultivate cannabis for medical purposes under the *Cannabis Act* (Canada). While Gaia Bio has applied for a license to cultivate cannabis, the primary focus of Gaia Bio is the cultivation and sale of hemp. Gaia Bio does not anticipate receiving a license to cultivate cannabis prior to completion of the Transaction, nor does it expect to engage in the cultivation of cannabis in the near term.

For further information, contact Frederick Pels at fp@gaiagrow.com.

On behalf of the Board,

### **Gaia Grow Corp.**

Frederick Pels, Chief Executive Officer

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

*Investors are cautioned that, except as disclosed in the filing statement prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.*

*This news release may contain certain "Forward-Looking Statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws. When or if used in this news release, the words "anticipate", "believe", "estimate", "expect", "target", "plan", "forecast", "may", "schedule" and similar words or expressions identify forward-looking statements or information. These forward-looking statements or information may relate to regulatory or government requirements or approvals, the resumption of trading in the common shares of the Company, satisfaction of the additional payment to the shareholders of Gaia Bio and other factors or information. Such statements represent the Company's current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social risks, contingencies and uncertainties. Many factors, both known and unknown, could cause results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements. Such risk factors may include, among others, the risk that required approvals of the Exchange are met to resume trading in the common shares of the Company and risks related to the hemp market, including restrictions imposed by Health Canada or such other regulatory approvals. The Company does not intend, and does not assume any obligation, to update these forward-looking statements or information to reflect changes in assumptions or changes in circumstances or any other events affecting such statements and information other than as required by applicable laws, rules and regulations.*