Management's Discussion and Analysis

Gaia Grow Corp.

For the nine-month periods ended September 30, 2019 and 2018

The following management discussion and analysis ("MD&A") should be read in conjunction with the condensed interim consolidated financial statements and accompanying notes ("Financial Statements") of Gaia Grow Corp. (the "Company") for the nine months ended September 30, 2019. Results have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary amounts are reported in Canadian dollars unless otherwise indicated.

This MD&A contains forward-looking information. See "Forward-Looking Information" and "Risks and Uncertainties" for a discussion of the risks, uncertainties and assumptions relating to such information.

Introduction

The following discussion of performance and financial condition should be read in conjunction with the condensed interim financial statements of Gaia Grow Corp. (the "Company") for the nine months ended September 30, 2019. The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The Company's reporting currency is Canadian dollars unless otherwise stated. This Management's Discussion and Analysis ("MD&A") is dated November 25, 2019.

Description of Business

The Company was incorporated on June 22, 2018 under "Gaia Investments Inc." and subsequently changed its name to Gaia Grow Corp. The Company's head office is located at 10th Floor, 595 Howe Street, Vancouver, BC, Canada. Its principal business activity was the identification and evaluation of companies, assets or businesses with a view to completing a business combination. On January 31, 2019, the Company entered into an amalgamation agreement (the "Amalgamation Agreement") with Spirit Bear Capital Corp. and its wholly owned subsidiary 1193805 B.C. Ltd. (collectively known as "SBG"), a public company listed on the TSX Venture Exchange ("TSX-V"). In accordance with the terms of the Amalgamation Agreement, the Company and SBG will combine their respective businesses by way of a three-cornered amalgamation (the "Transaction").

Additionally, on March 22, 2019, as last amended on June 7, 2019, the Company acquired all of the issued and outstanding shares of Gaia Bio-Pharmaceuticals Inc. ("Gaia Bio") for the following consideration:

(a) $200,000, paid in a series of tranches, as a non-refundable deposit paid by the Company to the shareholders of the Company ($76,000 has been recorded in accounts payable and $124,000 was paid directly to the shareholders of the Company). The $76,000 has been recorded as a distribution to the shareholders of Gaia Bio;
(b) the issuance of 7% of the issued and outstanding common shares of the Company (estimated to be an aggregate of 8,400,000 common shares of the Company) (pending);
(c) A conditional payment of $1,600,000 in cash or equivalent in common shares of the Company, in the event that the common shares of the Company are valued less than $2,000,000 at any time during the 60-day period after the Company is in receipt of a license to cultivate from Health Canada;
(d) The Company will assume the business loan in the amount of $10,625 and
(e) The Company will assume Gaia Bio's commitment pursuant to an Offer to Purchase Agreement ("Offer to Purchase") whereby Gaia Bio agreed to purchase a plot of land (the "Property") located in Lamont County, Alberta for the purpose of growing hemp. The purchase price, as last amended, is $190,000 and 5% of the total number of common shares of Gaia Bio, subject to the condition that the number of shares may change depending on whether more shares are issued. Closing of the transaction is to be 30 days after Gaia Bio receives Health Canada's pre-approval "letter-to-build" ("LTB"), which has not yet been obtained. Further, the

Company will pay $1,000/month in purchase extension fees until closing of the Offer to Purchase.

On January 31, 2019, the Company entered into an amalgamation agreement (the "Amalgamation Agreement") with Spirit Bear Capital Corp. and its wholly owned subsidiary 1193805 B.C. Ltd. (collectively known as "SBG"), a public company listed on the TSX Venture Exchange ("TSX-V"). Subsequent to the contemplated amalgamation, the resulting issuer ("Resulting Issuer") will continue to carry on the business of Gaia Bio.

July 23, 2019 the Resulting Issuer (TSXV: GAIA), announced that it has completed the acquisition of the privately held Gaia Grow Corp. (which has subsequently changed its name to "Gaia Grow Holdings Corp"). In accordance with the terms of the Transaction, the Company has amalgamated with a wholly-owned subsidiary of SBG, and the Resulting Issuer changed its name to "Gaia Grow Crop."

In connection with completion of the Transaction, the Company 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 the Resulting Issuer (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 Resulting Issuer issued 120,000,000 common shares to the existing shareholders of the Company, as well as 45,076,969 common shares to the existing holders of the Receipt Shares. The Resulting Issuer 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 Resulting Issuer has 200,201,981 common shares outstanding.

In connection with the Transaction, an aggregate of 101,553,529 common shares of the Resulting Issuer 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 Resulting Issuer also assumed an obligation owing to former shareholders of Gaia Bio, a wholly-owned subsidiary of the Company, in which such shareholders may be entitled to an additional payment in the event the 8,400,000 common shares issued by the Company 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 license 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 Resulting Issuer on the Exchange at the time of issuance, and (ii) $0.10 per share. Any common shares of the Resulting Issuer issued to satisfy this payment will be subject to a Tier 2 Value Escrow Agreement.

As at September 30, 2019, the Company had working capital of $3,931,212 (December 31, 2018 – deficit of $169) and accumulated shareholders deficit of $3,788,733 (December 31, 2018 – deficit of $220). During the nine months ended September 30, 2019, the Company incurred a net loss of $3,788,513. The continuing operations of the Company are dependent upon its ability to continue to achieve profitable operations in the future, and raise additional funds as and when required. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Business Overview

In October 2019 the Company completed inaugural 2019 hemp harvest from its Rockyview County, Alberta Fields. Multiple stages of harvest were completed, ensuring a whole-plant harvest and efficient separation of the various parts of the hemp plants for effective and efficient use by their intended offtake partners in different sales channels. Gaia's custom harvesting and hauling teams successfully deployed harvesting machinery, baling equipment, loaders and transport trucks to arrange and prepare the harvested product for sale to its end users. The multi-stage harvest included effectively passing over the approximately 1500 acres of land several times to separate the harvest components. One final pass over the remaining bottom stalks will be completed this week in order to secure the fiber for sale down a different supply chain, leaving the land in a condition ready for its landowners to be able to prepare for next year's rotational crops. The harvesting team worked 24 hours a day for the roughly 6 days required to complete the harvesting and baling.

The Company purchased a plot of land located in Lamont County, Alberta for the purpose of growing hemp. The purchase price, as last amended, is $190,000 and 5% of the total number of common shares of Gaia Bio, subject to the condition that the number of shares may change depending on whether more shares are issued. Closing of the transaction is to be 30 days after Gaia Bio receives Health Canada's pre-approval "letter-to-build" ("LTB"), which has not yet been obtained. Further, the Company will pay $1,000/month in purchase extension fees until closing of the Offer to Purchase. To date, the Company has not received LTB approval.

During the nine months ended September 30, 2019, due to a number of extensions to the offer to purchase LTB, the Company paid the sellers $11,300.

SELECTED ANNUAL AND QUARTERLY FINANCIAL INFORMATION

Selected Annual Information

The following selected financial information is derived from the audited consolidated financial statements of the Company. The figures have been prepared in accordance with IFRS.

	Period from incorporation, June 22, 2018, to December 31 (audited) 2018
Total revenues	$ -
General and administrative expenses	220
Net income (loss)	(220)
Total assets	10,331
Total liabilities	10,500
Cash dividends declared per share	Nil

Selected quarterly information

	Three-month period ended			
	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018
Net revenue	$ -	$ –	$ -	$ -
Net comprehensive income (loss)	(3,327,219)	(456,824)	(4,470)	(220)
Basic and diluted – comprehensive income (loss) per share	(0.05)	(0.00)	(0.00)	(0.00)

	Three-month period ended	
	Sep 30, 2018	Jun 30, 2018
Net revenue	$ -	$ -
Net comprehensive income (loss)	-	-
Basic and diluted – comprehensive income (loss) per share	0.00	0.00

RESULTS OF OPERATIONS

For the nine months ended September 30, 2019

Comprehensive loss for the nine ended September 30, 2019 was $3,788,513. There was no loss recorded during the period from June 22, 2018, the incorporation date, to September 30, 2018. The comprehensive loss incurred during the nine months ended September 30, 2019 was mainly attributable to the following:

- Expense of $2,385,503 related to the listing expense of the Gaia Grow.
- Expense of $283,375 related to acquisition of Gaia Bio $200,000 paid, $103,580 accumulated Gaia Bio deficit and $20,205 in payables written off;
- Share based compensation expense of $444,180 related to stock options issued by the Company;
- $484,302 in consulting fees related to the Transaction; and
- Advertising expenses of $152,472 related to the Transaction.

For the three months ended September 30, 2019

Comprehensive loss for the three months ended September 30, 2019 was $3,327,219 as compared to $nil comprehensive loss for the same period in 2018. The comprehensive loss was mainly attributable to the following:

- Expense of $2,385,503 related to the listing expense of the Gaia Grow.
- Share based compensation expense of $444,180 related to stock options issued by the Company;
- $484,302 in consulting fees related to the Transaction; and
- Advertising expenses of $152,472 related to the Transaction.

Liquidity and Capital Resources

At September 30, 2019, the Company has $2,679,007 (December 31, 2018 - $31) of cash to settle current liabilities with the following due dates: accounts payable and accrued liabilities of $120,084 (December 31, 2018 - $nil) are due within three months. Due to related parties of $50,000 (December 31, 2018 - $nil) were paid subsequent to the period end.

Related Party Transactions

During the period ended September 30, 2019, $66,000 (2018 - $nil) was paid to directors of the Company and recorded as consulting expense. $15,000 (2018 - $nil) was paid to a company of which officers of the Company are employees. $10,000 (2018 - $nil) was paid to a director of the Company, recorded as management fee and closed to Listing expense. As at September 30, 2019 $50,000 (December 31, 2018 - $nil) is payable to a director of the Company.

Outstanding Share Data

Authorized: Unlimited number of common shares without par value.

As at September 30, 2019 and November 25, 2019 the Company had 202,501,981 common shares issued and outstanding.

Stock Options

The Company adopted a stock option plan (the "Stock Option Plan") pursuant to which it can grant options to directors, officers and consultants for up to 10% of the issued and outstanding common shares. Under the plan, the exercise price of an option may not be less than the closing market price during the trading day immediately preceding the date of the grant of the option, less any applicable discount allowed by the TSX-V. The options can be granted for a maximum term of 5 years and vest at the discretion of the board of directors.

In August 2019 the Company granted 5,650,000 stock options to consultants of the Company. The stock options have an exercise price of $0.10 per share and are exercisable for a period of five years. The stock options vested immediately. The fair value of the stock options was determined to be $407,980 on grant date using Black-Scholes option pricing model with the following weighted average assumptions: 5 years expected life; share price at the grant date of $0.08; 151.72% volatility; risk free interest rate of 1.21; and a dividend yield of 0%.

On September 10, 2019 the Company granted 500,000 stock options to consultants of the Company. The stock options have an exercise price of $0.10 per share and are exercisable for a period of five years. The stock options vested immediately. The fair value of the stock options was determined to be $36,200 on grant date using Black-Scholes option pricing model with the following weighted average assumptions: 5 years expected life; share price at the grant date of $0.08; 152.31% volatility; risk free interest rate of 1.44; and a dividend yield of 0%.

During the period 2,300,000 stock options were exercised raising $230,000.

The movement in the Company's stock options for the nine months ended September 30, 2019 are as follows:

	Number of options	Exercise price
Outstanding, December 31, 2018	-	$ -
Granted	6,150,000	0.10
Exercised	(2,300,000)	0.10
Outstanding and exercisable, September 30, 2019	3,850,000	$ 0.10

As at September 30, 2019 and November 25, 2019 the Company has the following stock options outstanding:

Number of options outstanding and exercisable	Exercise price	Expiry date
3,850,000	$0.10	August 29, 2024

Warrants

As at September 30, 2019 and November 25, 2019 the Company does not have warrants outstanding.

Financial and Other Instruments

The Company's financial assets and liabilities consist of cash and cash equivalents, trade payables. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The fair value of these instruments approximates their carrying value due to the short-term nature of their maturity.

Critical Accounting Estimates

The preparation of financial statements requires the Company to select from possible alternative accounting principles, and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the balance sheet date and reported costs and expenditures during the reporting period. Estimates and assumptions may be revised as new information is obtained, and are subject to change. The Company's accounting policies and estimates used in the preparation of the financial statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

Adoption of New and Revised Standards and Interpretations

Other accounting standards of amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the company's financial statements.

Off-Balance Sheet Arrangements

The Company did not enter into any off-balance sheet arrangements during the period.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of Management. In the preparation of these statements estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying Financial Statements.

Risk Factors

The Investment in the common shares must be regarded as highly speculative due to the proposed nature of the Company's business and its present stage of development.

There can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to resell the common shares.

The hemp industry involves significant risks. In addition to the risk factors described elsewhere in this MD&A, the risk factors that should be taken into account in considering the Company's business include, but are not limited to, those set out below. Any one or more of these risks could have a material adverse effect on the future prospects of the Company and the value of its securities.

Current Global Financial Condition

Current global financial conditions have been subject to increased volatility and turmoil. These factors may affect Gaia Bio's ability to obtain equity financing in the future or, if obtained, to do so on terms favorable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations as well as the trading price of its common shares could be adversely affected.

Industry and Hemp Product Manufacturing Risk

Hemp product manufacturing is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that the Company's commercial efforts will be successful. At present, Gaia Bio has not begun production.

The Company may be subject to risks that could not reasonably be predicted in advance. Events such as labour disputes, environmental issues, natural disasters or estimation errors are prime examples of industry related risks. Gaia Bio attempts to balance these risks through insurance programs where required and ongoing risk assessments conducted by its management team.

Commodity Prices

Gaia Bio is in the business of hemp products, the market prices of which can fluctuate widely. Hemp prices ultimately depend on demand in the end markets for which hemp products are used. Demand is affected by numerous factors beyond the Company's control, including the overall state of the economy, general level of industrial production, trends in demand and government regulation. In the course of its current operations, the Company does not enter into price hedging programs.

Environmental

Cultivation projects and operations are subject to the environmental laws and applicable regulations of the jurisdiction in which Gaia Bio operates. Environmental standards continue to evolve and the trend is to a longer, more complete and rigid process. The Company reviews environmental matters on an ongoing basis. If and when appropriate, the Company will make appropriate provisions in its financial statements for any potential environmental liability.

Reliance upon Key Personnel

The Company is dependent upon a number of key management and operational personnel, including the services of certain key employees. Its ability to manage activities, and hence its success, will depend in large part on the efforts of these individuals. During times when metals prices are strong, the Company faces intense competition for qualified personnel, and there can be no assurance that Gaia Bio will be able to attract and retain such personnel at any time. Gaia Bio does not maintain "key person" life insurance. Accordingly, the loss of the services of one or more of such key management personnel could have a material adverse effect on the Company.

Insurance

Gaia Bio's insurance will not cover all the potential risks associated with its operations. In addition, although certain risks are insurable, it might be unable to maintain insurance to cover these risks at economically feasible premiums. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration is not generally available to Gaia Bio or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that may not be insured against or that it may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Requirements to Obtain Government Permits

Government approvals and permits are currently required in connection with Gaia Bio's activities, and further approvals and permits may be required in the future. The duration and success of the Company's efforts to obtain permits are contingent upon many variables outside of its control. Obtaining government permits may increase costs and cause delays depending on the nature of the activity to be permitted and the interpretation of applicable requirements implemented by the permitting authority. There can be no assurance that all necessary permits will be obtained and if obtained, that the costs involved will not exceed Gaia Bio's estimates or that it will be able to maintain such permits. To the extent such approvals are required and not obtained or maintained, the Company may be prohibited from proceeding with planned activities.

Joint Ventures

From time to time Gaia Bio may enter into one or more joint ventures. Any failure of a joint venture partner to meet its obligations could have a material adverse effect on such joint ventures. In addition, the Company might be unable to exert influence over strategic decisions made in connection with properties that are involved in such joint ventures.

Controls and Procedures

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this MD&A.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports.

Outlook

Although current management has demonstrated its ability to raise funds in the past, with the current financial market conditions and global economic uncertainty, there can be no assurance they will be able to do so in the future. The financial results and discussion do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Caution Regarding Forward Looking Statements

Except for historical information contained in this discussion and analysis, disclosure statements contained herein are forward-looking. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially, from those in such forward-looking statements. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.