

FORM 51-102F3

Material Change Report

Item 1. Name and Address of Company

Gaia Grow Corp (the “Company”)
303 – 750 West Pender Street
Vancouver, BC, V6C 2T7

Telephone: 604-681-0084

Item 2. Date of Material Change

News Release dated February 28, 2020

Item 3. News Release

The Company disseminated a news release concerning the material change described herein on February 28, 2020 and subsequently filed a copy on SEDAR at www.sedar.com.

Item 4. Summary of Material Change

Gaia to acquire retail cannabis stores in British Columbia from Blackhawk.

Item 5. Full Description of Material Change

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

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

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

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

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

Gaia has applied to list its Common Shares on the Canadian Securities Exchange. Any listing is subject to meeting applicable listing requirements of the Canadian Securities Exchange, and to the Common Shares being delisted from the TSX Venture Exchange. The listing of the Common Shares of Gaia has not been accepted by the Canadian Securities Exchange at this time, and there can be no guarantee that the Common Shares of Gaia will be listed for trading on the Canadian Securities Exchange. The listing of Gaia on the Canadian Securities Exchange is not contingent on completion of the Proposed Transaction, and the board of directors of Gaia has resolved to proceed with the listing even if the Proposed Transaction is not completed.

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

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

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

“Frederick Pels”
Chief Executive Officer

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

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable

Item 7. Omitted Information

Not applicable

Item 8. Executive Officer

The following senior officer of the Company is knowledgeable about the material change disclosed in this report.

Frederick Pels
Chief Executive Officer
Telephone: 403-991-7737

Item 9. Date of Report

February 28, 2020