

## 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 June 17, 2021

**Item 3. News Release**

The Company disseminated a news release concerning the material change described herein on June 17, 2021 and subsequently filed a copy on SEDAR at [www.sedar.com](http://www.sedar.com).

**Item 4. Summary of Material Change**

Gaia Grow to acquire Green Room’s fully licensed and operational Cannabis dispensary in Squamish, British Columbia; closes TruExtracts acquisition and signs definitive agreement to acquire patented Ip holder Canna Stream.

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

Vancouver, British Columbia – June 17, 2021 - Gaia Grow Corp. (CSE: GAIA; Frankfurt: GG0) has entered into a definitive share purchase agreement (the “**Purchase Agreement**”) with Regenco Technologies Inc. (“**Regenco**”), and each of the shareholders of Regenco. Regenco operates a licensed recreational cannabis retail store located in Squamish, British Columbia.

Pursuant to the terms of the Purchase Agreement, the Company intends to acquire all of the outstanding share capital of Regenco in consideration for 35,000,000 common shares (the “**Consideration Shares**”) of the Company to be issued to the existing shareholders of Regenco. In addition, the Company will be required to issue 3,500,000 common shares to an arms-length party in satisfaction of an obligation of Regenco to compensate a third-party who assisted with facilitating the acquisition.

The acquisition of Regenco is not expected to constitute a fundamental change for the Company, nor will it result in a change of control of the Company, within the meaning of applicable securities laws and the policies of the Canadian Securities Exchange. Completion of the acquisition remains subject to delivery of customary closing materials and applicable filings with the Canadian Securities Exchange.

The shareholders of Regenco include Pelsco Holdings Corp., and 1962800 Alberta Ltd., holding companies controlled by Frederick Pels and Marc Lowenstein, respectively. Messrs. Pels and Lowenstein are directors of the Company and have abstained from voting on all matters pertaining to approval of the acquisition of Regenco. If completed, Pelsco Holdings Corp., and 1962800 Alberta Ltd., would be entitled to receive a total of 4,987,500 Consideration Shares in consideration for their respective interests in Regenco. The acquisition of Regenco is not considered a related party transaction within the meaning of *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions*.

“I am pleased to have all the Green Room locations now in Gaia” said Frederick Pels, CEO Gaia. “Fully open and cash flowing, the Squamish location is a welcome addition to our operations.”

### **Acquisition of Canna Stream Solutions Ltd. (CSS)**

In addition, Gaia has entered into a definitive purchase agreement to acquire all of the issued and outstanding share capital of Canna Stream Solutions Ltd. (“CSS”).

Pursuant to the terms of the purchase agreement, the Company intends to acquire CSS in consideration for \$1,250,000, which would be satisfied through the issuance of 12,500,000 common shares of the company to the existing shareholders of CSS at a deemed price of \$0.10 per share.

CSS is developing critical technologies for storing, transportation and processing of cannabis waste (physical and chemical). Most notably, they have filed a US provisional patent application in the chemical extraction and fractionation of Cannabinoids and monoterpenes from cannabis flower and biomass utilizing their solvent system that is significantly more efficient than ethanol. This gives CSS the ability to significantly manage costs of high throughput processing and extraction of cannabis and Hemp biomass.

Utilizing CSS’s patent-pending environmentally friendly solvent, the Company’s wholly-owned subsidiary, TruExtracts, will be able to process Gaia’s CBD rich product more cost-effectively, providing a significant competitive advantage.

Using CSS’s environmentally green technologies and processes to prepare the non-CBD rich milled fibre product for “low volume, high dollar” end products to be sold to existing CSS industry partners who have unique plant-based product needs for their next level of finished goods manufacturing.

The Company is at arms-length from CSS, and each of its shareholders. The acquisition of CSS is not expected to constitute a fundamental change for the Company, nor will it result in a change of control of the Company, within the meaning of applicable securities laws and the policies of the Canadian Securities Exchange. Completion of the acquisition remains subject to delivery of customary closing materials and applicable filings with the Canadian Securities Exchange.

### **Founders:**

Doctors: Usukuma Ekuere, Krista Leicht, John Vidmar, and Behzad Ahvazi are the founders of CSS.

Dr Ekuere has a PhD in Plant Genetics and an MBA focused on Tech Commercialization. He has extensive experience working with companies at a senior management level.

Dr Leicht is a Canadian-trained and Alberta-licensed Medical Doctor and Psychiatrist, who brings over twenty years of Clinical experience to the team.

Dr Vidmar has a PhD in Botany and has worked with several start-ups in the food and cannabis industries (as CEO, CSO, and Lead scientist).

Dr. Behzad Ahvazi, is a chemist with over 25 years of experience with expertise in added value processing in plant materials. Dr Behzad Ahvazi has focused on green technologies for converting and processing biomass components from sustainable, renewable agricultural and forestry resources into creating value-added, novel bioproducts. He has held numerous positions in R&D departments for private and government research facilities and holds an Adjunct Professor position at the University of Alberta.

“I welcome the team and tech at Canna Stream to Gaia” said Frederick Pels, CEO Gaia. “With this sustainable technology deployed at TruExtracts and utilizing Gaia’s hemp inputs, we are certain to become a leader in the Hemp and Cannabis Extraction Space”

#### **Acquisition of TruExtracts (Calgary) Inc.**

The Company is also pleased to announce that it has completed the acquisition of all of the outstanding share capital of TruExtracts (Calgary) Inc. (“TRU”), one of Western Canada’s largest cannabis and hemp processors. The acquisition was completed pursuant to the terms of a definitive share purchase agreement (the “**Purchase Agreement**”) entered into with TRU and each of its shareholders. Pursuant to the terms of the Purchase Agreement, the Company issued 30,000,000 common shares (the “**Consideration Shares**”) to the existing shareholders of TRU in consideration for all of the outstanding share capital of TRU.

In addition to the Consideration Shares, the shareholders of TRU will be entitled to receive a one-time bonus of \$1,000,000 within twenty-four months of closing, along with a further bonus of ten percent of gross revenue generated by TRU within twenty-four months following closing to a maximum of \$1,000,000. Any bonus payments will be satisfied through the issuance of common shares of the Company.

The Company is at arms-length from TRU and each of the shareholders of TRU. In connection with completion of the acquisition, the Company has also issued 3,000,000 common shares (the “**Finders Fee Shares**”) to an arms-length third-party who assisted with facilitate the acquisition. The Finders Fee Shares, and one-half of the Consideration Shares, are subject to a voluntary hold period until October 12, 2021.

For more Information, please visit their website at <https://truextractslabs.com/>

The Company has posted a video on its YouTube channel and will continue to diligently post updates over the coming months. A link to Gaia's official YouTube page can be found here: <https://www.youtube.com/channel/UC7tbvsY5gl2CrlsESYkbbgw>

Please join the conversation on our GAIA group supporter's telegram group at <https://t.me/gaiagrow> and visit us online at <https://www.gaiagrow.com/>

For further information please contact:

Frederick Pels, Chief Executive Officer

(403)-991-7737

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**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**

June 17, 2021