



GAIA GROW'S CANADIAN CANNABIS LABORATORY TRU EXTRACTS SIGNS WHITE LABEL AGREEMENT WITH EXPECTED RUN RATE REVENUE OF UP TO \$8,369,000

Vancouver, British Columbia – December 21, 2021 – Gaia Grow Corp. (the “Company” or “Gaia”) (CSE:GAIA) (Frankfurt:GG0) is excited to announce that its wholly-owned subsidiary, TruExtracts Laboratories (“TRU”), has signed a 12-month white labeling agreement with an arms-length Canadian cannabis producer (“the producer”) to manufacture approximately 30,000 Cannabis pre-rolls per day. Production is expected to commence at TRU’s Canadian licenced Cannabis extraction facility in January of 2022. This agreement has the option to extend in 1-year increments beyond this term.

TRU will be responsible for purchasing and processing the biomass in accordance with the processing service orders provided by the producer and will deliver final retail products in accordance with shipment instructions coordinated and supplied by the producer. The entire production run will be purchased by the producer for the 12-month period.

The agreement is expected to generate revenue of up to \$8,369,000 during the initial 12-month term. The assumed revenue is based on production of 30,000 pre rolls per day that will be packaged into 10 packs for retail sale. For a total of 3,000 10 packs per day with TRU wholesale revenue between approximately \$8 for unlabeled 10 packs to approximately \$15 for labeled and branded 10 packs. Actual revenue will vary depending on final production. Cost of production by TRU is dependent on the commoditized price of dried flower and labour in the facility.

The producer will coordinate the logistics of the delivery of retail products and ensure that the retail products are in accordance with the Cannabis Act and all regulations made thereunder, all Health Canada requirements, any requirements particular to the provincial or local government, and the producer’s client’s reasonable standards.

“This is a great step forward for TruExtracts and Gaia” said Frederick Pels, CEO of Gaia Grow. “The pre-roll market share is one of the largest segments in Canada's legalized cannabis marketplace. It is representing north of 20% of all products sold in British Columbia and the Prairie provinces with the rest of Canada in the high teens. It's great to see TruExtracts providing products for this significant market with a healthy double-digit profit margin. I look forward to updating shareholders as Tru continues to expand and deliver significant value to our shareholder.”

“Pre-roll production represents approximately 60% of Tru’s current product production space”, said Andre Sinclair, COO of TRU. “This agreement demonstrates the effectiveness of Tru’s business model. As other SKUs launch and Tru expands our building space, we expect this segment to conservatively double over the course of 2022 and to see significant revenue growth ahead for Tru as well as Gaia.”

About TruExtracts



TruExtracts Laboratories was created for high-capacity extraction and production, to meet global demand. TRU is one of Western Canada's largest cannabis and hemp processors, with a 12,500 square foot state of the art facility in Calgary. The facility is Health Canada licensed and fully operational, with an expansion capability of an additional 16,000 additional square feet. Services include toll processing, THC, CBD extractions and isolates, as well as white label service and cannabis THC and CBD products.

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

About Gaia Grow

Gaia Grow is an Alberta-based vertically integrated licensed hemp company with subsidiaries licensed for cannabis and hemp processing, extraction, product formulation, novel product development and cannabis retail. For more information about the Company, please visit www.GaiaGrow.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: 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 www.gaiagrow.com

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The Canadian Securities Exchange does not accept responsibility for the adequacy or accuracy of this release.

CAUTIONARY AND FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. Forward-looking statements and information are often, but not always, identified by the use of words such as "appear", "seek", "anticipate", "plan", "continue", "estimate", "approximate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "would" and similar expressions.

Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the hemp industry in general such as operational risks in



growing; competition; incorrect assessment of the value and potential benefits of various transactions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals and changes in legislation, including but not limited to tax laws and government regulations. Accordingly, readers should not place undue reliance on the forward-looking statements, timelines and information contained in this news release.