

FORM 10

NOTICE OF PROPOSED SIGNIFICANT TRANSACTION (not involving an issuance or potential issuance of a listed security)¹

Name of Listed Issuer: Gabriella's Kitchen Inc. (the "Issuer" or "GABY").

Trading Symbol: GABY

Issued and Outstanding Securities of the Issuer Prior to Transaction: 176,260,483

Date of News Release Fully Disclosing the Transaction: July 25, 2019

1. Transaction

1. Provide details of the transaction including the date, description and location of assets, if applicable, parties to and type of agreement (eg: sale, option, license, contract for Investor Relations Activities etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

On July 25, 2019, the Issuer announced the signing of definitive documents to acquire all of the issued and outstanding membership interests (the "KJM Interests") of KJM Data and Research, LLC ("KJM") (the "Transaction").

The Transaction will enable GABY to: increase its manufacturing and co-packing footprint by more than three times its current size; produce a portion of its own inputs for flower and biomass; establish a licensed kitchen for the expansion of edibles production; and supply its internal brands and partner brands with unique and high value cannabis genetics.

Highlights:

- **KJM currently has a 25,000 square foot leased facility (the "Facility"), located less than one mile from GABY's current Santa Rosa, California facility.**

¹ If the transaction involved the issuance of securities, other than debt securities that are not convertible into listed securities, use Form 9.

- The Facility is zoned for all cannabis-related activities other than retail and type 7 (volatile) manufacturing. KJM currently has approval from Sonoma County for four licenses: manufacturing; cultivation; nursery; and distribution. A Provisional State License for Type 6 (non-volatile) manufacturing is also in place.
- With this new Facility, GABY expects to be able to supply 10% of its base needs for biomass, thus ensuring a steady access to high quality inputs to enable it to continue its strong expansion.
- Shawn Ripley has joined GABY as Consulting Chief Science Officer with a focus on accelerating product development focused on the California market.

2. Provide the following information in relation to the total consideration for the transaction (including details of all cash, non-convertible debt securities or other consideration) and any required work commitments:

GABY will immediately acquire 80% of the issued and outstanding KJM Interests for a purchase price of US\$400,000, less any debt, contingent or otherwise outstanding at closing the (“Purchase Price”) and has the right to purchase the remaining 20% of KJM Interests, subject to certain licensing milestones and other conditions, in exchange for the grant of a two-year warrant for US\$200,000 worth of GABY common shares at an exercise price to be established at the closing price of GABY common shares on the Canadian Securities Exchange on the day prior to the closing date of the remaining 20% of the KJM Interests. GABY has also agreed to enter a seven-year lease on the Facility upon closing of its acquisition of the KJM Interests. GABY will also hold two five-year rights of renewal.

- (a) Total aggregate consideration in Canadian dollars: **US\$400,000**
- (b) Cash: **US\$400,000**
- (c) Other: **See Above**
- (d) Work commitments: **See Above**

3. State how the purchase or sale price and the terms of any agreement were determined (e.g. arm’s-length negotiation, independent committee of the Board, third party valuation etc).

Arm's length negotiation

4. Provide details of any appraisal or valuation of the subject of the transaction known to management of the Issuer:

N/A

5. If the transaction is an acquisition, details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired:

Direct communication with landlord and counterparties of the vendor as well as physical asset inspection and due diligence review.

6. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the transaction (including warrants, options, etc.):

(a) Details of any dealer, agent, broker or other person receiving compensation in connection with the transaction (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): _____

(b) Cash _____.

(c) Other _____.

Not applicable

7. State whether the vendor, sales agent, broker or other person receiving compensation in connection with the transaction is a Related Person or has any other relationship with the Issuer and provide details of the relationship.

Not applicable

8. If applicable, indicate whether the transaction is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months.

Not applicable

2. Development

Provide details of the development. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

See above.

3. Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. To the knowledge of the Issuer, at the time an agreement in principle was reached, no party to the transaction had knowledge of any undisclosed material information relating to the Issuer, other than in relation to the transaction.
3. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
4. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
5. All of the information in this Form 10 Notice of Proposed Significant Transaction is true.

Dated July 25, 2019.

Leanne E. Likness
Name of Director or Senior
Officer

"Leanne E. Likness"
Signature

Corporate Secretary
Official Capacity