FORM 7  
  
MONTHLY PROGRESS REPORT

Name of Listed Issuer**: NASS VALLEY GATEWAY LTD** (the “Issuer” or “NVG”).

Trading Symbol: **NVG**

Number of Outstanding Listed Securities: **312,679,477 common shares**

Date**: JANUARY 7th, 2021**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

**General Instructions**

1. Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
2. The term “Issuer” includes the Issuer and any of its subsidiaries.
3. Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

**Report on Business**

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

**In December 2020, NVG continued meeting compliance requirements for its e-commerce retail and wholesale platforms such as Alibaba, Wholesale Central and others. Part of this process is the design of each product page so that they technically integrate with each e-commerce platform. Gil Ventures, our digital agency in Miami is completing this work in January. Branded Book, NVG’s customer acquisition digital agency, began its initial customer campaigns in December 2020.**

1. Provide a general overview and discussion of the activities of management.

**Management continued to be focused during December 2020 on developing more commercial relationships and refining its e-commerce strategy regarding its new products’ sales tactics. It also began exploring a range of new hemp-based products and delivery systems to introduce to its sales channels. Management anticipates revenue to increase in Q1 2021 as its sales channels, public relations, and advertising efforts begin to convert.**

1. Describe and provide details of any new products or services developed or offered.

**Nass Valley now offers chewable gummies as part of its CBD and hemp delivery-systems. Other delivery methods are tinctures, balms, pet treats, and soft gels. Nass Valley has been developing a line of CBD no-THC hemp cigarettes, or “hemperettes”, as they are known in the CBD/hemp industry. These will be available online in Q1 2021.**

1. Describe and provide details of any products or services that were discontinued.

**NONE**.

1. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

**NONE**.

1. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

**NONE.**

1. Describe any acquisitions by the Issuer or dispositions of the Issuer’s assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

**NONE. (Nass Valley still intends to divest its subsidiary Pro-Thotics Technologies Inc and is engaged in ongoing negotiations with a potential buyer.)**

1. Describe the acquisition of new customers or loss of customers.

**In April, 2019, Nass Valley chose to devote 100% of its resources to the expansion of its CBD production, manufacturing, and CBD marketing businesses. All production facilities and packaging/labeling follow strict FDA guidelines. NVG produces and sells its own branded products under the Nass Valley Gardens brand. Management anticipates sales to continue to ramp up in Q1 2021. NVG has developed a new line of pet products and additional SKUs for human consumption to its offering, which will require new sales channels and therefore a continuous flow of acquiring and retaining new, and also losing existing, customers.**

1. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

**NONE.**

1. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

**Nass Valley hired a FT Sales Manager located in Boca Raton FL to focus on wholesale to national accounts.**

1. Report on any labour disputes and resolutions of those disputes if applicable.

**NONE.**

1. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

**NONE.**

1. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

**NONE.**

1. Provide details of any securities issued and options or warrants granted.

**NONE.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Security** | **Number Issued** | **Details of Issuance** | **Use of Proceeds(1)** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

*(1) State aggregate proceeds and intended allocation of proceeds.*

1. Provide details of any loans to or by Related Persons.

**NONE.**

1. Provide details of any changes in directors, officers or committee members.

**NONE.**

1. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

**Though the Federal Farm Bill of 2018 allowed for the cultivation, product development, and the transportation of hemp across state lines, and sales of hemp-based products as long as they are produced within the letter of the law. There have been various legal challenges on the state level concerning the legality of sales and/or the manufacturing of hemp-based products. Subsequently, NVG is constantly reviewing revised federal and state legislation that may positively or negatively affect the Issuer’s ability to manufacture, distribute, transport, or sell products federally and within certain states.**

**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. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. 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).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: **JANUARY 6th, 2021**

MICHAEL SEMLER   
Name of Director or Senior Officer

*“Michael Semler”*   
Signature

CFO/Director   
Official Capacity

|  |  |  |
| --- | --- | --- |
| ***Issuer Details***  **NASS VALLEY GATEWAY Ltd**. | For Month End: **December 31, 2020** | Date of Report  **21/01/07** |
| Issuer Address  **422 Richards Street, Ste 170** | | |
| City/Province/Postal Code  **Vancouver, BC V6B 2Z4** | Issuer Fax No.  **N/A** | Issuer Telephone No.  **(609) 651-0032** |
| Contact Name  **MICHAEL SEMLER** | Contact **Position - CFO** | Contact Telephone No.  (**609) 651-0032** |
| Contact Email Address  **Michael.s@nassvalleygateway.com** | Web Site Address  **www.nassvalleygateway.com** | |