

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: GABY

Number of Outstanding Listed Securities: 109,114,583

Date: May 6, 2019

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

- (a) 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.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) 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.

On April 1, 2019, GABY closed the acquisition of Sonoma Pacific Distribution Inc. ("Sonoma Pac"), wherein GABY acquired of all of the issued and outstanding shares of Sonoma Pac, California's premier, independently-owned cannabis distribution company. The acquisition was previously announced on October 23, 2018 (the "Acquisition"). With the closing of the Acquisition, GABY gains an expansive distribution reach across the state of California, which currently represents the world's most thriving cannabis market as well as a cannabis distribution license from the California Bureau of Cannabis Control and a use permit from Sonoma County.

With the completion of this Acquisition, Aaron Browe became GABY's Executive Vice-President and General Manager of GABY's cannabis operations. In this role he will supervise a team with over one hundred years' of combined experience in the cannabis industry. This team brings deep connections with appellation farmers growing some of the best cannabis in the Sonoma Valley, and with many of the finest dispensaries in California. He also indirectly supervises a team of sales people strategically positioned throughout the state. This sales team will sell proprietary and third party licensed products into the licensed dispensary channel in California, as well as CBD-infused products into the mainstream independent, natural and organic channels in California.

Under the terms of the Acquisition agreement, Sonoma Pac shareholders will be entitled to receive up to 17,250,000 in common shares of GABY ("GABY Shares") at a deemed price of \$0.4148 per GABY Share. The GABY Shares are issued into escrow and that number of GABY Shares equal to 1.0x the verifiable licensed revenue of Sonoma Pac for the fiscal year ended December 31, 2018 (the "2018 Revenue") will be releasable based on the escrow schedule set out below, to the Sonoma Pac shareholders upon final verification of the 2018 Revenue. Any GABY Shares remaining in escrow following the release to Sonoma Pac shareholders will be returned to treasury for cancellation. Sonoma Pac shareholders will be further entitled to an earn-out equal to 0.35x the difference between the 2018 Revenue and the verifiable licensed revenue of Sonoma realized as at December 31, 2019. The earn-out will be paid in additional common shares of GABY at a price that is equal to the Company's volume weighted average price ("VWAP") for the 20-day period ending on the day following the public release of the consolidated Sonoma and GABY fiscal 2019 year-end financial statements. All of the common shares of GABY issued pursuant to this transaction are subject to a three year escrow from the date of issuance, pursuant to which 15% of the shares held in escrow will be released in equal tranches every six months.

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

GABY's management continued sales and marketing efforts applicable to its products.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Please refer to question 1 above for further information.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

No products or services were discontinued in the month of April 2019.

5. 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.

Please refer to question 1 above for further information.

6. 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.

No material expiry or termination of contracts or cancellation of any financing arrangements occurred in the month of April 2019.

7. 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.

Please refer to question 1 above for further information.

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

No material acquisition of new customers or loss of customers occurred during the month of April 2019 that would be outside of the ordinary course of business.

9. 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.

No new developments or effects on intangible products occurred during the month of April 2019 other than as may occur in the ordinary course of business.

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

In April 2019, GABY restructured certain employee positions, mainly with a view to growing the team in the California marketplace. As per question #1 above, with the completion of the Sonoma Pac Acquisition, Aaron Browe became GABY's Executive Vice-President and General Manager of GABY's cannabis operations. Mr. Browe is headquartered in California.

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

No labour disputes or resolutions occurred during the month of April 2019.

12. 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.

No legal proceedings to which GABY became a party occurred during the month of April 2019.

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

Not applicable.

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

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common Shares	17,250,000	As per #1 above, under the terms of the Acquisition agreement, Sonoma Pac shareholders will be entitled to receive up to 17,250,000 in common shares of GABY at a deemed price of \$0.4148 per GABY Share. The GABY Shares are issued into escrow and that number of GABY Shares equal	N/A

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
		<p>to 1.0x the verifiable licensed revenue of Sonoma Pac for the fiscal year ended December 31, 2018 will be releasable based on the escrow schedule set out below, to the Sonoma Pac shareholders upon final verification of the 2018 Revenue. Any GABY Shares remaining in escrow following the release to Sonoma Pac shareholders will be returned to treasury for cancellation. Sonoma Pac shareholders will be further entitled to an earn-out equal to 0.35x the difference between the 2018 Revenue and the verifiable licensed revenue of Sonoma realized as at December 31, 2019. The earn-out will be paid in additional common shares of GABY at a price that is equal to the Company's VWAP for the 20-day period ending on the day following the public release of the consolidated Sonoma and GABY fiscal 2019 year-end financial statements. All of the common shares of GABY issued pursuant to this transaction are subject to a three year escrow from the date of issuance, pursuant to which 15% of the shares held in escrow will be released in equal tranches every six months.</p>	
Stock Options	25,000	<p>Issued on April 28, 2019 at a grant price of \$0.35. Vesting over 3 years, with one third vesting immediately, one third vesting on the first anniversary and the balance on the second anniversary.</p> <p>The options will expire on the date that is five years from the date of issue.</p>	N/A

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

No loans were provided to or by Related Persons in the month of April 2019.

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

On April 28, 2019, the Board of Directors approved the appointment of the following individuals as officers of GABY.

- **Margot Micallef, Founder, Chair and Chief Executive Officer**
- **Barb Feit, Executive Vice President, Administration and Chief Financial Officer**
- **Jamie Fay, President and Chief Operating Officer**
- **Aaron Browe, Executive Vice President and General Manager**
- **Mara Gordon, Chief Research Officer**
- **Leanne Likness, Corporate Secretary**

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

On October 17, 2018, the use of recreational cannabis became legal in Canada however, edible cannabis products have not yet been legalized for sale in Canada. The government of Canada has stated that edible cannabis shall become legal no later than October 17, 2019.

Cannabidiol was removed from Schedule I of the Controlled Substances Act in the United States on December 11, 2018, under the Agriculture Improvement Act of 2018.

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 was no new material information concerning the Issuer which had 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 May 7, 2019

Leanne E. Likness, Corporate Secretary

“Leanne E. Likness”

<i>Issuer Details</i>	For Month End	Date of Report
Gabriella's Kitchen Inc.	April 2019	May 7, 2019
Issuer Address		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
200, 209 - 8th Avenue SW, Calgary, Alberta T2P 1B8	N/A	(800) 674-2239
Contact Name	Contact Position	Contact Telephone No.
Margot Micallef	Founder and CEO	(800) 674-2239
Contact Email Address	Web Site Address	
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