

## 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: 91,864,583

Date: March 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 February 19, 2019, GABY announced that they had entered into a joint venture ("JV") with Eximius Coffee LLC ("Eximius") to launch a line of cannabis and CBD infused coffee beverages and infused single serve grounds**

suitable for steeping. Eximius is the third largest coffee importer in the U.S. with products sold in retail grocery stores throughout the U.S. The economics of the transaction will see an equal sharing of costs and revenues between the joint venture partners. The cold brew coffee market has grown 12% in volume and 14% in retail sales in 2017 according to Beverage Marketing Corp., New York. The cannabis infused cold brew coffees will be manufactured at The Oil Plant (“TOP”), GABY’s licensed manufacturing facility in Santa Rosa, California using high grade quality oil extractions for which TOP has become known. The cannabis-infused coffees will in turn be distributed to licensed retailers (also known as dispensaries) by Sonoma Pacific Distribution, a licensed distributor that is currently in the process of being acquired by GABY as announced in the Company’s press release issued October 23, 2018. The Hemp derived CBD infused cold brew coffee will be manufactured by Xtract Xperts using hemp CBD oil extracted in their facility in Oregon and will be launched into the mainstream market, as legally allowable, for distribution using GABY’s relationships and infrastructure. GABY and Eximius are concluding the logistics of infusing single serve coffee pods with cannabis and expect to be able to bring those to the licensed market very soon.

On February 21, 2019, GABY announced that it had entered into a supply agreement to purchase cannabidiol (“CBD”) extract, including full spectrum, high grade cannabidiol, distillate oil and isolate crystals from Xtract Xperts, the largest producer of hemp in the state of Oregon. The demand for CBD and products containing CBD has dramatically expanded following removal of CBD from Schedule I of the Controlled Substances Act in the U.S. on December 11, 2018, under the Agriculture Improvement Act of 2018 (the “2018 Farm Bill”).

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 #1 above.**

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 February 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 #1 above.**

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 occurred in the month of February 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.

**No acquisitions or dispositions of GABY's assets occurred during the month of February 2019.**

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 February 2019, that were outside of the normal 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 February 2019.**

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

**No material employee hirings, terminations, or lay-offs occurred in the month of February 2019.**

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

**No labour disputes occurred during the month of February 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 February 2019.**

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

**No indebtedness was incurred by GABY in the month of February 2019.**

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

**No securities were issued and no options or warrants were granted in the month of February 2019.**

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

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

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

**No changes in directors, officers or committee members occurred in February 2019.**

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 cannabis industry became legal in Canada.**

**Further, CBD was removed from Schedule I of the Controlled Substances Act in the U.S. on December 11, 2018, under the Agriculture Improvement Act of 2018 (the “2018 Farm Bill”).**

## 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 March 6, 2019

Leanne E. Likness, Corporate Secretary

*“Leanne E. Likness”*

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| <i>Issuer Details</i><br>Gabriella’s Kitchen Inc.                                  | For Month End<br>February 2019   | Date of Report<br>March 6, 2019         |
| Issuer Address   |  |   |
| City/Province/Postal Code<br>200, 209 - 8th Avenue SW, Calgary, Alberta<br>T2P 1B8 | Issuer Fax No.<br>N/A  | Issuer Telephone No.<br>(800) 674-2239  |
| Contact Name<br>Margot Micallef  | Contact Position<br>Founder and<br>CEO   | Contact Telephone No.<br>(800) 674-2239 |
| Contact Email Address<br>IR@gabriellas-kitchen.com                                 | Web Site Address<br><a href="http://www.gabriellas-kitchen.com">www.gabriellas-kitchen.com</a> |   |