

## 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: February 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.

**No material developments in GABY's business and operations occurred over the previous month, with the exception of Mr. Jamie Fay's appointment as President & COO (see #10 below).**

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.

**No new products or services were developed or offered in January 2019.**

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 January 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.

**No new material business relationships were entered into in the month of January 2019.**

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 January 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 January 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 January 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 January 2019.**

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

**On January 21, 2019, GABY announced that Mr. Jamie Fay had been appointed President & COO. Mr. Fay is the former Chief Customer Officer and General Manager of The Hain Celestial Group, Inc. (NASDAQ: HAIN) where he was responsible for US and international sales, strategic planning, and operations. Mr. Fay is currently a member of the Whole Foods Market Supplier Council. Mr. Fay also has extensive industry experience driving innovative strategic initiatives as Senior Vice President, Global Sales at Nature's Path Foods and Senior Vice President, Retail Strategy & Operations at Mars Inc. He brings with him over 20 years of delivering top line growth objectives while maintaining commitments against financial returns and will contribute his skills and expertise to the development and achievement of GABY's vision to penetrate and lead the market as a trusted cannabis wellness company.**

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

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

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

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
Units	1,000 Units	<p>Non-brokered private placement of up to 1,300 units (“Units”) of GABY at a price of \$1,000 per Unit, for aggregate gross proceeds of up to \$1,300,000 (the “Offering”). Each Unit is comprised of a secured convertible debenture in the principal amount of \$1,000 (“Debentures”) and 500 common share purchase warrants (“Warrants”). The Debentures accrue interest at a rate of 15% per annum. The Debentures are redeemable at the option of GABY or retractable and/or convertible into common shares of GABY (“Common Shares”) at the option of the holder, in whole or in part, from the date that is 90 days following the closing of the Offering until maturity at 2 years following the closing of the Offering. The conversion price of the Debentures will be equal to the greater of \$0.37 per Common Share or the closing price of the Common Shares on the last trading day prior to the date of that GABY receives a notice of conversion from the holder. Each Warrant is exercisable at a price of \$0.37 per Common Share for a period expiring 2 years from the closing of the Offering. The securities issued under the Offering will be subject to a four-month and one day hold period in accordance with Canadian securities laws.</p>	<p>The net proceeds of the Offering will be used to accelerate the growth of GABY’s recent acquisitions and for general corporate purposes.</p>

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
Common Shares	1,383,800	Common Shares issued to three arm's length service providers in accordance with previously agreed arrangements (the "Shares for Services"). Pursuant to the various agreements for services, GABY issued 1,383,800 Common Shares, at a deemed price of \$0.37 per Common Share. The Shares for Services are being issued under the applicable exemptions under the National Instrument 45-106 and is subject to a customary four month and one day hold period pursuant to applicable securities laws. In addition, 700,000 of such Shares for Services are subject to an additional hold period under an escrow arrangement and will be released over a three year period.	N/A
Stock Options	4,310,000	<p>Issued on January 20, 2019 at a grant price of \$0.50. The options will vest over five years, one fifth vesting upon the first anniversary of the grant, and one fifth every year thereafter (January 1, 2020, January 1, 2021, January 1, 2022, January 1, 2023, January 1, 2024).</p> <p>The options will expire on the date that is ten years from the date of issue.</p>	N/A

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

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 January 2019, with the exception of the appointment of Mr. Jamie Fay as President and COO (see item #10 above).**

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.**

## 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 February 6, 2019

Leanne E. Likness, Corporate Secretary

*“Leanne E. Likness”*

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