

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer Chalice Brands Ltd. (the “Issuer” or “Chalice”).

Trading Symbol: CHAL

Number of Outstanding Listed Securities: 84,415,725

Date: April 2023

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 March 12, 2020, the World Health Organization (“WHO”) declared a global pandemic as a result of the spread of a virus known as COVID-19. The impacts on global commerce are expected to be far reaching. This has limited the Company’s workforce from travelling to its various state specific jurisdictions. This will likely

impact demand for the Company's products in the near term and will also likely impact the Company's supply chains. It may also impact expected credit losses on trade receivables and may cause staff shortages and increased government regulations or interventions, which may negatively impact the financial condition or results of the Company. The Company has taken effective steps to ensure frequent sanitization, social distancing, and abstention from duty for employees with illnesses.

As of the date of this report, the Company has experienced minimal disruptions in staffing and none of the Company's facilities have been forced to close. Despite this crisis, the Company has experienced significant retail revenue growth and overall demand in Oregon was sustained through the date of this report.

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

Record quarterly revenues of \$8.9 million, a 61% year-over-year increase compared to \$5.5 million for the same period in 2020.

Estimated gross profit margin before fair value adjustments for the fourth quarter 2021 of \$3.6 million, or 41% compared to \$1.7 million, or 30% in 2020. Gross margin improvements are due largely to increased vertical contribution from the Company's manufactured products.

Record total revenue of \$29.3 million for FY 2021, a 34% year-over-year increase compared to \$21.9 million for FY 2020. Fourth quarter of 2021 is expected to conclude the Company's first-ever adjusted EBITDA positive year and fifth consecutive positive quarter.

Gross profit for 2021 of \$12.6 million, or 43% compared to \$6.8 million at a 31% gross margin in 2020. Gross margin improvements were accomplished as a result of increased vertical contribution from the Company's manufactured products.

The financial information included is preliminary, unaudited and subject to adjustment. It does not present all information necessary for an understanding of the Company's financial results for the fourth quarter of 2021. The Company will provide its full fourth quarter financial report at the next earnings call, to be announced at a later date

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.

Not applicable.

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.

Not applicable.

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.

Not applicable.

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.

Not applicable.

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.

Not applicable.

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

Not applicable.

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.

Not applicable.

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

Not applicable.

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

Not applicable.

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.

Not applicable.

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.

Not applicable.

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

Not applicable.

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

Not applicable.

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

See item #1.

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 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: May 5th, 2023

Jeffrey Yapp
 Name of Director or Senior
 Officer

"Jeffrey Yapp"
 Signature
 Chief Executive Officer
 Official Capacity

Issuer Details		For Month End	Date of Report
Name of Issuer Chalice Brands Ltd.		April 2023	YY/MM/DD 23/05/04
Issuer Address 82 Richmond Street East			
City/Province/Postal Code Toronto, ON M5C 1P1		Issuer Fax No. (416) 848-0790	Issuer Telephone No. 416-848-7729
Contact Name		Contact Position: Investor Relations	Contact Telephone No. 416-848-7729
Contact Email Address ir@chalicebrands.com		Web Site Address: http://www.chalicebrandsltd.com/	