

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 Name and Address of Company

Chalice Brands Ltd. (the "Company" or "Chalice")
82 Richmond Street East
Toronto, Ontario
M5C 1P1

Item 2 Date of Material Change

December 22, 2021

Item 3 News Release

A news release with respect to the material change referred to in this report was disseminated through Globe Newswire on December 22, 2021 and subsequently filed on SEDAR.

Item 4 Summary of Material Change

On December 22, 2021, the Company announced that it had received all required regulatory approvals from the Oregon Liquor Control Commission and Clackamas County to complete its previously announced acquisition of the assets of Tozmoz, LLC ("Tozmoz"), an Oregon limited liability company.

Chalice purchased substantially all the assets of Tozmoz, including the facility located in Clackamas County, which serves as the headquarters for multiple extraction options as stated above, for total consideration of 1,268,116 common shares of Chalice, a 48-month promissory note for US\$400,000 bearing six percent interest, and forgiveness of \$650,000 of promissory notes owed to Chalice. Chalice has satisfied certain conditions by way of the previous consulting agreement with Tozmoz, resulting in zero cash due at closing.

Item 5 Full Description of Material Change

See item 4.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Andrew Marchington, Chief Financial Officer; Tel: 971-269-6092

Item 9 Date of Report

January 13, 2022.

CHALICE BRANDS LTD.

By: *Signed* "Andrew Marchington"
Andrew Marchington
Chief Financial Officer