



**Supplement to the Fourth Report of
KSV Restructuring Inc.
as CCAA Monitor of
Chalice Brands Ltd.**

January 19, 2024

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COURT FILE NO.: CV-23-00699872-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF CHALICE BRANDS LTD.

SUPPLEMENT TO THE FOURTH REPORT OF
KSV RESTRUCTURING INC., IN ITS CAPACITY AS MONITOR

JANUARY 19, 2024

1.0 Introduction

1. This report (“Supplemental Report”) supplements the Monitor’s Fourth Report to Court dated September 26, 2023 (“Fourth Report”).
2. Unless otherwise stated, capitalized terms used in this report have the meanings provided to them in the Fourth Report.
3. Pursuant to orders issued on September 28, 2023, the Court issued:
 - a. the Approval and Vesting Order, among other things:
 - i. approving the Transaction as contemplated by the APA; and
 - ii. vesting all of the Applicant’s right, title and interest in and to the Purchased Assets (as defined in the APA) in the Purchaser, free and clear of all encumbrances, other than permitted encumbrances;
 - b. a CCAA Termination Order, among other things:
 - i. discharging KSV in its capacity as the Monitor of the Applicant effective upon the service of a Termination Certificate at the CCAA Termination Time;
 - ii. authorizing the Applicant to make an assignment in bankruptcy pursuant to the BIA prior to the service of the Termination Certificate and authorizing the Monitor, if it so consents, to act as licensed insolvency trustee (the “Trustee”);

- iii. releasing and discharging the Administration Charge effective as of the CCAA Termination Time;
 - iv. granting certain Releases in favour of the Released Parties;
 - v. discharging the CRO effective as at the earlier of (a) the end of the “Initial Term” contemplated in the CRO’s engagement letter, being February 12, 2024, or (b) the CCAA Termination Time;
 - vi. approving the fees and disbursements of the Monitor and Cassels as described in this Report, including a fee accrual of \$150,000, excluding harmonized sales tax and disbursements, for services until the end of this CCAA proceeding; and
 - vii. approving the activities, conduct and reports of the Monitor to date.
- c. an order, extending the Stay Period to the earlier of (i) service of the Termination Certificate, or (ii) January 31, 2024.
4. A copy of the CCAA Termination Order is attached as Appendix “A”. Paragraph Eight of the CCAA Termination Order states:

“THIS COURT ORDERS that concurrent with the delivery by the Monitor of notice of the intended filing of the Monitor’s Certificate [Termination Certificate] as provided for in paragraph 7 of this Order, the Monitor shall also prepare and serve on the Service List a Report that provides an update about these proceedings since the time of the Fourth Report including the fees and activities of the Monitor and Cassels and the activities of the remaining Released Parties, in each case, from and after the date of this Order to and including the date of such Report. The Report shall also include fee affidavits sworn by representatives of each of the Monitor and Cassels regarding their respective fees incurred since (i) August 31, 2023 for the Monitor and (ii) September 24, 2023 for Cassels.”

5. Concurrent with the issuance of this Report, the Monitor is advising the Service List that it intends to serve the Termination Certificate in ten days on January 29, 2024 (in advance of the expiry of the Stay Period on January 31, 2024). If any party objects to any of the relief set to become effective on the filing of the Termination Certificate, notice of such objection must be provided to the Monitor and Cassels in writing, including the grounds therefor, prior to the ten-day period. If such an objection is received, the Monitor may only file the Termination Certificate: (i) if the objection is resolved, or (ii) on further order of this Court.
6. As such, the purpose of this Supplemental Report is for the Monitor to comply with paragraph Eight of the CCAA Termination Order and provide an update about these proceedings since the time of the Fourth Report.

7. Since the Fourth Report, the Monitor and Chalice have worked with the Purchaser to close the Transaction. On December 29, 2023, the Transaction closed. As described in the Fourth Report, in connection with the Oregon Court's approval of the Transaction, Chalice was required to pay on closing from the sale proceeds (i) certain settlement payments to parties who asserted secured claims and (ii) certain amounts to the Oregon Receiver for the payment of administrative tax liabilities and certain Oregon state taxes and administrative claims allowed in the Oregon Receivership. After payment of those amounts and certain nominal transaction fees, the net proceeds available to Chalice was US\$61,879.66. In light of the quantum of the net sale proceeds, the Interim Funding (as described in the Second Report of the Monitor dated July 25, 2023) will not be repaid by the Oregon Receivership Entities. After payment of certain fees and employee expenses, Chalice is anticipated to have approximately \$27,000 in its bank account upon termination of these proceedings. Accordingly, there are not sufficient funds available to administer a distribution to creditors of Chalice or to fund a bankruptcy and the Monitor does not intend to consent to being the Trustee of Chalice.

2.0 Professional Fees

1. The fees (excluding disbursements and HST) (i) of the Monitor from August 31, 2023 to and including the date of this Supplemental Report total \$37,596.25, and (ii) of Cassels from September 25, 2023 to and including January 18, 2024 total \$16,114.50.
2. The average hourly rates for the Monitor and Cassels for the referenced billing periods were \$573.11 and \$875.79, respectively.
3. Invoices in respect of the fees and disbursements of the Monitor and Cassels are provided in the exhibits to the fee affidavits attached as Appendices "A" and "B", respectively.
4. The Monitor is of the view that the hourly rates charged by Cassels are consistent with the rates charged by large corporate law firms practicing in the area of corporate insolvency and restructuring in the Toronto market, that Cassels' billings reflect work performed consistent with the Monitor's instructions, and that the overall fees charged by Cassels and the Monitor are reasonable and appropriate in the circumstances.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS MONITOR OF
CHALICE BRANDS LTD.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF CHALICE BRANDS LTD.**

**AFFIDAVIT OF NOAH GOLDSTEIN
(sworn January 19, 2024)**

I, **NOAH GOLDSTEIN**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY
AS FOLLOWS:**

1. I am a Managing Director of KSV Restructuring Inc. ("KSV"), the Court-appointed monitor (the "Monitor") of Chalice Brands Ltd. (the "Applicant"), and as such I have knowledge of the matters deposited to herein.
2. Pursuant to an order of the Ontario Superior Court of Justice ("Court") made on May 23, 2023, the Applicant was granted protection under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") and KSV was appointed as the Monitor in this proceeding.
3. This Affidavit is sworn in support of a motion seeking, among other things, approval of the Monitor's fees and disbursements for the period September 1, 2023 to January 19, 2024 (the "Period").
4. The Monitor's invoice for the Period discloses in detail: the nature of the services rendered; the time expended by each person and their hourly rates; the total charges for the services rendered; and the disbursements charged. A copy of the Monitor's invoice is attached hereto as Exhibit "A" and the billing summary is attached hereto as Exhibit "B".
5. The Monitor spent a total of 65.6 hours on this matter during the Period, resulting in fees totalling \$37,596.25, excluding disbursements and HST, as summarized in Exhibit "B".
6. As reflected on Exhibit "B", the Monitor's average hourly rate for the Period was \$573.11.

7. I verily believe that the time expended and the fees charged are reasonable in light of the services performed and the prevailing market rates for services of this nature in downtown Toronto.

SWORN before me at the City of)
Toronto, in the Province of Ontario)
this 19 day of January, 2024)



Catherine Anne Stuyck-Therault, a Commissioner, etc.,
Province of Ontario, for KSV Advisory Inc. and KSV Restructuring Inc.
Expires February 19, 2025.



NOAH GOLDSTEIN

This is Exhibit "A" referred to in the
Affidavit of Noah Goldstein sworn before
me, this 19th day of January, 2024

A handwritten signature in blue ink, appearing to read "Chalk", is positioned above a horizontal dotted line.

.....
Catherine Anne Stuyck-Therault, a Commissioner, etc.,
Province of Ontario, for KSV Advisory Inc. and KSV Restructuring Inc.
Expires February 19, 2025

**kvs advisory inc.**

220 Bay Street, Suite 1300, Box 20

Toronto, Ontario, M5J 2W4

T +1 416 932 6262

F +1 416 932 6266

kvsadvisory.com

INVOICE

Chalice Brands Ltd.
82 Richmond Street East
Toronto, ON M5C 1P1

January 18, 2024

Attention: Scott Secord

Invoice No: 3462
HST #: 818808768RT0001

Re: Chalice Brands Ltd. (the "Company")

For professional services rendered from September 1, 2023 to January 18, 2024 by KSV Restructuring Inc. ("KSV") in connection with the Company's proceedings under the *Companies' Creditors Arrangement Act* ("CCAA"), including:

General

- Corresponding with Cassels Brock & Blackwell LLP ("Cassels"), the Monitor's legal counsel, and Osler, Hoskin & Harcourt LLP ("Osler"), counsel to the Company, concerning all matters in the CCAA proceedings, including calls and emails as more specifically outlined below;
- Corresponding extensively with Cassels, Osler, management of the Company, Scott Secord, the Company's Chief Restructuring Officer ("CRO"), Leonard Law Group ("Leonard Law"), U.S. counsel to the Company, Kenneth Eiler, and Lane Powell PC, counsel to the Oregon Receiver, concerning all matters in the Oregon receivership proceedings (the "Oregon Proceedings") and coordination thereof with the CCAA proceedings;
- Maintaining the Service List in these proceedings on the Monitor's website;
- Preparing the Monitor's Fourth Report to Court dated September 26, 2023 (the "Fourth Report");
- Corresponding with the CRO, Cassels and Osler regarding the Fourth Report;
- Attending Court on September 28, 2023;
- Reviewing the Oregon Receiver's motions filed in the Oregon Proceedings;
- Corresponding regularly with the Oregon Receiver and its counsel regarding the Oregon Proceedings and the status of a transaction in the Oregon Proceedings;
- Arranging for the filing of the Monitor's Certificate upon closing the transaction;

- Corresponding with the CRO regarding a distribution to the Company;
- Preparing the Monitor’s Fifth Report to Court (to be filed);

Other

- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

Fees	\$	37,596.25
HST		<u>4,887.51</u>
Total due	\$	<u><u>42,483.76</u></u>

KSV Restructuring Inc.
Chalice Brands Ltd.

Time Summary

For the period September 1, 2023 to January 18, 2024

Personnel	Rate (\$)	Hours	Amount (\$)
Noah Goldstein	700	35.70	24,990.00
Christian Vit	450	26.50	11,925.00
Other Staff and administration	175-225	3.40	681.25
Total fees		65.60	<u>37,596.25</u>

This is Exhibit "B" referred to in the
Affidavit of Noah Goldstein sworn before
me, this 19th day of January, 2024

A handwritten signature in blue ink, appearing to read "Chalk", is positioned above a horizontal dotted line.

.....
Catherine Anne Stuyck-Therault, a Commissioner, etc.,
Province of Ontario, for KSV Advisory Inc. and KSV Restructuring Inc.
Expires February 19, 2025

Chalice Brands Ltd. (the "Applicant")
 Schedule of Professionals' Time and Rates
 For the Period of September 1, 2023 to January 19, 2024

Name	Role	Hours	Billing Rate (Per Hour)	Total Fees by Professional (\$)
Noah Goldstein	Overall Responsibility	35.70	\$ 700	24,990
Christian Vit	All aspects of mandate	26.50	\$ 450	11,925
Other staff and administrative		3.40	\$ 175 - 225	681
Total hours				65.60
Total fees				<u>\$ 37,596.25</u>
Average hourly rate				573.11

Appendix “B”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT* R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF CHALICE BRANDS LTD.

**AFFIDAVIT OF RYAN JACOBS
(sworn January 19, 2024)**

I, Ryan Jacobs, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND SAY:

1. I am a lawyer qualified to practice law in Ontario and a Partner¹ with Cassels Brock & Blackwell LLP ("**Cassels**"), counsel for KSV Restructuring Inc., in its capacity as monitor (the "**Monitor**") appointed pursuant to the Initial Order of the Ontario Superior Court of Justice (Commercial List) granted in these proceedings on May 23, 2023. As such, I have knowledge of the matters to which I depose.

2. During the period from September 25, 2023 to and including January 18, 2024, Cassels incurred fees and disbursements, including HST, in the amount of \$18,209.39. Particulars of the work performed are contained in the invoices (the "**Invoices**") attached hereto and marked as **Exhibit "A"** to this affidavit.

3. Attached as **Exhibit "B"** is a schedule with tables summarizing each Invoice in Exhibit "A", including the total billable hours charged per Invoice, the total fees

¹ My services are provided through a professional corporation.

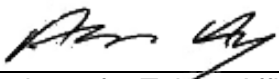
charged per Invoice and the average hourly rate charged per Invoice. The average hourly rate charged by Cassels is \$875.79.

4. Attached as **Exhibit "C"** is a schedule summarizing the respective years of call and billing rates of each individual at Cassels who acted for the Monitor, as the case may be.

5. To the best of my knowledge, the rates charged by Cassels throughout the course of these proceedings are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services, and the rates charged by Cassels for services rendered in similar proceedings.

6. I make this affidavit in support of a motion for, *inter alia*, approval of the fees and disbursements of counsel of the Monitor, and for no other or improper purpose.

SWORN BEFORE ME by video conference on this 19th day of January 2024. The affiant and I both were located the City of Toronto in the Province of Ontario. This affidavit was commissioned remotely in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



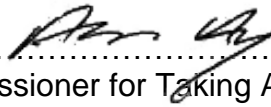
A commissioner for Taking Affidavits
(or as may be)



RYAN JACOBS

Commissioner Name: Alec Hoy
Law Society of Ontario Number: 85489K

This is Exhibit "A" referred to in the affidavit of Ryan Jacobs, affirmed before me by videoconference on January 19, 2024 in accordance with O. Reg. 431/20. The affiant was located in the City of Toronto in the Province of Ontario and I was located in the City of Toronto in the Province of Ontario.



.....
A Commissioner for Taking Affidavits

Commissioner Name: Alec Hoy
Law Society of Ontario Number: 85489K

EXHIBIT "A"

**True Copies of the Invoices issued to the Monitor
for fees and disbursements incurred by
Cassels Brock & Blackwell LLP**

Cassels

Attn: Noah Goldstein
KSV Advisory
150 King St W, Suite 2308
Toronto, ON M5H 1J9

Invoice No: 2215989
Date: October 30, 2023
Matter No.: 057984-00010
GST/HST No.: R121379572
Lawyer: Jacobs, Ryan
Tel.: (416) 860-6465
E-mail: RJacobs@cassels.com

Re: Chalice Brands – Restructuring

Fees for professional services rendered up to and including September 30, 2023

Our Fees	11,599.00
HST @ 13.00%	1,507.87
Total Invoice Amount	13,106.87
Less Amount Applied From Trust	(13,106.87)
TOTAL DUE (CAD)	(0.00)

We are committed to protecting the environment.

Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: Email payment details to payments@cassels.com

CAD EFT and Wire:

Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:

Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 Canada

Online Bill Payments:

Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter #

Invoice No: 2215989
Matter No.: 057984-00010
Amount: **CAD (0.00)**

e-Transfer Payments: payments@cassels.com

Credit Card Payments: payments.cassels.com

Cassels Brock Blackwell LLP | cassels.com

Suite 3200, Bay Adelaide Centre - North Tower, 40 Temperance Street, Toronto, ON M5H 0B4 Canada | t: 416 869 5300 | f: 416 360 8877

FEE DETAIL			
Date	Name	Description	Hours
Sep-25-23	A. Hoy	Revising Fee Affidavit of Cassels; commissioning Fee Affidavit; preparing Fourth Report for service	1.80
Sep-25-23	R. Jacobs	Review and comment on latest drafts of report. Finalize report and affidavit. Call with A. Hoy regarding same. Calls with N. Goldstein.	1.20
Sep-26-23	W. Onyeaju	Commissioning Affidavit of Service of A. Hoy.	0.10
Sep-26-23	R. Jacobs	Finalize report and cord with Cassels and KSV teams.	1.00
Sep-26-23	J. Bornstein	Emails with KSV and Cassels team regarding finalizing Monitor's report; Email from F Suarez-Amaya regarding factum and initial analysis re same;	0.20
Sep-26-23	A. Hoy	Finalizing and Serving Fourth Report of the Monitor; Swearing Affidavit of Service	1.20
Sep-26-23	M. Wunder	Review draft receiver report.	0.30
Sep-27-23	J. Bornstein	Analyze court materials and prepare for hearing; Discussion with N Goldstein regarding same;	1.60
Sep-27-23	R. Jacobs	Correspondence with J. Bornstein and N. Goldstein regarding hearing prep and relief. Examine proposed form of order.	1.00
Sep-28-23	J. Bornstein	Prepare for and attend hearing; Analyze court materials re same; Call with N Goldstein re same; Analyze and revise termination order and emails with Osler and KSV teams re same; Instructions to A Hoy regarding sending confidential appendix to court;	2.90
Sep-28-23	A. Hoy	Correspondence with the court re Confidential Appendix	0.30
Sep-29-23	J. Bornstein	Analyze endorsement and orders; Email to R Jacobs re same;	0.30
Sep-29-23	R. Jacobs	Correspondence with N. Goldstein , J. Bornstein regarding hearing update and order terms. Review entered order and endorsement.	1.10

FEE SUMMARY				
Name	Title	Hours	Rate	Amount
Jacobs, Ryan	Partner	4.30	1,500.00	6,450.00
Bornstein, Jeremy	Partner	5.00	685.00	3,425.00
Wunder, Michael	Partner	0.30	975.00	292.50
Hoy, Alec	Associate	3.30	420.00	1,386.00
Onyeaju, William	Associate	0.10	455.00	45.50
Total (CAD)		13.00		11,599.00

Our Fees	11,599.00	
HST @ 13.00%	1,507.87	
TOTAL FEES & TAXES (CAD)		13,106.87

TOTAL FEES		11,599.00
TOTAL TAXES		1,507.87
TOTAL FEES & TAXES (CAD)		13,106.87
LESS AMOUNT APPLIED FROM TRUST		(13,106.87)
TOTAL AMOUNT DUE		(0.00)

Cassels

Attn: Noah Goldstein
KSV Advisory
150 King St W, Suite 2308
Toronto, ON M5H 1J9

Invoice No: 2226850
Date: January 19, 2024
Matter No.: 057984-00010
GST/HST No.: R121379572
Lawyer: Jacobs, Ryan
Tel.: (416) 860-6465
E-mail: RJacobs@cassels.com

Re: Chalice Brands – Restructuring

Fees for professional services rendered up to and including January 19, 2024

Our Fees	4,515.50
HST @ 13.00%	587.02
TOTAL DUE (CAD)	5,102.52

We are committed to protecting the environment.

Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: Email payment details to payments@cassels.com

CAD EFT and Wire:

Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:

Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 Canada

Online Bill Payments:

Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter #

Invoice No: 2226850
Matter No.: 057984-00010
Amount: **CAD 5,102.52**

e-Transfer Payments: payments@cassels.com

Credit Card Payments: payments.cassels.com

Cassels Brock Blackwell LLP | cassels.com

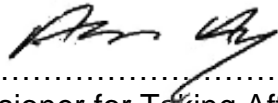
Suite 3200, Bay Adelaide Centre - North Tower, 40 Temperance Street, Toronto, ON M5H 0B4 Canada | t: 416 869 5300 | f: 416 360 8877

FEE DETAIL			
Date	Name	Description	Hours
Dec-29-23	J. Bornstein	Emails with N Goldstein and receiver's counsel regarding closing; Instructions to A Hoy regarding Monitor's certificate; Calls with A Geppert (Receiver's counsel); Emails with purchaser, receiver and escrow agent regarding release of funds from escrow;	0.60
Dec-29-23	A. Hoy	Preparing Monitor's Certificate for closing of transaction	0.30
Jan-07-24	R. Jacobs	Review emails from Oslers team regarding update report post closing. Emails with N. Goldstein and J. Bornstein regarding same.	0.80
Jan-07-24	J. Bornstein	Emails with Osler team and N Goldstein and R Jacobs regarding termination of CCAA proceedings and final Monitor's report; Instructions to A Hoy regarding Monitor's certificate and fee affidavit;	0.40
Jan-08-24	A. Hoy	Preparing Fee Affidavit; filing Monitor's Certificate with the Court	1.00
Jan-08-24	R. Jacobs	Correspondence with KSV and Cassels teams regarding draft report and affidavit.	0.30
Jan-09-24	J. Bornstein	Analyze draft fee affidavit; Instructions to A Hoy regarding same; Email to N Goldstein regarding CCAA termination;	0.30
Jan-11-24	A. Hoy	Serving stamped Monitor's Certificate on the Service List	0.30
Jan-11-24	J. Bornstein	Instructions to A Hoy regarding service of Monitor's certificate and notice of termination of CCAA service email;	0.20
Jan-16-24	J. Bornstein	Emails with N Goldstein regarding draft report;	0.20
Jan-17-24	J. Bornstein	Emails with N Goldstein regarding draft report; Emails with Cassels team regarding fee affidavit;	0.50
Jan-18-24	J. Bornstein	Call with R Jacobs regarding final report; Call with N Goldstein regarding final report and email from N Goldstein regarding CCAA termination matters; Instructions to A Hoy regarding fee affidavit; Call with B Muller regarding Monitor's report and termination of CCAA proceedings;	0.50

FEE SUMMARY				
Name	Title	Hours	Rate	Amount
Bornstein, Jeremy	Partner	2.10	730.00	1,533.00
Bornstein, Jeremy	Partner	0.60	685.00	411.00
Jacobs, Ryan	Partner	1.10	1,650.00	1,815.00
Hoy, Alec	Associate	1.30	485.00	630.50
Hoy, Alec	Associate	0.30	420.00	126.00
Total (CAD)		5.40		4,515.50

Our Fees	4,515.50	
HST @ 13.00%	587.02	
TOTAL FEES & TAXES (CAD)		5,102.52
<hr/>		
TOTAL FEES		4,515.50
TOTAL TAXES		587.02
TOTAL FEES & TAXES (CAD)		5,102.52

This is Exhibit "B" referred to in the affidavit of Ryan Jacobs, affirmed before me by videoconference on January 19, 2024 in accordance with O. Reg. 431/20. The affiant was located in the City of Toronto in the Province of Ontario and I was located in the City of Toronto in the Province of Ontario.



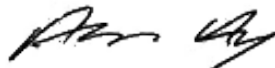
.....
A Commissioner for Taking Affidavits

Commissioner Name: Alec Hoy
Law Society of Ontario Number: 85489K

EXHIBIT "B"
Calculation of Average Hourly Billing Rates of
Cassels Brock & Blackwell LLP
for the period from September 25, 2023 to January 18, 2024

Invoice No./ Period	Fees (\$)	Disbursements (\$)	HST (\$)	Total Fees, Disbursements and HST (\$)	Hours Billed	Average Billed Rate (\$)
2215989 Sept 25-23 to Sept 30-23	11,599.00	0.00	1,507.87	13,106.87	13.00	892.23
2226850 Oct 1-23 to Jan 18-24	4,515.50	0.00	587.02	5,102.52	5.40	836.20
Total	16,114.50	0.00	2,094.89	18,209.39	18.40	875.79

This is Exhibit "C" referred to in the affidavit of Ryan Jacobs, affirmed before me by videoconference on January 19, 2024 in accordance with O. Reg. 431/20. The affiant was located in the City of Toronto in the Province of Ontario and I was located in the City of Toronto in the Province of Ontario.



.....
A Commissioner for Taking Affidavits

Commissioner Name: Alec Hoy
Law Society of Ontario Number: 85489K

EXHIBIT "C"

Billing Rates of Cassels Brock & Blackwell LLP

For the period from September 25, 2023 to January 18, 2024

Year of Call	Individual	Rate (\$)	Fees Billed (\$)	Hours Worked
1990	Michael Wunder	975.00	292.50	0.30
2011	Ryan Jacobs (2023 Rate)	1,500.00	6,450.00	4.30
2011	Ryan Jacobs (2024 Rate)	1,650.00	1,815.00	1.10
2014	Jeremy Bornstein (2023 Rate)	685.00	3,836.00	5.60
2014	Jeremy Bornstein (2024 Rate)	730.00	1,533.00	2.10
2021	William Onyeaju	455.00	45.50	0.10
2022	Alec Hoy (2023 Rate)	420.00	1,512.00	3.60
2022	Alec Hoy (2024 Rate)	485.00	630.50	1.30

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CHALICE BRANDS LTD.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF RYAN JACOBS
SWORN JANUARY 19, 2024**

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*Lawyers for KSV Restructuring Inc. as Monitor of Chalice
Brands Ltd.*

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CHALICE BRANDS LTD.

Court File No.: CV-23-00699872-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT
TORONTO

**SUPPLEMENT TO THE FOURTH REPORT
OF THE MONITOR**

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