

**Form 51-102F3**  
**Material Change Report**

**Item 1 Name and Address of Company**

Lobe Sciences Ltd. (the “Company”) – Suite 1400 – 1199 West Hastings Street, Vancouver, BC, V6E 3T5

**Item 2 Date of Material Change**

April 20, 2022

**Item 3 News Release**

Not applicable.

**Item 4 Summary of Material Change**

On April 20, 2022, the Company entered into a voting support and lock-up agreement (“VLA”) with Ionic Brands Corp. (“Ionic”) and Yourway Cannabis Brands Inc. (“Yourway”). The VLA is contingent on the execution of plan of arrangement between Ionic and Yourway (“Plan of Arrangement”). Upon completion of the Plan of Arrangement, the Company will convert its Ionic convert Ionic Preferred Shares, Ionic Common Shares and Ionic Warrants to Yourway common shares to be released quarterly in 5 equal tranches commencing 12 months from the effective date of the Plan of Arrangement.

**Item 5 Full Description of Material Change**

**5.1 Full Description of Material Change**

The VLA is contingent on the execution of Plan of Arrangement. Pursuant to the VLA, the Company agreed to the following on the effective date of the Plan of Arrangement:

- convert 36,707,180 preferred shares to Ionic common shares resulting in the Company holding 57,229,991 Ionic common shares;
- convert 57,229,991 Ionic common shares to Yourway common shares at an exchange ratio of 0.0525 Yourway common shares for each Ionic common share resulting in the Company holding approximately 3,000,000 Yourway common shares;
- enter into an escrow agreement for the Yourway common shares held by the Company whereby the Yourway common shares will be released quarterly in 5 equal tranches commencing 12 months from the effective date of the Plan of Arrangement;
- accept 9,900,000 Ionic common share purchase warrants (the “Consideration Warrants”) with each Consideration Warrant entitling the Company to acquire one Ionic common share at \$0.05 per Ionic common share for three years from the date of issuance in exchange for forgiveness of the dividend receivable; and
- convert the 4,000,000 Warrants and 9,900,000 Consideration Warrants, at an exchange ratio of 0.0525, into warrants exercisable into approximately 720,000 Yourway common shares at an exercise price of \$0.95.

## **5.2 Disclosure for Restructuring Transactions**

Not applicable.

### **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**

Philip J. Young, CEO and Executive Chairman  
Telephone: (949) 505-5623

### **Item 9 Date of Report**

January 25, 2023