

Form 62-103F1

Required Disclosure under the Early Warning Requirements

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Common shares of Ionic Brands Corp. (formerly, Zara Resources Inc.) (the “**Issuer**”), head office located at 1142 Broadway, Suite 300, Tacoma, WA 98402.

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not Applicable

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

Andrew Schell (“**Schell**”)
5105 Grand Loop
Tacoma, WA 98407 USA

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On March 22, 2019, Schell acquired 16,132,521 common shares of the Issuer and 2,408,000 performance warrants of the Issuer pursuant to an amended and restated share exchange agreement dated February 26, 2019 among the Issuer, 1185669 B.C. Ltd., Blacklist Holdings, Inc. (“**Blacklist**”), Blacklist Finco Inc. and certain securityholders of Blacklist (the “**Share Exchange Agreement**”). The Share Exchange Agreement provides for the acquisition by the Issuer of all the issued and outstanding common stock in the capital of Blacklist (the “**Blacklist Shares**”) where each Blacklist Share will be exchanged for one common share of the Issuer at \$0.50 per common share. The Share Exchange Agreement also required the Issuer to assume the provisions of certain performance warrants of Blacklist.

2.3 State the names of any joint actors

Not applicable.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s securityholding percentage in the class of securities.

16,132,521 common shares of the Issuer (the “**Shares**”) and 2,408,000 performance warrants (the “**Warrants**”) were issued to Schell on March 22, 2019. Schell’s securityholding percentage in the Shares was changed from 0% to approximately 14.8% and 16.7% assuming full exercise of the Warrants.

Following the issuance of 16,132,521 Shares, Schell beneficially owns or otherwise exercises control or direction over 16,132,521 Shares and 2,408,000 Warrants (14.8% of the issued and outstanding Shares and 16.7% assuming full exercise of the Warrants as of March 22, 2019).

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

Schell acquired directly 16,132,521 Shares and 2,408,000 Warrants (14.8% of the issued and outstanding Shares and 16.7% assuming full exercise of the Warrants as of March 22, 2019).

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not Applicable.

3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Schell beneficially owns or otherwise exercises control or direction over nil Shares prior to the completion of the Transaction and following the completion of the Transaction, Schell beneficially owns or otherwise exercises control or direction over 16,132,521 Shares and 2,408,000 Warrants.

3.5 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities referred to in Item 3.4 over which

- (a) the acquiror, either alone or together with any joint actors, has ownership and control,**
- (b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**
- (c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Schell has ownership and/or control over 16,132,521 Shares and 2,408,000 Warrants (14.8% of the outstanding shares of the Issuer and 16.7% assuming full exercise of the Warrants).

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not Applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not Applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not Applicable.

Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

The Issuer acquired 16,132,521 Blacklist Shares from Schell at a deemed value of \$0.50 per Blacklist Share, amounting to approximately \$8,066,260.50 in value.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See section 4.1 above.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

See Section 2.2 above.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer's business or corporate structure;**
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) a solicitation of proxies from securityholders;**
- (k) an action similar to any of those enumerated above.**

See section 2.2 above. Schell may acquire shares in the future but has no current plans to do so.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the

securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not Applicable.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

Not Applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not Applicable.

Item 9 – Certification

The acquiror must certify that the information in this report is true and complete in every respect. In the case of an agent, the certification is based on the agent’s best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his or her authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Certificate

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Dated this 22nd day of March, 2019.

"Andrew Schell"

Andrew Schell