

FORM 51-102F3
Material Change Report

Item 1: Name and Address of Company

Ionic Brands Corp.
1142 Broadway, Suite 300
Tacoma, WA 98402
USA

Item 2: Date of Material Change

March 22, 2019

Item 3: News Release

A news release dated March 22, 2019 was disseminated through the facilities of Stockwatch and filed on SEDAR.

Item 4: Summary of Material Change

Ionic Brands Corp. Announces Completion of the Acquisition of Blacklist Holdings, Inc.

Item 5: Full Description of Material Change

5.1 Full Description of Material Change

On March 22, 2019, Ionic Brands Corp. (formerly, Zara Resources Inc.) (the “**Company**” or “**Ionic**”) (CSE: IONC) announced that it has completed its acquisition (the “**Transaction**”) of Blacklist Holdings, Inc. (“**Blacklist**”) pursuant to which it acquired all of the issued and outstanding shares of Blacklist through an amended and restated share exchange agreement dated February 26, 2019 among the Company, 1185669 B.C. Ltd. (“**Zara Subco**”), Blacklist, Blacklist Finco, Inc. (“**Blacklist Finco**”) and certain securityholders of Blacklist. Pursuant to the Transaction, the Company issued to the shareholders of Blacklist an aggregate of 88,574,574 Common Shares. Outstanding common share purchase warrants of Blacklist by their terms became exercisable for an aggregate of 19,726,580 Common Shares.

The Transaction constitutes a “fundamental change” pursuant to Policy 8 – Fundamental Changes and Change of Business of the Canadian Securities Exchange (the “**CSE**”) and the Company will carry on the business of Blacklist, which is now a wholly owned subsidiary of the Company. The CSE issued its conditional approval of the Transaction on March 4, 2019.

In connection with the Transaction, the Company consolidated its common shares on the basis of one post-consolidation share for each 35.9389 pre-consolidation shares (the “**Consolidation**”) and changed its name to “Ionic Brands Corp.” The Company’s post-Consolidation common shares (the “**Common Shares**”) will resume trading on the CSE under the new ticker symbol “IONC” after the CSE’s conditions for listing are satisfied and the CSE issues its final exchange bulletin confirming the completion of the Transaction. The Common Shares are anticipated to resume trading by the end of March.

In addition, the Company completed a “three-cornered” amalgamation (the “**Amalgamation**”) whereby Zara Subco, a wholly-owned subsidiary of the Company, amalgamated with Blacklist Finco, a wholly-owned subsidiary of Blacklist, pursuant to an amalgamation agreement dated December 24, 2018 among the Company, Zara Subco and Blacklist Finco (the “**Amalgamation Agreement**”). Pursuant to terms of the Amalgamation Agreement, an aggregate of 14,280,146 Common Shares were issued to shareholders of Blacklist Finco.

In connection with the Transaction, the Company issued 5,250,000 Common Shares to certain finders at a deemed price of \$0.50 per Common Share as finder’s fees and such Common Shares are subject to a contractual hold period expiring on September 22, 2019.

With the completion of the Transaction, the Company has 108,436,715 Common Shares issued and outstanding (on an undiluted basis). The principals of the Company collectively hold 44,706,957 Common Shares, and 44,228,207 Common Shares are subject to an Escrow Agreement pursuant to the policies of the CSE.

The Company announced that John Gorst, Andrew Schell, Bryen Salas, Christian Struzan, Austin Gorst, M. Carroll Benton and Brian Lofquist were appointed to the Company’s board of directors.

The Company’s executive management are as follows:

- John Gorst – Chief Executive Officer
- Bryen Salas – President
- Austin Gorst – Vice President
- Andrew Schell – Chief Strategies Officer
- Christian Struzan – Chief Marketing Officer
- Scott Manson – Chief Financial Officer

On 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

John Gorst
Chief Executive Officer
253-248-7920

Item 9: Date of Report

March 27, 2019