

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

**Item 1: Name and Address of Company**

Ionic Brands Corp. (the “**Company**”)  
1142 Broadway, Suite 300  
Tacoma, WA 98402  
USA

**Item 2: Date of Material Change**

April 9, 2019

**Item 3: News Release**

A news release dated April 9, 2019 was disseminated through the facilities of GlobeNewswire and filed on SEDAR.

**Item 4: Summary of Material Change**

The Company announced C\$20,000,000 marketed offering led by Clarus Securities Inc.

**Item 5: Full Description of Material Change**

**5.1 Full Description of Material Change**

On April 9, 2019, the Company announce it has entered into an agreement with Clarus Securities Inc. (“**Clarus**”) as lead agent on behalf of a syndicate of agents (collectively, the “**Agents**”), whereby the Agents will raise up to C\$20,000,000 (the “**Offering**”) through an offering of up to 20,000 units of the Company (the “**Units**”) at \$1,000 per Unit (the “**Issue Price**”). Each Unit will consist of: (i) \$1,000 principal amount of 8.0% unsecured debentures convertible into common shares of the Company (each a “**Common Share**”) at a conversion price of \$0.75 per Common Share and maturing 36 months from the closing of the Offering; and (ii) 1,333 common share purchase warrants of the Company (the “**Warrants**”). Each Warrant will entitle the holder to purchase a Common Share at an exercise price of \$0.90 for a period of 36 months following the closing of the Offering.

The Company is also conducting a concurrent non-brokered private placement offering of up to 3,000 Units at the Issue Price for additional gross proceeds to the Company of up to \$3,000,000 (the “**Concurrent Offering**”). The Units sold under the Concurrent Offering will have the same terms and conditions as those Units sold under the Offering.

The proceeds from the offering will be used for strategic acquisitions and for general corporate working capital purposes.

As consideration for their services provided in connection with the Offering, the Company has agreed to: (i) pay the Agents a cash commission (the “**Agents’ Commission**”) equal to

6.0% of the gross proceeds of the Offering, except those proceeds, not to exceed \$2,000,000, which are sold under a "President's List", in respect of which the applicable Agents' Commission will be equal to 1.0% of the gross proceeds sold under the President's List; and (ii) issue the Agents such number of warrants (the "**Agents' Warrants**") equal to 6.0% of the number of Units sold pursuant to the Offering, except that number of Units sold under the President's List, in respect of which the applicable Agents' Warrants will equal to 1.0% of the Units sold under the President's List. Each Agents' Warrant entitles the holder thereof to acquire one Unit at the Issue Price for a period of 36 months following the closing of the Offering.

The Offering is scheduled to close on or about April 30, 2019, and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals of the Canadian Securities Exchange. The securities to be issued under this Offering will be offered by way of private placement exemptions in all the provinces of Canada. The Units to be issued under this Offering will also be offered offshore and in the United States on a private placement basis pursuant to exemptions from the registration requirements of the United States Securities Act of 1933, as amended.

The securities referred to in this material change report have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from the U.S. registration requirements. This material change report does not constitute an offer for sale of, nor a solicitation for offers to buy, any securities in the United States. Any public offering of securities in the United States must be made by means of a prospectus containing detailed information about the issuer and its management, as well as financial statements.

## **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**

April 16, 2019