

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Ionic Brands Corp. (the "Company")
1142 Broadway, Suite 310
Tacoma, WA 98402

Item 2 Date of Material Change

June 15, 2021

Item 3 News Release

The news release dated June 16, 2021, was disseminated via Access Wire and subsequently filed on SEDAR.

Item 4 Summary of Material Change

The Company announced the closing of the acquisition of the cannabis assets from Oregon Processing Solutions ("OPS") held by Oregon Processing Solutions, LLC (the "Transaction"), based in the State of Oregon, USA. The Transaction is valued at approximately US\$1,500,000, of which US\$50,000 will be payable in cash, due upon execution of documents, and US\$450,000 at closing, contingent upon license approval or transfer which is subject to approval from the Oregon Liquor Control Commission ("OLCC"). The balance of US\$1,000,000 is to be paid according to a thirty-month payment schedule at an annual interest rate of 4%.

Item 5 Full Description of Material Change

The Company, through its wholly owned subsidiary, Blacklist Holdings OR, Inc. (the "Company") entered into three separate asset purchase agreements with OPS: the OPS Asset Purchase Agreement; the Oregon Department of Agriculture ("ODA") Asset Purchase Agreement; and the Real Estate Purchase and Sale Agreement, collectively referred to as the Agreements ("Agreements"). Pursuant to the Agreements, the Company has purchased all assets and real property of OPS including:

- a) all right, title and interest in and to all fixtures, appurtenances and easements associated with the real property located in Oregon;
- b) all equipment, supplies, inventory, work in progress and other tangible personal property of OPS related to or necessary for the operation of the Hemp and Cannabis businesses;
- c) all of OPS's intellectual property and goodwill associated with the Hemp and Cannabis businesses; and
- d) all of OPS's rights and warranties, indemnities and all similar rights again any third parties to the extend related to any of the purchased assets acquired under the Agreements.

Total consideration for the Transaction is US\$1,500,000 of which US\$50,000 was paid in cash on signing, US\$450,000 is payable upon receipt of OLCC approval and the balance of US\$1,000,000 is payable in three Promissory Notes ("Notes") over 30 months at 4% annual interest. The Agreements are cross collateralized and the Notes are secured by (i) a Deed of Trust, Security, Agreement, Assignment of Leases

and Rents, ad Fixture Filing on certain real and personal property, (ii) a Security Agreement on certain personal property and (iii) a corporate Guaranty by IONIC Brands Corp.

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, CEO & Chairman
Tel: +1-253-248-7927

Item 9 Date of Report

June 21, 2021