

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.

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

This report relates to common shares of the Issuer (the “**Common Shares**”).

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. The Common Shares acquired by the Acquiror that triggered the requirement to file this report were issued from the Issuer’s treasury.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

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

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 February 3, 2022, the Acquiror acquired beneficial ownership of and control and direction over 47,065,647 Common Shares. The Common Shares were issued to the Acquiror pursuant to an annual cumulative preferential dividend on the 73,414,360 Series E Nonvoting Preferred Shares of the Issuer owned by the Acquiror (the “**Series E Preferred Shares**”) of which 18,353,590 of the Series E Preferred Shares were converted into Common Shares on January 5, 2022. The Series E Preferred Shares were originally issued to the Acquiror on March 5, 2021 as partial consideration for the sale to the Issuer of certain assets of the Acquiror.

Pursuant to the terms of the Series E Preferred Shares, for the first two years following the issuance of the Series E Preferred Shares, the holders thereof are entitled to receive an annual, cumulative, preferential dividend equal to 13% of the initial issue price of \$0.30 per Series E Preferred Share, accrued daily and paid annually, or on the date of conversion of the Series E Preferred Shares, and payable in Common Shares at the closing price of the Common Shares on the applicable payment date.

Prior to the issuance of the Common Shares pursuant to the aforementioned Series E Preferred Share dividend, the Acquiror owned a total of 10,315,000 Common Shares of the Issuer, representing approximately 5% of the Issuer's issued and outstanding Common Shares on a non-diluted basis.

As a result of the acquisition of Common Shares described herein, the Acquiror owns and has control and direction over 57,380,647 Common Shares, which represents approximately 22% of the Issuer's issued and outstanding Common Shares on a non-diluted basis.

In addition to the Common Shares described above, the 55,060,770 Series E Preferred Shares owned by the Acquiror are convertible into Common Shares on a one-for-one basis, and the Acquiror also owns warrants to acquire up to 4,000,000 Common Shares (the "**Warrants**"); however, the terms of both the Series E Preferred Shares and the Warrants prohibit the conversion or exercise of such securities if the result of such conversion or exercise would be to cause the Acquiror to own more than 9.99% of the Issuer's issued and outstanding Common Shares. Accordingly, the percentage calculations referred to above exclude the Common Shares that could be issuable on conversion of Series E Preferred Shares or the Warrants, respectively, as such Common Shares may not be issued until such time that the Acquiror would, following such conversion or exercise, own less than 9.99% of the issued and outstanding Common Shares.

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.

See Item 2.2.

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.

See Item 2.2.

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.

See Item 2.2.

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,

See Item 2.2.

(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

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

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.

See Item 2.2.

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 Item 2.2.

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

Not applicable.

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.

The Acquiror acquired the securities of the Issuer described herein for investment purposes. Pursuant to a Form 45-102F1 – *Notice of Intention to Distribute Securities* under Section 2.8 of National Instrument 45-102 – *Resale of Securities* dated the date hereof and filed on the Issuer’s SEDAR profile at www.sedar.com, the Acquiror currently intends to sell up to 57,380,647 Common Shares. Notwithstanding the foregoing, the Acquiror will continue to review the performance and prospects of the Issuer and the Acquiror may, depending on market and other conditions, and subject to applicable law, increase or decrease its ownership of securities of the Issuer, through market transactions, private agreements or otherwise. Other than as stated herein, the Acquiror has no plans or future intentions with respect to any of the items listed in (a) through (k) above.

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 undersigned, on behalf of the Acquiror, certifies 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 3rd day of February, 2022.

Lobe Sciences Ltd.

Per: *(signed) "Philip J. Young"*

Name: Philip J. Young
Title: Chief Executive Officer