

THIS THIRD SUPPLEMENTAL INDENTURE is made as of the 13th day of May, 2022

BETWEEN:

IONIC BRANDS CORP., a corporation continued under the laws of the Province of British Columbia

(the “**Corporation**”)

AND:

ODYSSEY TRUST COMPANY, a trust company existing under the laws of the Province of Alberta

(the “**Trustee**”)

WHEREAS:

A. The Corporation and the Trustee executed an amended and restated indenture dated December 20, 2019 (the “**Original Indenture**”), as supplemented by a supplemental indenture on February 21, 2020 (the “**First Supplemental Indenture**”) and the second supplemental indenture on April 20, 2021 (the “**Second Supplemental Indenture**”, together with the Original Indenture and the First Supplemental Indenture, the “**Indenture**”) providing for the issuance of up to \$20,880,000, 10% convertible secured debentures of the Corporation due May 16, 2022 (the “**Debentures**”);

B. On April 20, 2022, the Corporation entered into an arrangement agreement (the “**Arrangement Agreement**”) with YourWay Cannabis Brands Inc. (“**YourWay**”) whereby the parties agreed to implement a plan of arrangement (the “**Arrangement**”) pursuant to the provisions of the *Business Corporations Act* (British Columbia) whereby, among other things, YourWay will acquire 100% of the issued and outstanding common shares in the capital of the Corporation and the Corporation will become a wholly-owned subsidiary of YourWay;

C. In accordance with the terms of the Arrangement Agreement, the closing of the Arrangement is conditional upon, among other things, (i) certain amendments being made to the Indenture, including, the extension of the maturity date of the Debentures and the removal of certain purchase, conversion and redemption rights upon a Change of Control; (ii) the postponement of the interest payment payable on June 30, 2022; and (iii) all securities pledged by the Pledgors (as defined below) pursuant to the Securities Pledge Agreements (as defined below) being fully released;

D. The Corporation desires to supplement the Indenture by amending and replacing certain terms and provisions contained in the Indenture;

E. Section 14.1(e) of the Indenture provides that the Corporation and the Trustee may enter into a supplemental indenture for the purposes of giving effect to any Extraordinary Resolution passed as provided in Article 11 of the Indenture;

F. The Trustee is authorized and directed to enter into this third supplemental indenture (the “**Third Supplemental Indenture**”) and to hold all rights, interests and benefits contained herein for and on behalf of those persons who are Debentureholders issued pursuant to the Indenture as modified by this Third Supplemental Indenture from time to time;

G. All necessary acts and proceedings have been performed and taken and all necessary resolutions have been passed to authorize the execution and delivery of this Third Supplemental Indenture and to make this Third Supplemental Indenture legal, valid, effective and binding upon each of the Corporation and the Trustee for and on behalf of the Debentureholders in accordance with the terms of the Indenture, as amended by this Third Supplemental Indenture; and

H. The foregoing recitals are made as representations and statements of fact by the Corporation and not by the Trustee.

NOW THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSES that for good and valuable consideration mutually given and received, the receipt and sufficiency of which is hereby acknowledged, and the parties hereto agree as follows:

1. This Third Supplemental Indenture is supplemental to the Indenture and the Indenture and the Debentures issued thereunder will henceforth be read in conjunction with this Third Supplemental Indenture and all the provisions of the Indenture, except only insofar as the same may be inconsistent with the express provisions hereof, will apply and have the same effect as if all the provisions of the Indenture and of this Third Supplemental Indenture were contained in one instrument and the expressions used herein will have the same meaning as is ascribed to the corresponding expressions in the Indenture. Each Debenture Certificate will, after the date hereof, be deemed to be revised as necessary to reflect the amendments to the Indenture as set out in this Third Supplemental Indenture without any further action on the part of the Debentureholders.
2. All capitalized terms contained in this Third Supplemental Indenture (including the recitals hereto), unless otherwise defined herein, shall, for the purposes hereof, have their respective meanings as set out in the Indenture, unless otherwise or the context otherwise requires.
3. On and after the date hereof, each reference in the Original Indenture, the First Supplemental Indenture and the Second Supplemental Indenture, as amended by this Third Supplemental Indenture, to “this Indenture”, “this indenture”, “herein”, “hereby”, and similar references, and each reference to the Original Indenture, the First Supplemental Indenture and the Second Supplemental Indenture in any other agreement, certificate, document or instrument relating thereto, will mean and refer to the Original Indenture, the First Supplemental Indenture and the Second Supplemental Indenture as amended by this Third Supplemental Indenture.
4. The Indenture is hereby amended as follows (collectively, the “**Amendments**”):
 - (a) subsections 1.1(1), 1.1(12), 1.1(13), 1.1(14), 1.1(15) and 1.1(44) of the Original Indenture shall be deleted in their entirety and the remaining subsections of Section 1.1 of the Original Indenture shall be renumbered accordingly;
 - (b) section 1.1 shall be amended to include the following subsections in alphabetically order and the subsections of Section 1.1 of the Original Indenture shall be renumbered accordingly:

““**Arrangement**” the proposed acquisition by YourWay Cannabis Brands Inc. of all of the issued and outstanding Common Shares pursuant to a statutory plan of arrangement under the provisions of the *Business Corporations Act* (British Columbia) as set out in the arrangement agreement dated April 20, 2022 between the Corporation and YourWay Cannabis Brands Inc., as the same may be amended, restated or supplemented from time to time”;

“**Effective Time**” has the meaning ascribed thereto in Section 2.16(d);”;

- (c) subsection 1.1(49) of the Original Indenture shall be deleted in its entirety and replaced with the following:

“(49) **“Person”** includes an individual, corporation, company, partnership, joint venture, association, trust, trustee, unincorporated organization or government or any agency or political subdivision thereof;”;

- (d) subsection 1.1(60) of the Original Indenture shall be deleted in its entirety and replaced with the following:

“(60) **“Security Documents”** means, all security granted in favour of the Trustee, on behalf of itself and the Debentureholders, including, without limitation, the Security Agreements, the Share Pledge Agreement granted by the Corporation pledging all of its issued and outstanding voting shares of the IONIC Subsidiaries, the Guarantees granted by each of the Ionic Subsidiaries, the Subordination and Postponement Agreement entered into by certain key shareholder creditors of the Borrower and/or the IONIC Subsidiaries, the Covenant Agreement entered into by the Corporation, Ionic Inc and Db3 Inc. pursuant to which such entities agree not to amend, waive or terminate certain contractual obligations, and such further agreements, instruments and other documents that may at any time be required to be provided by the Corporation or the IONIC Subsidiaries or certain individuals to ensure that the Trustee, for and on behalf of itself and the Debentureholders, has, a first priority Security Interests subject in priority only to liens granted in respect of Senior Indebtedness, all such aforementioned agreements and documents to be in form acceptable to the Trustee;”;

- (e) subsection 2.5(2) of the Original Indenture shall be amended by replacing May 16, 2022 with May 16, 2023;

- (f) subsection 2.5(3) of the Original Indenture shall be deleted in its entirety and replaced with the following:

“The Initial Debentures shall bear interest from the date of issue at the rate of 8.0% per annum (based on a year of 360 days composed of twelve 30-day months) to the date prior to the date of this Indenture and then the Initial Debentures shall bear interest from the date of this Indenture at a rate of 10.0% per annum (based on a year of 360 days composed of twelve 30-day months), payable in semi-annual payments in arrears on the last day of June and December of each year (with the exception of the first interest payment, which will include interest from and including the date of closing of the Offering as set forth below and subject to the exception set out in subsection 2.16(d)), the first such payment to fall due on June 28, 2019, representing accrued interest for the period from May 16, 2019 to June 28, 2019 and the last such payment (representing interest payable from the last Interest Payment Date to, but excluding, the Maturity Date of the Initial Debentures) to fall due on May 16, 2023, payable after as well as before maturity and after as well as before default, with interest on amounts in default or after maturity at the same rate, compounded semi-annually. For the avoidance of doubt, the next interest payment following the date of this Indenture will include interest accrued from and including June 28, 2019 to, but excluding, December 31, 2019 which will be equal to \$41.95 for each \$1,000 principal amount of Initial Debentures. Any payment required to be made on any day that is not a Business Day will be made on the next

succeeding Business Day. The record date for the payment of interest on the Initial Debentures will be the 15th day of the month preceding the month of the applicable Interest Payment Date (or the first Business Day prior to such date if not a Business Day).”

- (g) clause 2.5(5)(a) of the Original Indenture shall be deleted in its entirety and replaced with the following:

“(a) The holder of each Initial Debenture shall have the right at such holder’s option, at any time prior to 5:00 p.m. (Pacific Time) on the Business Day immediately preceding the Maturity Date (the “**Time of Expiry**” for the purposes of Article 6 in respect of the Initial Debentures), to convert any part, being \$1,000 or an integral multiple thereof, of the principal amount of a Debenture into Common Shares at the Conversion Price in effect on the Date of Conversion.”;

- (h) clause 2.5(5)(f), subsection 2.5(7) and subsection 2.5(8) of the Original Indenture shall be deleted in their entirety;

- (i) Section 2.16 of the Original Indenture shall be amended to include the following subsection 2.16(d):

“Notwithstanding anything to the contrary contained in Subsection 2.5(3) and in this Section 2.16, interest payable on June 30, 2022 shall be postponed until the Arrangement is completed. Upon closing of the Arrangement, all accrued and unpaid interest for the period from, and including, January 1, 2022 to, but excluding, the effective date of the Arrangement (the “**Effective Date**”) shall be paid in cash. Upon completion of the Arrangement, all future interest payments shall be paid in cash and Subsection 2.16(c) shall no longer apply. The next interest payment following the Effective Date will include interest accrued from and including June 30, 2022 to, but excluding, December 31, 2022 and such interest payment shall be paid in cash. In the event the Arrangement is terminated in accordance with its terms, the interest that otherwise would have been payable on June 30, 2022 shall be treated in accordance with subsection 2.16(c) and subsection 2.16(c) shall continue to apply following the termination of the Arrangement.”;

- (j) clause 6.5(d) of the Original Indenture shall be amended by deleting the last sentence in its entirety and replacing it with the following:

“...For the avoidance of doubt, notice of any transaction to which this Section 6.5(d) applies shall be given in accordance with Section 6.9.”;

- (k) clause 8.1(1)(b) of the Original Indenture shall be deleted in its entirety and replaced with the following:

“(b) failure to pay principal or premium, if any, when due on the Debentures whether at maturity, upon redemption, by declaration or otherwise.”;

- (l) clause 9.5(1)(a) of the Original Indenture shall be deleted in its entirety and replaced with the following:

“(a) the Corporation has deposited or caused to be deposited with the Trustee as trust funds or property in trust for the purpose of making payment on such Debentures, an amount in money sufficient to pay, satisfy and discharge the entire amount of principal of, premium, if any, and interest, if any, to maturity, or any repayment date, or upon conversion or otherwise as the case may be, of such Debentures;”;

- (m) subsection 9.6(3) of the Original Indenture shall be deleted in its entirety;
- (n) Schedule A of the Original Indenture, Appendix A of the First Supplemental Indenture and Appendix A of the Second Supplemental Indenture will be deleted in its entirety and replaced with Appendix A attached hereto; and
- (o) Schedule F – Secured Assets shall be amended by deleting the following phrases:

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Redacted for
confidential purposes

5. The issued and outstanding Debentures shall be deemed to include the Amendments as set forth herein, without any further action of the Debentureholders or surrender or exchange of their Debenture Certificates.
6. The Corporation and the Trustee hereby expressly acknowledge and agree that, each of ██████████ (collectively, the “**Pledgors**”) are released from all of their respective rights, covenants and obligations in and to the Securities Pledge Agreements dated December 20, 2019 between each of the Pledgors and the Trustee (the “**Securities Pledge Agreements**”), as applicable, and all of the Pledgor’s respective covenants and obligations pursuant to the limited resource guarantees granted by the Pledgors to the Trustee on December 20, 2019 (the “**Guarantees**”), as applicable, and the Trustee shall execute all such instrument or instruments acknowledging the termination of the Securities Pledge Agreements and the Guarantees and shall release and deliver the pledged securities under the Securities Pledge Agreements to the Pledgors.
7. The Trustee hereby expressly acknowledges that, as of the date hereof, the Debentureholders have waived their right to receive a Change of Control Purchase Offer in connection with the Arrangement.
8. The Corporation and the Trustee hereby acknowledge and confirm that, except as specifically supplemented, modified or changed by the provisions of this Third Supplemental Indenture, all of the terms and conditions contained in the Original Indenture, the First Supplemental Indenture and the Second Supplemental Indenture are and shall remain in full force and effect, unamended, in accordance with the provisions thereof. The matters provided for in this Third Supplemental Indenture shall not prejudice any act or thing done prior to the date hereof and for greater certainty, each of the Corporation and the Trustee acknowledge and agree that this Third Supplemental Indenture is not a novation of the Original Indenture, the First Supplemental Indenture or the Second Supplemental Indenture (or the debt underlying the Original Indenture, the First Supplemental Indenture or the Second Supplemental Indenture).

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purposes

9. This Third Supplemental Indenture shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and shall be treated in all respects as British Columbia contracts, with respect to any suit, action or proceedings relating to this Third Supplemental Indenture, each party irrevocably submits and attorns to the non-exclusive jurisdictions of the courts of the Province of British Columbia.
10. The Third Supplemental Indenture may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.
11. For the purpose of convenience, this Third Supplement Indenture may be referred to as bearing the formal date of May 13, 2022 irrespective of the actual date of execution hereof.

[The balance of this page is intentionally left blank. The execution page follows.]

IN WITNESS WHEREOF the parties have executed this Third Supplemental Indenture under the hands of their proper officers in that behalf.

IONIC BRANDS CORP.

Per: "John Gorst"
Authorized Signatory

ODYSSEY TRUST COMPANY

Per: "Dan Sanders"
Authorized Signatory

Per: "Amy Douglas"
Authorized Signatory

APPENDIX A

Schedule A – Form of Debenture

CUSIP 462202AB8

ISIN CA462202AB80

No. ●

● \$

IONIC BRANDS CORP.

(A corporation continued under the laws of British Columbia)

10.0% SECURED CONVERTIBLE DEBENTURE

DUE MAY 16, 2023

IONIC BRANDS CORP. (the “**Corporation**”) for value received hereby acknowledges itself indebted and, subject to the provisions of the Amended and Restated Debenture Indenture (the “**Indenture**”), dated as of December 20, 2019, as supplemented on February 21, 2020, April 20, 2021 and May 13, 2022, between the Corporation and Odyssey Trust Company (the “**Trustee**”), promises to pay to the registered holder hereof on May 16, 2023 or on such earlier date as the principal amount hereof may become due in accordance with the provisions of the Indenture (any such date, the “**Maturity Date**”) the principal amount hereof in lawful money of Canada on presentation and surrender of this Initial Debenture at the main branch of the Trustee in Calgary, Alberta in accordance with the terms of the Indenture and, subject as hereinafter provided, to pay interest on the principal amount hereof from, and including, the date hereof, or from the last Interest Payment Date to which interest shall have been paid or made available for payment hereon, whichever is later, at the rate of 10.0% per annum (based on a year of 360 days comprised of twelve 30-day months), in like money, in arrears in equal (with the exception of the first interest payment which will include interest from May 16, 2019 as set forth below and subject to the exception set out in subsection 2.16(d) semi-annual instalments (less any tax required by law to be deducted or withheld) on the last day in June and December in each year commencing on June 28 2019 and the last payment (representing interest payable from the last Interest Payment Date to, but excluding, the Maturity Date) to fall due on the Maturity Date and, should the Corporation at any time make default in the payment of any principal, premium, if any, or interest, to pay interest on the amount in default at the same rate, in like money and on the same dates. For the avoidance of doubt, the next interest payment after the date of the Indenture will include interest accrued from June 28 2019 to December 31, 2019, which will be equal to \$41.95 for each \$1,000 principal amount of Initial Debentures.

This Initial Debenture is one of the 10.0% Secured Convertible Debentures (referred to herein as the “**Initial Debentures**”) of the Corporation issued or issuable in one or more series under the provisions of the Indenture. The Initial Debentures authorized for issue immediately are limited to an aggregate principal amount of up to \$20,880,000 in lawful money of Canada. Reference is hereby expressly made to the Indenture for a description of the terms and conditions

upon which the Initial Debentures are or are to be issued and held and the rights and remedies of the holders of the Initial Debentures and of the Corporation and of the Trustee, all to the same effect as if the provisions of the Indenture were herein set forth to all of which provisions the holder of this Initial Debenture by acceptance hereof assents.

The Initial Debentures are issuable only in denominations of \$1,000 and integral multiples thereof. Upon compliance with the provisions of the Indenture, Debentures of any denomination may be exchanged for an equal aggregate principal amount of Debentures in any other authorized denomination or denominations.

The holder of each Initial Debenture shall have the right at such holder's option, at any time prior to 5:00 p.m. (Pacific Time) on the Business Day immediately preceding the Maturity Date (the "**Time of Expiry**" for the purposes of Article 6 in respect of the Initial Debentures), to convert any part, being \$1,000 or an integral multiple thereof, of the principal amount of a Debenture into Common Shares at the Conversion Price in effect on the Date of Conversion.

Any part, being \$1,000 or an integral multiple thereof, of the principal of this Initial Debenture, provided that the principal amount of this Initial Debenture is in a denomination in excess of \$1,000, is convertible, at the option of the holder hereof, upon surrender of this Initial Debenture at the principal office of the Trustee in Calgary, Alberta, at any time prior to 5:00 p.m. (Pacific Time) on the Business Day preceding the Maturity Date into common shares of the Corporation (the "**Common Shares**") (without adjustment for interest accrued hereon or for dividends or distributions on Common Shares issuable upon conversion) at a conversion price of \$0.30 (the "**Conversion Price**") per Common Share, being a rate of 3,333 Common Shares for each \$1,000 principal amount of Initial Debentures, all subject to the terms and conditions and in the manner set forth in the Indenture. No Initial Debentures may be converted during the five Business Days preceding the last day in June and December in each year, commencing June 28 2019, as the registers of the Trustee will be closed during such periods. The Indenture makes provision for the adjustment of the Conversion Price in the events therein specified. No fractional Common Shares will be issued on any conversion but in lieu thereof, holders will receive a cash payment in satisfaction of any fractional interest based on the Current Market Price as of the Date of Conversion, provided, however, the Corporation shall not be required to make any payment of less than \$5.00. Holders converting their Debentures will receive accrued and unpaid interest thereon in cash. If a Debenture is surrendered for conversion on an Interest Payment Date or during the five preceding Business Days, the person or persons entitled to receive Common Shares in respect of the Debentures so surrendered for conversion shall not become the holder or holders of record of such Common Shares until the Business Day following such Interest Payment Date and, for clarity, any interest payable on such Debentures will be for the account of the holder of record of such Debentures at the close of business on the relevant record date.

Subject to the provisions in the Indenture and without further action on the part of the Registered Holder, if prior to the Maturity Date, the daily VWAP for the preceding five consecutive trading days exceeds \$0.96, as adjusted in a similar manner as the Conversion Price is adjusted in accordance with Section 6.5, the Corporation shall have the right to convert all but not less than all of the principal amount of the Initial Debentures (less any tax required by law to be deducted or withheld) into Common Shares at the Conversion Price, upon giving the

Debentureholders not less than 30 days', but no more than 60 days', advance written notice by way of a news release and written notice in accordance with Section 12.2 of the Indenture and concurrently providing a written notice to the Trustee in accordance with Section 12.3 of the Indenture (the "**Forced Conversion Notice**"). In the event that the Corporation exercises its conversion right, the effective date of the conversion of the Initial Debentures (the "**Forced Conversion Date**") shall be the date stipulated in the Forced Conversion Notice and upon such Forced Conversion Date: (i) all of the principal amount of the Initial Debentures (less any tax required by law to be deducted or withheld) shall be converted into Common Shares at the then-applicable Conversion Price; (ii) the Debentureholders shall be entered in the books of the Corporation as at the Forced Conversion Date as the holders of the number of Common Shares, as applicable, into which the Initial Debentures held by them are convertible; and (iii) the Corporation shall pay to the Debentureholders all accrued and unpaid interest (less any tax required by law to be deducted or withheld) in cash in respect of the converted Debentures for the period from and including the last Interest Payment Date to, but excluding, the Forced Conversion Date. For the avoidance of doubt, notwithstanding the delivery by the Corporation of a Forced Conversion Notice, a holder of Initial Debentures may convert such Initial Debentures in whole or in part at any time until 5:00 p.m. (Vancouver time) on the Business Day prior to the Forced Conversion Date. In the event that the Corporation delivers a Forced Conversion Notice, upon surrender of this Initial Debenture to the Trustee, the Corporation shall deliver certificates for the Common Shares into which the Debentures have been converted.

If an offer is made for the Initial Debentures which is a take-over bid for the Initial Debentures within the meaning of applicable securities legislation and 90% or more of the principal amount of all the Initial Debentures (other than Initial Debentures held at the date of the offer by or on behalf of the offeror, associates or affiliates of the offeror or anyone acting jointly or in concert with the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Initial Debentures of those holders who did not accept the offer on the same terms as the offeror acquired the first 90% of the principal amount of the Initial Debentures.

The indebtedness evidenced by this Initial Debenture, and by all other Initial Debentures now or hereafter certified and delivered under the Indenture, is a direct secured obligation of the Corporation and the IONIC Subsidiaries, and is subordinated in right of payment, to the extent and in the manner provided in the Indenture, to the prior payment in full of all Senior Indebtedness.

This Initial Debenture and the Common Shares issuable upon conversion hereof have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States. This Initial Debenture may not be converted by or for the account or benefit of a U.S. person or a person in the United States absent an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. In addition, this Initial Debenture and the underlying Common Shares may only be offered and sold to a U.S. person or a person in the United States pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. "**U.S. person**" and "**United States**" are as defined in Regulation S under the U.S. Securities Act.

The Indenture contains provisions binding upon all holders of Initial Debentures outstanding thereunder (or in certain circumstances specific series of Initial Debentures) resolutions passed at meetings of such holders held in accordance with such provisions and instruments signed by the holders of a specified majority of Initial Debentures outstanding (or specific series), which resolutions or instruments may have the effect of amending the terms of this Initial Debenture or the Indenture.

The Indenture contains provisions disclaiming any personal liability on the part of holders of Common Shares and officers, directors and employees of the Corporation in respect of any obligation or claim arising out of the Indenture or this Initial Debenture.

This Initial Debenture may only be transferred, upon compliance with the conditions prescribed in the Indenture, in one of the registers to be kept at the principal office of the Trustee in Calgary, Alberta and in such other place or places and/or by such other registrars (if any) as the Corporation with the approval of the Trustee may designate. No transfer of this Initial Debenture shall be valid unless made on the register by the registered holder hereof or its executors or administrators or other legal representatives, or its or their attorney duly appointed by an instrument in form and substance satisfactory to the Trustee or other registrar, and upon compliance with such reasonable requirements as the Trustee and/or other registrar may prescribe and upon surrender of this Initial Debenture for cancellation. Thereupon a new Initial Debenture or Initial Debentures in the same aggregate principal amount shall be issued to the transferee in exchange hereof.

This Initial Debenture shall not become obligatory for any purpose until it shall have been certified by the Trustee under the Indenture.

Capitalized words or expressions used in this Initial Debenture shall, unless otherwise defined herein, have the meaning ascribed thereto in the Indenture. In the event of any inconsistency between the terms of this Initial Debenture and the Indenture, the terms of the Indenture shall govern.

IN WITNESS WHEREOF IONIC BRANDS CORP. has caused this Debenture to be signed by its authorized representatives as of May 13, 2022.

IONIC BRANDS CORP.

By: _____

TRUSTEE'S CERTIFICATE

This Initial Debenture is one of the 10.0% Secured Convertible Debentures due May 16, 2023 referred to in the Indenture within mentioned.

Dated:

ODYSSEY TRUST COMPANY

By: _____

Name:

Title:

REGISTRATION PANEL

(No writing hereon except by Trustee or other registrar)

Date of Registration	In Whose Name Registered	Signature of Trustee or Registrar

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____, whose address and social insurance number, if applicable, are set forth below, this Initial Debenture (or \$ _____ principal amount hereof*) of **IONIC BRANDS CORP.** standing in the name(s) of the undersigned in the register maintained by the Corporation with respect to such Initial Debenture and does hereby irrevocably authorize and direct the Trustee to transfer such Initial Debenture in such register, with full power of substitution in the premises.

Dated: _____

Address of Transferee: _____
(Street Address, City, Province and Postal Code)

Social Insurance Number of Transferee, if applicable: _____

*If less than the full principal amount of the within Initial Debenture is to be transferred, indicate in the space provided the principal amount to be transferred.

Check if the undersigned Transferor is a U.S. Purchaser that acquired Initial Debentures under the Offering as “restricted securities” and which: (a) are represented by one or more Debenture Certificate endorsed with a U.S. Legend pursuant to Error! Reference source not found. of the Indenture; or (b) have been included in the Unrestricted Debenture pursuant to Error! Reference source not found. of the Indenture. IF THIS BOX IS CHECKED, THE TRANSFEROR MUST COMPLETE AND DELIVER A CERTIFICATE OF TRANSFER SUBSTANTIALLY AS SET FORTH IN SCHEDULE D TO THE INDENTURE.

REASON FOR TRANSFER – For US Residents only (where the individual(s) or corporation receiving the securities is a US resident). Please select only one (see instructions below).

Gift Estate Private Sale Other (or no change in ownership)

Date of Event (Date of gift, death or sale): **Value per Debenture** on the date of event:

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CAD OR USD

- The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by an authorized officer of Royal Bank of Canada, Scotia Bank or TD Canada Trust whose sample

signature(s) are on file with the transfer agent, or by a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: “SIGNATURE GUARANTEED”, “MEDALLION GUARANTEED” OR “SIGNATURE & AUTHORITY TO SIGN GUARANTEE”, all in accordance with the transfer agent’s then current guidelines and requirements at the time of transfer. For corporate holders, corporate signing resolutions, including certificate of incumbency, will also be required to accompany the transfer unless there is a “SIGNATURE & AUTHORITY TO SIGN GUARANTEE” Stamp affixed to the Form of Transfer obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a “MEDALLION GUARANTEED” Stamp affixed to the Form of Transfer, with the correct prefix covering the face value of the certificate.

2. The registered holder of this Initial Debenture is responsible for the payment of any documentary, stamp or other transfer taxes that may be payable in respect of the transfer of this Debenture.

Signature of Guarantor:

Authorized Officer

Signature of transferring registered holder

Name of Institution