

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 – Name and Address of Company

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

Item 2 – Date of Material Change

May 13, 2022

Item 3 – News Release

The news release relating to the material changes referred to in this report was issued and disseminated on May 13, 2022 through the facilities of Stockwatch and subsequently filed on SEDAR.

Item 4 – Summary of Material Change

The Company announced amendments to its secured convertible debentures.

Item 5 – Full Description of Material Change

5.1 – Full Description of Material Change

The Company announced that the amended and restated indenture dated December 20, 2019 as supplemented by a supplemental indenture on February 21, 2020 and a second supplemental indenture on April 20, 2021 between the Company and Odyssey Trust Company (the “Trustee”) governing the Company’s 10% secured convertible debentures (the “Debentures”) was amended to, among other things, (a) extend the maturity date of the Debentures from May 16, 2022 to May 16, 2023, (b) remove certain purchase, conversion and redemption rights upon a change of control; (c) postpone the interest payment payable on June 30, 2022, and (d) to release all securities pledged by certain shareholders under certain securities pledge agreements (collectively, the “Amendments”), all as further set out and subject to the third supplemental indenture between the Company and the Trustee dated May 13, 2022 (the “Third Supplemental Indenture”). A copy of the Third Supplemental Indenture is available on the Company’s SEDAR profile page at www.sedar.com

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 & Chairman
(253) 248-7920

Item 9 – Date of Report

May 18, 2022