

**DEMAND PROMISSORY NOTE**

**TO:** YOURWAY CANNABIS BRANDS INC. (together with its successors and permitted assigns, the “Lender”)

**FROM:** IONIC BRANDS CORP. (together with its successors and permitted assigns, the “Borrower”)

**DATE:** May 20, 2022

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**WHEREAS**, the Lender and the Borrower entered into that certain Arrangement Agreement (as defined below) on the terms and conditions set forth therein;

**AND WHEREAS**, pursuant to the Arrangement Agreement, the Lender proposes to acquire all of the issued and outstanding securities of the Borrower;

**AND WHEREAS**, in connection with the Arrangement Agreement and the transaction(s) contemplated thereunder, the Borrower has requested that the Lender provide the Borrower certain credit and financial accommodations;

**AND WHEREAS**, to induce the Lender to provide the Borrower with such credit and financial accommodations, and in consideration of any credit or other financial accommodations heretofore or hereafter extended by the Lender to the Borrower, the Borrower has agreed to issue this Note (as defined below) to the Lender to evidence such credit and financial accommodations to the Borrower and to pay all Principal, interest, fees and other monies that may, from time to time, be owing hereunder;

**AND WHEREAS**, the Borrower will derive substantial benefit and advantage from the extension of credit under this Note;

**NOW, THEREFORE:** In consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Borrower, the Borrower hereby agrees as follows:

1. *Definitions.* In this Note, in addition to the terms defined above, the following definitions apply:

“**Applicable Rate**” means the rate of 7% per annum.

“**Arrangement Agreement**” means the arrangement agreement dated as of April 20, 2022 between the Lender and the Borrower, as the same may be amended, restated, amended and restated, supplemented or otherwise modified or replaced from time to time.

“**Arrangement Document**” means the Arrangement Agreement and all other agreements, documents, instruments and certificates delivered in connection therewith, as each of the same may be amended, restated, amended and restated, supplemented or otherwise modified or replaced from time to time.

“**Bankruptcy Event**” means, with respect to any Person, that

- (a) the Person fails to pay or perform its obligations generally as they become due or admits its inability to pay its debts generally,
- (b) the Person is an insolvent person or commits or threatens to commit an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada),

- (c) a Bankruptcy Proceeding (excluding any Bankruptcy Proceeding instituted against that Person that is being contested by that Person in good faith by appropriate proceedings so long as enforcement remains stayed, none of the relief sought is granted (either on an interim or permanent basis), and the Bankruptcy Proceeding is dismissed within 20 days of its commencement), or
- (d) the Person takes any action to authorize any of the actions set forth above in this definition.

**“Bankruptcy Proceeding”** means, with respect to any Person, the commencement of any proceeding or the taking of any step, whether voluntary or involuntary or whether instituted by or against that Person, under the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada), or any other similar legislation of any jurisdiction seeking any of the following or resulting, by operation of law, in the bankruptcy of that Person:

- (a) any moratorium, reorganization, adjustment, composition, proposal, compromise, arrangement, or other similar relief in respect of any or all of that Person’s obligations,
- (b) the winding up, liquidation, or dissolution of that Person or all or any part of its businesses, undertaking, properties, and assets,
- (c) any order declaring, finding, or adjudging that Person insolvent or bankrupt, or
- (d) the appointment (provisional, interim, or permanent) of any receiver, receiver and manager, trustee, monitor, custodian, liquidator, or other Person with similar powers.

**“Business Day”** means a day other than a Saturday, a Sunday or any other day on which commercial banking institutions in Vancouver, British Columbia are authorized or required by applicable law to be closed.

**“Cannabis”** means (i) all living or dead material, plants, seeds, plant parts or plant cells from any cannabis species or subspecies other than Industrial Hemp, including wet and dry material, trichomes, oil and extracts from cannabis other than Industrial Hemp (including cannabinoid or terpene extracts from any cannabis plant other than Industrial Hemp), and (ii) biologically or synthetically synthesized analogs of cannabinoids extracted, using micro-organisms, from any cannabis plant other than Industrial Hemp.

**“Demand Date”** means the day that the Lender fixes by Notice to the Borrower.

**“Default”** means the occurrence and continuation of one or more of the following events:

- (a) the Borrower defaults in the payment or performance of any obligation under this Note,
- (b) the Borrower (i) fails to pay any principal or interest in respect of any indebtedness, amount or obligation owing (including, without limitation, under any Guarantee Obligation) when due and such failure continues after the applicable grace period, if any, specified in the agreement or instrument relating to such indebtedness, amount or obligation owing, or (ii) fails to perform or observe in any material respect any other covenant, term, condition or agreement relating to any such indebtedness, amount or obligation owing (including, without limitation, under any Guarantee Obligation) or contained in any instrument or agreement evidencing or relating thereto, or any other event occurs or condition exists, the effect of which failure or other event or condition is to cause, or to permit the holder or beneficiary of such indebtedness, amount or

obligation owing (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice, if required, such indebtedness, amount or obligation owing to become due prior to its stated maturity (or, in the case of any such indebtedness constituting a Guarantee Obligation, to become payable); or any such indebtedness, amount or obligation owing is declared to be due and payable, or required to be prepaid or redeemed, purchased or defeased, or an offer to prepay, redeem, purchase or defease such indebtedness shall be required to be made, in each case prior to the stated maturity thereof,

- (c) any representation or warranty made by the Borrower in this Note or any Arrangement Document or in any certificate or other document at any time delivered to the Lender under this Note or any Arrangement Document was incorrect or misleading in any material respect,
- (d) the Borrower defaults in the payment or performance of any obligation under the Arrangement Agreement or any other Arrangement Document,
- (e) the Arrangement Agreement is terminated for any reason whatsoever,
- (f) the Borrower denies its obligations under this Note or the Borrower claims that this Note is invalid or has been withdrawn in whole or in part,
- (g) any legislation is enacted or any decree or order of a court, statutory board, or commission is entered into or obtained that renders this Note or any material provision of it unenforceable, unlawful, or otherwise changed, if the Borrower does not, within 10 days of receipt of notice of the Note or material provision becoming unenforceable, unlawful, or otherwise changed, amend this Note or replace this Note with a new Note each of which is in form and substance satisfactory to the Lender at its discretion,
- (h) a Bankruptcy Event occurs with respect to the Borrower,
- (i) any act, matter, or thing is done, or any action or proceeding is taken, with a view to terminating the Borrower's existence,
- (j) the Borrower ceases to carry on its business or makes, or proposes to make, any sale of its assets in bulk or any sale of its assets out of the usual course of its business,
- (k) any Person takes possession of any of the Borrower's property that is material to its financial condition, business, or operations by way of or in contemplation of enforcement of security, or a distress, execution, garnishment or similar process is levied or enforced against that property or the Borrower,
- (l) a judgment or judgments for the payment of money in excess of \$100,000 in the aggregate (net of any amounts available for the satisfaction of such judgment pursuant to any enforceable contract of insurance) is obtained or entered against the Borrower or any of its property and remains unpaid or unstayed for 20 days (provided that such judgment or judgments will constitute a "Default" prior to the expiry of such 20 day period if such judgment or judgments are not being diligently appealed by the Borrower in good faith), or
- (m) any step is taken by or on behalf of the Minister of Finance of Canada to issue a requirement to pay to the Lender in respect of the Borrower.

“**Draw Request**” means the form of draw request for advances hereunder as substantially set out in Schedule B (Draw Request).

“**Guarantee Obligation**” as to any Person, means any:

- (a) obligation, contingent or otherwise, of such Person guaranteeing or having the effect of guaranteeing any indebtedness or other obligation payable or performable by another Person (the “**primary obligor**”) in any manner, whether directly or indirectly, or
- (b) encumbrance on any assets of such Person securing any indebtedness or other obligation of any other Person, whether or not such indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such indebtedness to obtain any such encumbrance).

“**Governmental Authority**” means (a) the government of Canada or any other nation, (b) any central bank, court, tribunal, arbitral body, regulatory body (including any stock exchange), commission (including any securities commission), board, bureau, agency, authority, or other entity exercising executive, legislative, judicial, taxing, regulatory, or administrative powers or functions of, or pertaining to, any of the foregoing, and (c) any political or other subdivision of any of the foregoing.

“**Grid**” means any grid attached as Schedule A (Grid).

“**Industrial Hemp**” has the meaning set forth in Section 297A of the Agricultural Marketing Act of 1946 (7 U.S.C. § 1621 et seq.), as amended by Public Law No. 115-334, and as may be further amended from time to time.

“**Interest**” means interest at the Applicable Rate, calculated monthly in arrears and payable on the Demand Date.

“**Note**” means this demand promissory note, as it may be amended, restated, amended and restated, supplemented or otherwise modified or replaced from time to time.

“**Notice**” means any notice, request, direction, or other document that a party can or must make or give under this Note.

“**Person**” includes any individual, corporation, company, partnership, Governmental Authority, joint venture, association, trust, or any other entity.

“**Principal**” means the lesser of

- (a) the principal amount of \$2,000,000 and
- (b) the aggregate outstanding principal amount of all advances that the Lender makes from time to time to the Borrower, as recorded by the Lender from time to time on the Grid.

2. *References to specific terms.*

- (a) *Currency.* Unless specified otherwise, all dollar amounts expressed in this Note refer to lawful currency of the United States.
- (b) *“Including.”* Where this Note uses the word “including,” it means “including without limitation,” and where it uses the word “includes,” it means “includes without limitation.”

- (c) “*Knowledge.*” Where any representation, warranty, or other statement in this Note, or in any other document delivered under this Note, is expressed by a party to be “to its knowledge,” or is otherwise expressed to be limited in scope to facts or matters known to the party or of which the party is aware, it means (i) the current, actual knowledge of directors and officers of that party and (ii) the knowledge that would or should have come to the attention of any of them had they duly investigated the facts related to that statement and made reasonable inquiries of other individuals reasonably likely to have knowledge of facts related to that statement.
  - (d) *Statutes, etc.* Unless specified otherwise, any reference in this Note to a statute includes the regulations, rules, and policies made under that statute and any provision that amends, supplements, supersedes, or replaces that statute or those regulations, rules, or policies.
3. *Indebtedness.* For value received, the Borrower promises to pay on demand to, or to the order of, the Lender the Principal in lawful money of the United States in immediately available funds at 2200 - 885 W Georgia Street, Vancouver, British Columbia V6C 3E8 (or as the Lender may otherwise designate in writing from time to time) in the manner provided in this Note, together with interest and other monies that the Borrower may owe from time to time under this Note.
4. *Notations on Grid.* The Borrower unconditionally and absolutely authorizes and directs the Lender to record on the Grid the date and amount of each
- (a) advance that the Lender makes to the Borrower and the resulting increase in the outstanding Principal, and
  - (b) repayment on account of the Principal paid to the Lender and the resulting decrease of the outstanding Principal.

The Borrower acknowledges that, notwithstanding the state of the Grid, the actual recording of the date and amount of any advance (and interest, fees, and other amounts due in respect of each advance) or repayment in an account of the Borrower that the Lender maintains in connection with the Principal will be prima facie evidence of the Borrower’s indebtedness and liability from time to time in connection with the Principal under this Note, except that the Lender’s failure to record the date or amount of any advance or repayment in that account or on the Grid will not affect the Borrower’s obligation to pay or repay that indebtedness and liability. If there is any inconsistency between the account that the Lender maintains and the Grid, the account that the Lender maintains will, absent manifest error, govern.

5. *Advances.* The Borrower may from time to time request advances from the Lender hereunder. In requesting an advance hereunder, the Borrower shall deliver to the Lender a Draw Request, in the form attached as Schedule B (Draw Request) hereto, pursuant to which the Borrower shall, among other things, make certain representations and warranties in favour of the Lender, request an advance and furnish the Lender with copies of invoices with respect to the capital and operating expenditures to be paid or reimbursed with the proceeds of such advance (which capital and operating expenditures shall be satisfactory to the Lender in its sole and absolute discretion). The Lender in its sole and absolute discretion may decline any request for credit or advances hereunder.
6. *Uncommitted demand nature and maximum principal amount.* The credit under this Note is uncommitted and notwithstanding anything herein to the contrary, this Note does not constitute a commitment, obligation or any other undertaking of the Lender to make any advances or otherwise to provide any financial accommodation to the Borrower. The Lender may, at any time, in its sole and absolute discretion: (i) terminate any right to make requests for credit or advances

hereunder; (ii) even if the Lender has not terminated such right to request credit or advances hereunder, decline any request for credit or advances hereunder; and (iii) demand repayment of all outstanding indebtedness and liability of the Borrower at any time upon Notice to the Borrower. The maximum principal amount available under this Note is \$2,000,000.

7. *Interest.*

- (a) The Borrower shall pay the Lender Interest on the Principal from the date of this Note, both before and after maturity, demand, default, or judgment and until actual payment in full. All interest under this Note shall accrue daily and shall form part of the indebtedness hereunder.
- (b) All interest hereunder shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).
- (c) For the purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest or any fee to be paid hereunder or in connection herewith is to be calculated on the basis of a 360-day or 365-day year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360 or 365, as applicable. The rates of interest under this Note are nominal rates, and not effective rates or yields. The principle of deemed reinvestment of interest does not apply to any interest calculation under this Note.
- (d) The Borrower confirms that it fully understands and is able to calculate the rate of interest applicable under this Note based on the methodology for calculating per annum rates provided for in this Note. The Lender agrees that, if requested in writing by the Borrower, it shall calculate the nominal and effective per annum rate of interest on any Principal outstanding at any time and provide such information to the Borrower following such request; provided that any error in any such calculation, or any failure to provide such information on request, shall not relieve the Borrower of any of its obligations under this Note, nor result in any liability to the Lender. The Borrower hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to the this Note, that the interest payable under this Note and the calculation thereof has not been adequately disclosed to the Borrower, whether pursuant to Section 4 of the *Interest Act* (Canada) or any other applicable law or legal principle.
- (e) If any provision of this Note would oblige the Borrower to make any payment of interest or other amount payable to the Lender in an amount or calculated at a rate which would be prohibited by applicable law or would result in a receipt by the Lender of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code* (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by the Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:
  - (i) first, by reducing the amount or rate of interest to be paid to the Lender; and
  - (ii) thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to the Lender which would constitute interest for purposes of Section 347 of the *Criminal Code* (Canada).

8. *Default rate.* Upon the occurrence and continuation of a Default, to compensate the Lender for the additional risk, the Borrower shall pay the Lender interest at the Applicable Rate plus 2% on the outstanding Principal from the date of such Default, both before and after maturity, demand, default, or judgment and until such Default is cured to the satisfaction of the Lender in its sole and absolute discretion or until all amounts and monies outstanding hereunder are indefeasibly repaid in full. All interest under this Section shall accrue daily and shall form part of the indebtedness under this Note. For greater certainty, the interest payable pursuant to this Section shall apply whether or not the Lender declares all amounts and obligations of the Borrower to be immediately due and payable and whether or not the Lender takes any enforcement action or seeks to avail itself of any remedies under this Note, at law or in equity.
9. *Term.* The term of this Note begins on the date of this Note and ends on the Demand Date. The Principal and all accrued and unpaid interest hereunder will become due and payable on the Demand Date.
10. *Limitations Act.* The Borrower has issued this Note for business purposes and it is payable on demand; accordingly, this Note will be treated as a “business agreement” and a “demand obligation” for purposes of the *Limitations Act, 2002* (Ontario). The Borrower agrees that any limitation period applicable to this Note, any proceeding relating to a claim in connection with this Note, or the Borrower’s obligations under this Note (other than the ultimate limitation period provided for in Section 15 of that Act) is excluded and will not apply to this Note or the obligations that it evidences.
11. *Prepayment.* At any time prior to demand, the Borrower may prepay the Principal either in whole at one time or in part from time to time without Notice to the Lender, penalty, or bonus, together with all accrued and unpaid interest hereunder to the date fixed for repayment and, in the case of prepayment in whole, all other monies owing under this Note.
12. *Application of payments.* The Lender shall apply any amount paid in satisfaction of any indebtedness under this Note first against any accrued and unpaid interest hereunder and second against the outstanding Principal.
13. *Acceleration.* When a Default occurs, the full unpaid balance of the Principal and all accrued and unpaid interest hereunder will, at the Lender’s option, become immediately due and payable upon demand by the Lender.
14. *Representations and warranties.* The Borrower represents and warrants to the Lender, acknowledging that the Lender is relying on these representations and warranties, as follows:
  - (a) *Existence.* It is a corporation, incorporated and existing under the laws of the jurisdiction of its incorporation.
  - (b) *Power and capacity.* It has the corporate power and capacity to carry on business, to own properties and assets, and to execute, deliver, and perform its obligations under this Note.
  - (c) *Authorization.* It has taken all necessary corporate action to authorize its execution and delivery of, and the performance of its obligations under, this Note.
  - (d) *Execution and delivery.* It has duly executed and delivered this Note.
  - (e) *Enforceability.* This Note constitutes a legal, valid, and binding obligation of the Borrower, enforceable against it in accordance with its terms, subject to

- (i) bankruptcy, insolvency, reorganization, receivership, moratorium, arrangement, winding-up, and other laws of general application affecting the enforcement of creditors' rights generally, and
  - (ii) general equitable principles including the principle that the granting of equitable remedies, such as injunctive relief and specific performance, is at the court's discretion.
- (f) *No breach.* The execution, delivery, and performance of its obligations under this Note do not and will not breach or result in a default under
- (i) its notice of articles, articles, or any unanimous shareholders agreement,
  - (ii) any law, statute, rule, or regulation to which it is subject,
  - (iii) any judgment, order, or decree of any court, agency, tribunal, arbitrator, or other authority to which it is subject, or
  - (iv) any agreement to which it is a party or by which it is bound.
- (g) *No regulatory approvals required.* It is not required to obtain any action, approval, authorization, consent, or order of, or make any filing, registration, qualification, or recording with, any Governmental Authority or any other Person in connection with the execution or delivery of, or the performance of its obligations under this Note.
- (h) *Bankruptcy, etc.* No proceedings have been taken or authorized by it or, to its knowledge, by any other Person relating to the bankruptcy, insolvency, liquidation, dissolution, or winding up.
- (i) *Representations and warranties in Arrangement Documents.* That each of the representations and warranties relative to the Borrower in each of the Arrangement Documents is true and correct.

The foregoing representations and warranties shall survive the execution and delivery of this Note and the making of all advances from time to time hereunder, notwithstanding any investigations which may be made by the Lender. The Borrower acknowledges and agrees that in addition to the above provisions of this Section 14, each borrowing hereunder shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the truth and accuracy of each the representations and warranties set out in this Section 14, each of which shall be deemed to be made and repeated as being true and correct contemporaneously with each borrowing made hereunder.

15. *Covenants.* While any amount owing under this Note remains unpaid or the Borrower owes any obligations under this Note, the Borrower covenants with the Lender as follows:
- (a) The Borrower shall preserve and maintain its existence.
  - (b) The Borrower shall preserve and keep in full force and effect all licences, permits, and franchises necessary to the proper conduct of its business.
  - (c) The Borrower shall promptly provide to the Lender any information respecting the Borrower's business and financial condition that the Lender may reasonably request. The Borrower shall, without any request from the Lender, provide to the Lender



- (i) as soon as available and in any case within 7 calendar days after the last day of each calendar month, certified true copies of all statements of account including, without limitation, all bank account statements, credit card statements, debit and credit advices as well as all other relevant information and evidence concerning the use of all proceeds advanced by the Lender under this Note,
  - (ii) promptly after knowledge of either comes to the attention of any officer or director of the Borrower, written Notice of (A) any threatened or pending litigation or governmental proceeding against the Borrower that, if adversely determined, would either have a material adverse effect or result in any Default or (B) any other event or occurrence that would have a material adverse effect or result in a Default, and
  - (iii) promptly after knowledge of it comes to the attention of any officer or director of the Borrower, written Notice of any Default.
- (d) The Borrower shall use the proceeds of each advance under this Note only in accordance with (i) Section 15(f) of this Note and (ii) the purposes set forth in each Draw Request.
- (e) Without the Lender's prior written consent, acting reasonably, the Borrower shall not
- (i) consolidate, amalgamate, or merge with any other Person,
  - (ii) enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in its existing corporate or capital structure, or
  - (iii) liquidate, wind up, or dissolve itself, or permit any liquidation, winding-up, or dissolution.
- (f) Without the Lender's prior written consent, the Borrower covenants and agrees that no portion of any amount or proceeds advanced under, pursuant to, or in connection with this Note will be used, directly or indirectly, to:
- (i) make any equity contribution, loan or other investment in or other financial accommodation to a subsidiary of the Borrower or any current or future affiliate of the Borrower or any other entity or party that is engaged in the cultivation, marketing, distribution, possession or sale of Cannabis in the United States; or
  - (ii) engage in any other activity that is supportive of or in furtherance of the activities of the Borrower or any current or future affiliate, whether or not, in each case, such investment, financial accommodation or activity is charged to the Borrower or any such affiliate on market terms.
- (g) The Borrower shall comply with all of the provisions, covenants and agreements contained in each of the Arrangement Documents to the extent that such provisions, covenants and agreements apply to the Borrower and shall take, or refrain from taking, as the case may be, all actions that are necessary to be taken or not taken so that no violation of any provision, covenant or agreement contained in any of the Arrangement Documents, and so that no default or breach under any of the Arrangement Documents, is caused by the actions or inactions of the Borrower.
16. *Security.* The Borrower acknowledges that this Note is unsecured and will be subordinated to all of the Borrower's direct or indirect funded debt obligations.

17. *No set-off.* The Borrower shall not exercise any right of set-off in connection with amounts that may be owed to the Borrower from time to time as against any amounts that the Borrower may owe under this Note.
18. *Further assurances.* The Borrower, at its expense and at the Lender's request, shall sign (or cause to be signed) all further documents or do (or cause to be done) all further acts and provide all reasonable assurances as may reasonably be necessary or desirable to give effect to this Note.
19. *Amendment.* This Note may only be amended by a written document signed by each of the Lender and the Borrower.
20. *Conflict of terms.* If there is any inconsistency between the terms of this Note and those in any document entered into under this Note, the terms of this Note will prevail.
21. *Binding effect.* This Note enures to the benefit of and binds the Borrower and the Lender and their respective successors and permitted assigns.
22. *Assignment.* The Lender may assign this Note in whole or in part to any Person (including, without limitation, to any affiliate of the Lender) without the consent of the Borrower, provided that a Notice of such assignment should be provided to the Borrower as soon as practicable. Without the prior written consent of the Lender, the Borrower shall not assign this Note or any of its obligations hereunder.
23. *Reinstatement.* If at any time all or any part of any payment previously applied by the Borrower to the Principal or any other monies that may be owing from time to time under this Note is rescinded or returned by the Lender for any reason whatsoever, whether voluntarily or involuntarily (including, without limitation, as a result of or in connection with the insolvency, bankruptcy or reorganization of the Borrower, or any allegation that the Lender received a payment in the nature of a preference), then to the extent that such payment is rescinded or returned, such payment amount shall be deemed to have continued in existence notwithstanding such initial application, and this Note shall continue to be effective or be reinstated, as the case may be, as to such payment amount as though such payment had not been made.
24. *Notice.* To be effective, a Notice must be in writing and delivered (a) personally, either to the individual designated below for that party or to an individual having apparent authority to accept deliveries on behalf of that individual at its address set out below, (b) by registered mail, or (c) by electronic mail to the address or electronic mail address set out opposite the party's name below or to any other address or electronic mail address for a party as that party from time to time designates to the other parties in the same manner:

in the case of the Borrower, to:

**IONIC BRANDS CORP.**  
1142 Broadway, Suite 300  
Tacoma, WA 98402

Attention: John P. Gorst  
Email: [REDACTED]

with a copy to, which shall not constitute Notice, to:

McMillan LLP  
1055 West Georgia Street, Suite 1500

Vancouver, British Columbia V6E 4N7

Attention: Desmond Balakrishnan  
E-mail: desmond.balakrishnan@mcmillan.ca

in the case of the Lender, to:

**YOURWAY CANNABIS BRANDS INC.**  
2200 - 885 W Georgia Street  
Vancouver, British Columbia V6C 3E8

Attention: Jakob Ripshtein  
Email: [REDACTED]

with a copy to, which shall not constitute Notice, to:

Cassels Brock & Blackwell LLP  
2100-40 King Street West  
Toronto ON M5H 3C2

Attention: Jamie Litchen / Jonathan Sherman  
Email: jlitchen@cassels.com / jsherman@cassels.com

25. Any Notice is effective (i) if personally delivered, as described above, on the day of delivery if that day is a Business Day and it was received before 5:00 p.m. local time in the place of receipt and otherwise on the next Business Day, (ii) if sent by registered mail, on the fourth Business Day following the day on which it is mailed, except that if at any time between the date of mailing and the fourth Business Day thereafter there is a disruption of postal service then, Notice must be given by means other than mail, or (iii) if sent by electronic mail, on the day the sender receives confirmation of receipt by return electronic mail from the recipient if that day is a Business Day and if that confirmation was received before 5:00 p.m. local time in the place of receipt, and otherwise on the next Business Day.
26. *Severability.* The invalidity or unenforceability of any particular term of this Note will not affect or limit the validity or enforceability of the remaining terms.
27. *Waiver*
  - (a) *General.* No waiver of satisfaction of a condition or breach or non-performance of an obligation (including any Default) under this Note is effective unless it is in writing and signed by the party granting the waiver. No waiver under this Section will be deemed to extend to a subsequent occurrence, whether or not that occurrence is the same or similar to the original occurrence that was waived nor will it affect the exercise of any other rights or remedies under this Note. Any failure or delay in exercising any right or remedy will not constitute, or be deemed to constitute, a waiver of that right or remedy. No single or partial exercise of any right or remedy will preclude any other or further exercise of any right or remedy.
  - (b) *Specific.* The Borrower waives presentment for payment, demand, protest, Notice of any kind, and statutory days of grace in connection with this Note. The Borrower agrees that it is not necessary for the Lender to first bring legal action in order to enforce payment of this Note.

28. *Payment of costs.* The Borrower shall pay all costs (including legal fees) that the Lender, or its agents on its behalf (including legal counsel), incur in connection with the enforcement of the Lender's interest under this Note, which will be paid immediately upon demand and form part of the indebtedness owing under this Note.
29. *Withholding taxes.* Except as otherwise required by law, each payment by the Borrower hereunder shall be made without withholding for or on account of any present or future tax imposed by or within the jurisdiction in which the Borrower is domiciled, any jurisdiction from which the Borrower makes any payment or any other jurisdiction, or (in each case) any political subdivision or taxing authority thereof or therein. If any such withholding is required by law, the Borrower shall make the withholding, pay the amount withheld to the appropriate Governmental Authority before penalties attach thereto or interest accrues thereon and forthwith pay to the Lender such additional amount as may be necessary to ensure that the net amount actually received by the Lender (after payment of such taxes including any taxes on such additional amount paid) is equivalent to the amount which the Lender would have received if no amounts had been withheld.
30. *Foreign currency liabilities.* The Borrower shall make payment relative to any amounts required to be paid hereunder in the currency (the "**Original Currency**") in which the Borrower is required to pay such amounts. If the Borrower makes payment relative to any amounts owing hereunder in a currency other than the Original Currency (whether voluntarily or pursuant to an order or judgment of a court or tribunal of any jurisdiction), such payment shall constitute a discharge of the obligations of the Borrower hereunder only to the extent of the amount of the Original Currency which the Lender is able to purchase at Vancouver, British Columbia (as the Lender may determine in its sole discretion) with the amount it receives on the date of receipt. If the amount of the Original Currency which the Lender is able to purchase is less than the amount of such currency originally due to it in respect to the relevant amounts due to it, the Borrower shall indemnify and save the Lender harmless from and against any loss or damage arising as a result of such deficiency together with interest on such deficiency payable pursuant to the terms hereof. This indemnity constitutes an obligation separate and independent from the other obligations contained in this Note, gives rise to a separate and independent cause of action, applies irrespective of any indulgence granted by the Lender and continues in full force and effect notwithstanding any judgment or order in respect of any amount due hereunder or under any judgment or order.
31. *Governing law.* The laws of British Columbia and the laws of Canada applicable in that province, excluding any rule or principle of conflicts of law that may provide otherwise, govern this Note.
32. *Submission to jurisdiction.* The parties irrevocably attorn to the jurisdiction of the courts of British Columbia, which will have non-exclusive jurisdiction over any matter arising out of this Note.
33. *Copy of note.* The Borrower acknowledges receipt of an executed copy of this Note.
34. *Counterparts.* This Note may be executed in any number of counterparts (including by pdf, fax, or electronic signature) each of which when so executed will be deemed to be an original and when taken together shall constitute the entire and same agreement. Notwithstanding the foregoing, upon the request of the Lender, the Borrower shall promptly forward to the Lender or as the same may otherwise direct the Borrower, an original of the signed copy of this Note.







4. The Borrower is in compliance with the terms, conditions and provisions of the Note and each of the Arrangement Documents.

**IONIC BRANDS CORP.**

Per:

\_\_\_\_\_

Name:

Title:



**EXHIBIT A**

**INVOICES**

(See attached)