

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: IONIC BRANDS CORP. (the "Issuer" or the "Company").

Trading Symbol: IONC

Number of Outstanding Listed Securities: 135,333,432 common shares

Date: August 12, 2021 (for the month of August, 2021)

#### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

On March 22, 2019, Ionic Brands Corp. (formerly Zara Resources Inc.) ("Ionic Brands" or the "Company") completed the reverse acquisition of Blacklist Holdings Inc. The Company commenced trading under its new name Ionic Brands Corp. and ticker symbol "IONC" on April 22, 2019.

IONIC BRANDS is a cannabis holdings company based in Washington State, led by a team of successful entrepreneurs. The Company is focused on building a multi-state consumer-focused cannabis concentrate brand portfolio focusing on the premium and luxury segments of the market. The cornerstone brand of the portfolio, IONIC, is one of the top vaporizer brands in Washington State. The Company had previously expanded throughout the west coast of the United States and is currently operating in Washington and Oregon. IONIC BRANDS strategy is to be the leader in the highest-value segments of the cannabis market and to expand nationally when fiscally appropriate.

The US corporate holdings company experienced distress in Q4-2019 through the "Covid-19" year of 2020 that resulted in a significant downturn in the value of company stock. As an immediate means of correction, the board resolved that corporate officers could execute a "6 to 1 reverse stock split" strategy to prevent company stock from being delisted and to improve the company's image and visibility as a preface to forthcoming measures to improve liquidity. By decreasing the number of shares outstanding and consolidating into fewer, proportionally more valuable shares, there was an immediate boost to the company's stock price, and there was no inherent effect on the company's value, with market capitalization remaining the same after execution.

2. Provide a general overview and discussion of the activities of management.  
During the month of July, Management was focused on completing and releasing financial results for the three-month period ended March 31, 2021. Unfortunately, due to delays resulting from the ongoing COVID-19 Pandemic, the Company has been unable to file the statutory documents and were operating under a Management Cease Trade Order ("MCTO") issued by the Ontario Securities Commission. The Company's application for the MCTO was made by the Company in order to secure additional time for the Company to file its audited annual financial statements for the year ended December 31, 2020, including the related management discussion and analysis, and CEO and CFO certifications (collectively the "Annual Filings"). The Company filed its Annual Filings on June 22, 2021. The Company filed the first quarter financial filings for the three month period ended March 31, 2021 (the "Quarterly Filings") on July 14, 2021 and accordingly, the Company is no longer under an MCTO.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.  
None to report.
4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.  
None to report.
5. Describe any new business relationships entered between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.  
None to report.
6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.  
None to report
7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.  
None to report.
8. Describe the acquisition of new customers or loss of customers.  
Sales strategic plans for new customer growth and expansion of Ionic brands customers in WA and OR markets are ongoing.  
Efforts are ongoing to extend Ionic Brands products to the east coast (Maine, New Jersey, Rhode Island) and inclusion of east coast product base in WA and OR.
9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.  
None to report
10. Report on any labour disputes and resolutions of those disputes if applicable.  
None to report.
11. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Legal claims by iKrusher and rebuttal corporate counterclaims for damages are still delayed by the CA court system from backlog of legal proceedings resulting from COVID-19.

12. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None to report.

13. Provide details of any securities issued and options or warrants granted.

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds (1)</b>
Common Shares	176,126	Shares issued in lieu of cash payments for debt/accounts payable settlements	Not applicable

(1) State aggregate proceeds and intended allocation of proceeds.

14. Provide details of any loans to or by Related Persons.

None to report.

15. Provide details of any changes in directors, officers, or committee members.

None to report.

16. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

Uncertainty of ongoing changes in laws, rules and regulations related to Cannabis in the markets in which the Company operates. New transportation regulations for imported production materials have increased costs, established new minimum ordering requirements, and has affected ordering lead time for timely receipt. Some problems with availability of product packaging is causing delay and/or increase.

The world-wide pandemic and ongoing slow down affecting workplace issues and social distancing protocols continues to impact normalcy of business operations, impairing ability to accurately predict market with uncertainty over consumer discretionary disposable income.

## Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated August 12, 2021.

Nicole Rusaw  
Name of Director/Senior Officer

/s/ Nicole Rusaw  
Signature

Chief Financial Officer  
Official Capacity

<b>Issuer Details</b> Name of Issuer		For Month End	Date of Report YY/MM/D
IONIC Brands Corp.		July 31, 2021	2021/08/12
Issuer Address Suite 310, 1142 Broadway			
City/Province/Postal Code Tacoma, WA, 98402		Issuer Fax No. N/A	Issuer Telephone No.253.248.7920
Contact Name Nicole Rusaw		Contact Position CFO	Contact Telephone No. 253.248.7920
Contact Email Address <a href="mailto:nicole.rusaw@ionicbrands.com">nicole.rusaw@ionicbrands.com</a>		Web Site Address <a href="http://www.ionicbrands.com">www.ionicbrands.com</a>	