

## 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: 350,035,491 common shares

Date: July 6, 2022 (for the month of June 2022)

#### **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. Furthermore, the Company closed on its acquisition of our previously announced Oregon Processing Solutions LLC. The Company now has full manufacturing capabilities in the state of Oregon along with the transfer of the three licenses them being, Hemp, Grow, and processing.

2. Provide a general overview and discussion of the activities of management.

As of June 28th, the proposed transaction with Your Way Cannabis has been delayed due to Your Way not filing their 2021-year end financials thereby causing a delay in distributing our circular to shareholders to approve the transaction. The company's manufacturing operations are limited to the Oregon market but continue to be slowed by inventory availability and retail store presence as well as the overall slowing consumer demand related to the macro economy. Management continues to reduce headcount in the Oregon market as needed.

During the month of April, the company committed to a full manufacturing and distribution process with a third-party company to keep products in the Washington market. The Company has two primary co-manufactures of its products in the state of Washington.

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.  
In conjunction with the arrangement agreement with Your way Brands disclosed on April 21, the company entered into a licensing and marketing agreements totalling \$500,000 to be used for overhead expenses.
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.  
Limited availability of inventory has led to a reduction in sales and loss of retail customers in WA.  
None to report.
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.  
The company was in default of a note payable to a third party of which it purchased the Dabulous brand. Management arranged a loan from a third-party individual to pay off the note on behalf of the company. The new loan is secured by the Dabulous brand and matures September 1<sup>st</sup>, 2022.  
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.

To clear any legal proceedings, resolved and settled prior debts with select vendors during the period (PTR and RSO Innovative)

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.

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>

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

None to report.

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.

Due to a lack of working capital the company has defaulted on its employment contracts with its officers. The company will continue to resolve these issues with its officers as soon as practical. The officers of the company are negotiating in good faith to resolve the defaults as well as to lend their continued support to assist in the management of the company's daily operations as needed during the closing period of the Your Way transaction

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 are 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. In the Washington state market, we are experiencing a severe over surplus of raw bio-mass material that is adversely driving down our wholesale retail pricing. Direct impacts to topline and gross margin revenues are expected to decline for the next several months due to this over supply of material.

## 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 the information in this Form 7 Monthly Progress Report is true.

Dated July 6, 2022

John Gorst  
Name of Director/Senior Officer

/s/ John Gorst  
Signature

Chief Executive Officer  
Official Capacity

<b>Issuer Details</b> Name of Issuer	For Month End	Date of Report YY/MM/D
IONIC Brands Corp.	June 2022	2022/07/06
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 David Croom	Interim	Contact Telephone No. 206.579.9464
Contact Email Address <a href="mailto:dave.croom@ionicbrands.com">dave.croom@ionicbrands.com</a>	Web Site Address <a href="http://www.ionicbrands.com">www.ionicbrands.com</a>	