

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 – Name and Address of Company

Ignite International Brands, Ltd. (“**Ignite**” or the “**Company**”)
11 Cidermill Avenue
Vaughan, Ontario
L4K 4B6

Item 2 – Date of Material Change

October 27, 2020

Item 3 – News Release

Attached as Schedule “A” is a copy of the press releases relating to the material change, which were disseminated on October 23, 2020 and October 27, 2020 through GlobeNewswire.

Item 4 – Summary of Material Change

On October 27, 2020, Ignite announced that Dan Bilzerian, Chairman of the Board and CEO of the Company (the “**Insider**”), had on October 26, 2020 purchased from the Company 50,000 Proportionate Voting Shares, based on a price equal to CA\$0.50 per Subordinate Voting Share, which is a 39% premium to the closing price of the Subordinate Voting Shares on the CSE on October 22, 2020, the day prior to the announcement of the purchase, for an aggregate subscription of CA\$5 million (the “**Share Subscription**”).

Ignite also announced that it had entered into a series of purchase agreements with the Insider and a creditor of the Company on October 26, 2020. Pursuant to the agreements, the Company issued 200,000 proportionate voting shares in the capital of the Company (the “**Proportionate Voting Shares**”) to settle CA\$20 million of convertible debentures (the “**Debentures**”) then issued and outstanding (collectively, the “**Shares for Debt Transaction**”). The Shares for Debt Transaction involved the Insider purchasing the Debentures from a creditor of the Company on October 26, 2020, immediately prior to the closing of the Shares for Debt Transaction pursuant to which the Company purchased the Debentures from the Insider for immediate cancellation in consideration for the issuance by the Company of the aforementioned Proportionate Voting Shares to the Insider. Pursuant to their terms, the Proportionate Voting Shares are convertible to Subordinate Voting Shares in the capital of the Company (the “**Subordinate Voting Shares**”) at a ratio of one (1) Proportionate Voting Share for two hundred (200) Subordinate Voting Shares. For the purposes of the Shares for Debt Transaction, the Company used a price of CA\$0.50 per Subordinate Voting Share, which is a 39% premium to the closing price of the Subordinate Voting Shares on the Canadian Securities Exchange (“**CSE**”) on October 22, 2020, the day prior to the announcement of the Shares for Debt Transaction.

The Share Subscription and the Shares for Debt Transaction closed on October 26, 2020.

The Shares for Debt Transaction and the Share Subscription each constitute a “related party transaction” as this term is defined in Multilateral Instrument 61-101 - *Protection of Minority Securityholders in Special Transactions* (“**MI 61-101**”). In connection with the Shares for Debt Transaction and the Share Subscription, the Company relied on the exemption from valuation requirement and minority approval pursuant to subsection 5.5(a) and 5.7(a) of MI 61-101, respectively, as the securities do not represent more than 25% of the Company’s market capitalization, as determined in accordance with MI 61-101. The Shares for Debt Transaction and the Share Subscription were each approved by directors of the Company who are independent in connection with such transactions. This report was filed less than 21 days before the closing date of the transactions contemplated herein as the Company believes that this shorter period is reasonable and necessary in the circumstances as the Company wishes to improve its financial position by reducing its accrued liabilities as soon as possible.

Item 5 – Full Description of Material Change

See Schedule “A” attached hereto.

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

(a) a description of the transaction and its material terms:

250,000 Proportionate Voting Shares were issued to the Insider. Please see Schedule “A” attached hereto.

(b) the purpose and business reasons for the transaction:

The Company intends to use the net proceeds of the Share Subscription for working capital and to use the Shares for Debt Transaction to reduce the outstanding debt of the Company.

(c) the anticipated effect of the transaction on the issuer’s business and affairs:

The Company raised CA\$5 million through the Share Subscription and settled CA\$20 million of convertible debentures then issued and outstanding through the Shares for Debt Transaction.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

In connection with the Share Subscription and the Shares for Debt Transaction, the following securities were issued to the following Insider of the Company:

Name	Position	Number of Proportionate Voting Shares	Aggregate Price
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Dan Bilzerian	Chairman of the Board and CEO	250,000	\$25,000,000
	TOTAL	250,000	\$25,000,000

- (ii) **the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:**

Immediately prior to the Share Subscription and the Shares for Debt Transaction, the Insider held a total of 748,625 Proportionate Voting Shares and 500,000 Options (representing 100.00% of the issued and outstanding Proportionate Voting Shares on a non-diluted basis and approximately 58.1% of the Subordinate Voting Shares on a fully-diluted basis).

Immediately after the Share Subscription and the Shares for Debt Transaction, the Insider held a total of 998,625 Proportionate Voting Shares and 500,000 Options (representing approximately 100.00% of the issued and outstanding Proportionate Voting Shares on a non-diluted basis and approximately 64.9% of the Subordinate Voting Shares on a fully-diluted basis).

- (e) **unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

The Share Subscription and the Shares for Debt Transaction were each approved by directors of the Company who are independent in connection with such transactions. The Board of Directors of the Company negotiated the sale price, with any directors that had a conflict of interest in the matter not participating in the discussion or the ensuing vote.

- (f) **A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

- (g) **disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

- (i) **that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:**

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than the subscription and purchase agreements made as part of the Share Subscription and the Shares for Debt Transaction, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Share Subscription and the Shares for Debt Transaction. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Share Subscription and the Shares for Debt Transaction.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

In connection with the Share Subscription and the Shares for Debt Transaction, the Company relied on the exemption from valuation requirement and minority approval pursuant to subsection 5.5(a) and 5.7(a) of MI 61-101, respectively, as the securities do not represent more than 25% of the Company's market capitalization, as determined in accordance with MI 61-101.

Item 6 – Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 – Omitted Information

No significant facts remain confidential in, and no significant information has been omitted from, this report.

Item 8 – Executive Officer

For further information, please contact:

Linda K. Menzel, General Counsel
Tel: 310-867-3859
Email: linda.menzel@ignite.co

Item 9 – Date of Report

November 2, 2020

SCHEDULE "A"

(see attached)

FOR IMMEDIATE RELEASE

IGNITE
INTERNATIONAL BRANDS, LTD.

CSE: BILZ, OTCQX: BILZF
WWW.IGNITE.CO

**IGNITE ANNOUNCES CLOSING OF PREVIOUSLY ANNOUNCED
ACQUISITION OF CA\$25 MILLION OF IGNITE SHARES BY ITS
CHAIRMAN AND CEO**

VAUGHAN, ONTARIO (October 27, 2020) – IGNITE International Brands, Ltd. (CSE:BILZ, OTCQX: BILZF) (“**IGNITE**” or the “**Company**”), a global consumer packaged goods brand, is pleased to announce the closing of Dan Bilzerian’s (Chairman and CEO of the Company) (the “**Acquirer**”) acquisition of 250,000 Proportionate Voting Shares of IGNITE that was previously announced on October 23, 2020. The acquisition took the form of a purchase of CA\$5 million worth of IGNITE Proportionate Voting Shares, and a shares-for-debt transaction whereby CA\$20 million worth of convertible debentures of the Company were exchanged for 200,000 Proportionate Voting Shares (collectively, the “**Transactions**”). Please see the Company’s press release dated October 23, 2020 for additional details on the Transactions.

As a result of the Transactions, the Acquirer’s ownership of the Proportionate Voting Shares (as calculated in accordance with National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* and on a non-diluted basis) increased from 58.1% to 64.9% (calculated assuming the conversion of all Proportionate Voting Shares to Subordinated Voting Shares, on a non-diluted basis). The Acquirer acquired the additional Proportionate Voting Shares for general investment purposes. For further information on and to obtain a copy of the Early Warning Report, please contact IGNITE’s General Counsel using the contact information at the end of this press release.

Lastly, the Company would like to correct its previous announcement from October 23, 2020 that it had granted an aggregate of four million eight hundred thousand (4,800,000) options to purchase Subordinate Voting Shares in the capital of the Company to certain directors, officers, employees and consultants of the Company pursuant to the Company’s stock option plan (the “**Options**”). The total amount of options issued was actually four million nine hundred thousand (4,900,000) Options.

About IGNITE

IGNITE is a global consumer brand, operating in the premium product segment of the market. Founded by Dan Bilzerian, the Company’s ‘quality-first’ approach is fundamental to the brand and its products. Originally operating in the cannabis and hemp-derived cannabidiol (CBD) wellness space, IGNITE was able to establish its brand awareness. IGNITE product categories now include a full line of CBD oil tinctures, CBD topicals, CBD pet products and CBD vape devices, nicotine and synthetic nicotine vape products, a line of premium performance drinks, named Z-RO as well as a gluten-free, seven-time distilled vodka, and apparel produced by various partners and sold through select distributors, brick and mortar retailers, and online through the Company’s website,

ignite.co. The IGNITE THC product line, which was launched subsequent to the CBD product line, incorporates quality, locally sourced, cannabis products.

Shares of IGNITE are listed on the CSE under the symbol "BILZ" and quoted in the United States on the OTCQX under the symbol "BILZF".

Further information on IGNITE can be found on the Company's website at ignite.co.

For further information, please contact:

Linda K. Menzel, General Counsel
Tel: 310-867-3859
Email: linda.menzel@ignite.co

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FOR IMMEDIATE RELEASE

IGNITE
INTERNATIONAL BRANDS, LTD.

CSE: BILZ, OTCQX: BILZF
WWW.IGNITE.CO

IGNITE ANNOUNCES CHAIRMAN OF THE BOARD INTENDS TO ACQUIRE \$25 MILLION OF IGNITE SHARES

VAUGHAN, ONTARIO (October 23, 2020) – IGNITE International Brands, Ltd. (CSE:BILZ, OTCQX: BILZF) (“**IGNITE**” or the “**Company**”), a global consumer packaged goods brand, announces that Dan Bilzerian, Chairman of the Board and CEO of the Company, intends to subscribe for and purchase from the Company 50,000 Proportionate Voting Shares (the “**Share Subscription**”) on October 26, 2020, based on a price equal to CA\$0.50 per Subordinate Voting Share, which is a 39% premium to the closing price of the Subordinate Voting Shares on the CSE on the day prior to this announcement, for an aggregate subscription of CA\$5 million.

The Company also intends to enter into a series of purchase agreements with Dan Bilzerian, and a creditor of the Company on October 26, 2020. Pursuant to the agreements, the Company proposes to issue 200,000 proportionate voting shares in the capital of the Company (the “**Proportionate Voting Shares**”) to settle CA\$20 million of convertible debentures (the “**Debentures**”) currently issued and outstanding (collectively, the “**Shares for Debt Transaction**”). The proposed transactions will include Mr. Bilzerian purchasing the Debentures from a creditor of the Company on October 26, 2020, immediately prior to the closing of the Shares for Debt Transaction pursuant to which, the Company will purchase the Debentures from Mr. Bilzerian for immediate cancellation in consideration for the issuance by the Company of the aforementioned Proportionate Voting Shares to Mr. Bilzerian. Pursuant to their terms, the Proportionate Voting Shares are convertible to Subordinate Voting Shares in the capital of the Company (the “**Subordinate Voting Shares**”) at a ratio of one (1) Proportionate Voting Share for two hundred (200) Subordinate Voting Shares. For the purposes of the Shares for Debt Transaction, the Company is using a price of CA\$0.50 per Subordinate Voting Share, which is a 39% premium to the closing price of the Subordinate Voting Shares on the Canadian Securities Exchange (“**CSE**”) on the day prior to this announcement.

“As we announced last week, we project Ignite to have a profitable fourth quarter and I am very much looking forward to seeing what the Company can do in 2021, when it should be operating on all cylinders”, stated Mr. Bilzerian. “The new management team is excited to show what it can do in the fourth quarter this year and next year.”

The Shares for Debt Transaction and the Share Subscription each constitute a “related party transaction” as this term is defined in Multilateral Instrument 61-101 - *Protection of Minority Securityholders in Special Transactions* (“**MI 61-101**”). In connection with the Shares for Debt Transaction and the Share Subscription, the Company is relying on the exemption from valuation requirement and minority approval pursuant to subsection 5.5(a) and 5.7(a) of MI 61-101, respectively, as the securities do not represent more than 25% of the Company’s market

capitalization, as determined in accordance with MI 61-101. The Shares for Debt Transaction and the Share Subscription were each approved by directors of the Company who are independent in connection with such transactions. A material change report will be filed less than 21 days before the closing date of the transactions contemplated by this news release. The Company believes this shorter period is reasonable and necessary in the circumstances as the Company wishes to improve its financial position by reducing its accrued liabilities as soon as possible.

Closing of the Shares for Debt Transaction and the Share Subscription is subject to a number of conditions, including receipt of all necessary corporate and regulatory approvals, including from the CSE.

Lastly, the Company is announcing that it has granted an aggregate of four million eight hundred thousand (4,800,000) options to purchase Subordinate Voting Shares in the capital of the Company to certain directors, officers, employees and consultants of the Company pursuant to the Company's stock option plan (the "**Options**"). The Options entitle the holders thereof to acquire, in aggregate, up to 4,800,000 Subordinate Voting Shares at an exercise price of CA\$0.50 per Subordinate Voting Share, expiring on October 31, 2024.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, the closing of the Shares for Debt Transaction and the Share Subscription. Forward-looking statements are necessarily based upon several estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the

actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; the effects and impacts of the coronavirus disease (COVID-19) pandemic, the extent and duration of which are uncertain at this time on IGNITE's business and general economic and business conditions and markets; and IGNITE obtaining the necessary approvals, including the approval of the CSE. There can be no assurance that any of the forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise, except as required by law.

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