IGNITE
INTERNATIONAL BRANDS, LTD.

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

Management Discussion and Analysis

For the Three Month period ended March 31, 2021

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INTRODUCTION

This Management's Discussion and Analysis ("MD&A"), prepared as at May 31, 2021, reviews the financial condition and results of operations of Ignite International Brands, Ltd. (the "Company" or "Ignite") for the period ended March 31, 2021 and all other material events up to the date of this report. The following discussion should be read in conjunction with a) the consolidated interim financial statements and related notes for the period ended March 31, 2021 and b) the annual audited financial statements and related notes of the Company for the year ended December 31, 2020. These statements can be found under the Company's profile on SEDAR at www.sedar.com.

This MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. The financial data included in the discussion provided in this report has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC").

The Company's certifying officers are responsible for ensuring that the unaudited interim consolidated financial statements and MD&A do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading considering the circumstances under which it was made. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Ignite's Subordinate Voting Shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates the materiality in this regard referencing all relevant circumstances, including potential market sensitivity.

The Company's directors certify that the unaudited interim consolidated financial statements and MD&A present, in all material respects, the financial condition, results of operations and cash flows, of the Company as the date hereof.

Unless otherwise indicated, all financial information in this MD&A is reported in Canadian dollars. All references to the Company contained herein include references to its subsidiaries, as applicable, in the context.

ACCOUNTING PERIODS

This MD&A is based on information in the unaudited condensed consolidated interim financial statements and accompanying notes thereto for the period ended March 31, 2021. Comparative amounts in the unaudited consolidated interim financial statements and accompanying notes thereto are for the period ended March 31, 2020 and the year-ended December 31, 2020.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Except for statements of historical fact, information contained in this MD&A constitutes "forward-looking statements" within the meaning of Canadian securities legislation that involve inherent risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to Ignite's intended business focus and growth strategy; projected financial performance of the Company; the expected development of the Company's business, projects and joint ventures; completion of the Company's projects that are currently underway, in development or otherwise under consideration; and future liquidity, working capital and capital requirements. Forward-looking statements are necessarily based upon several estimates and assumptions that, while considered reasonable by management, 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, operational, 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 the Company's business and general economic and business conditions and markets, ability of Ignite to give effect to its business plan; reliance on the "IGNITE" brand which may not prove to be as successful as contemplated; the ability to and risks associated with unlocking future licensing opportunities with the "IGNITE" brand and the ability of the Company to capture significant market share. Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive, and undue reliance should not be placed on forward-looking statements. 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. Ignite 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.

OVERVIEW OF THE BUSINESS

COMPANY OVERVIEW

Ignite is a CSE-listed and OTCQX traded company operating in permissible sectors trading under the symbol "BILZ" and "BILZF", respectively. The Company's head office is located at 11 Cidermill Avenue, Unit 200, Vaughan, Ontario, Canada L4K 4B6 and its registered and records office is located at 700 West Georgia Street, 25th Floor, Vancouver, British Columbia V7Y 1B3. The Company is a reporting issuer in British Columbia, Alberta, and Ontario.

The Company is a consumer-packaged goods company, leveraging the IGNITE brand via multiple product platforms in the cannabidiol ("CBD"), cannabis, nicotine, synthetic nicotine, spirits, apparel, and beverage sectors. Ignite is in the process of expanding its business operations which currently includes branding, marketing, licensing, sales, and distribution, across the United Kingdom, the United States, Canada, Mexico, China, South America, the Middle East, Australia, India, Malaysia, and other strategic global markets. The Company intends to affect its growth through brand leveraging, product development, targeted marketing, and strategic supply chain partnerships in each of these target jurisdictions.

OUTLOOK

During calendar 2021, the outbreak of the COVID-19 virus has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which included of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. To date, a number of businesses have suspended or scaled back their operations and development as cases of COVID-19 have been confirmed. At the time of this MD&A, spikes in COVID-19 cases in many of the target markets Ignite operates in have resulted in those governments adopting temporary increases in restrictions impacting the delivery and sale of products, particularly in the traditional "brick and mortar" wholesale trade channel. It is unknown how long these restrictions will last, or if additional restrictions will be put in place by world governments if future spikes in COVID-19 continue to occur.

As of the date of this publication, the Company continues to monitor the economic impact of COVID-19 on its operations. The Company continues to be impacted by the detrimental economic conditions created by the governments' reaction to the virus in wholesale trade channels within its active markets such as the United States and the United Kingdom. Some of the businesses within these channels that are currently, or may represent potential trading partners, have temporarily reduced their operations which has had a negative impact on the Company's operations. Supply chain and logistics has been affected by delays in delivery and costs continue to rise due to limited global transportation and raw material shortages.

To date, the Company has not recorded any contingencies within its financial statements in relation to the effects of COVID-19.

RECENT EVENTS

Subsequent to the period ended March 31, 2021, the Company does not have any material events to disclose.

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FINANCIAL HIGHLIGHTS FOR Q1 2021

- Revenue of $3.7MM was a significant milestone as it is the strongest performing first quarter in the Company's history, exceeding Q1 2020 by $2MM or 115%, and Q1 2019 by $2.1MM or 135%;
- Gross profit as a percentage of revenue was 28% for Q1 2021 which was a decrease of 9 percentage points ("PPT") from Q1 2020 as the Company earned 88% of revenues from the wholesale channel this current quarter compared to 47% in the year-ago quarter;
- Operating expenses were $2.6MM which was a decrease of $6.2MM from $8.8MM in Q1 2020, with the significant reduction due to cost reductions, elimination of event-based marketing spend, and refocusing on lower cost social media marketing;
- Loss from operations was -$1.6MM for Q1 2021 compared to -$8.2MM for Q1 2020 with the main driver for the improvement being the reduction in operating expenses of $6.2MM;
- EBITDA (as presented in the Non-IFRS Financial Measures section) of $0.3MM was a significant improvement from -$6.3MM in Q1 2020 and the result of improved sales coupled with significant cost reductions;
- Net income for Q1 2021 was $0.1MM compared to a net loss of -$9.1MM in Q1 2020. Included in the net income for current quarter is other income of $2MM mainly resulting from recognition of Paycheck Protection Program loan (the "PPP loans") forgiveness as the Company assessed and determined it met the eligibility criteria;
- Working Capital of $24.6MM was up $11.1MM compared to $13.5MM as at December 31, 2020 with the increase resulting from the issuance of increase inventory purchases and the conversion of short term convertible debt to long term debentures;
- On March 31, 2021, the Company consolidated all outstanding convertible debentures between itself and International Investments, Ltd ("II")., a lender to Ignite (the "Extinguished Debt"), representing the consideration paid on extinguishment, and attained an additional $1,000,000 from II; consolidating all debt to II into a single convertible debenture with principal value of CA$16,034,717;
- During the period ended March 31, 2021, the Company exercised and sold its remaining position in Numinus Wellness, Inc. realizing net cash proceeds of $686,960 and an aggregate investment gain of $196,002;
- The Company entered into a new joint venture establishing Ignite Distribution Company, Inc. ("Distro Co."). The purpose this venture is to leverage licenses held by the Al Khalifa Group to acquire, market, and sell IGNITE branded tobacco derived e-liquid nicotine vaping devices in the US market, complementing its existing portfolio of synthetic nicotine devices.

FINANCIAL PERFORMANCE SUMMARY

NET AND COMPRHENSIVE LOSS FOR THE PERIOD

The Company reported a net and comprehensive loss of $0.3MM for the three months ending March 31, 2021 compared to a loss of $9.7MM for the respective period in 2020. Included in the current periods net loss and comprehensive loss is $0.4MM in cumulative translation losses ($0.6MM in Q1 2020), and other income of $2MM ($nil in Q1 2020) mainly from recognition of PPP loan forgiveness.

REVENUES AND GROSS PROFIT

Revenue for Q1 2021 was $3.7MM, an increase of $2MM or 115% from $1.7MM in Q1 2020. In Q1 2021 the Wholesale channel contributed $3.2MM or 88% ($0.8MM or 47% in Q1 2020) of total revenues, while Ecommerce contributed $0.4MM or 12% ($0.9MM or 52% in Q1 2020), and Royalty $12K or 0% ($29K or 2% in Q1 2020). Geographically, the US represented 96% of revenue in Q1 2021 (95% in Q1 2020) and UK represented 4% of revenue in Q1 2021 (3% in Q1 2020).

- **Wholesale** revenue for Q1 2021 was $3.2MM, an increase of $2.4MM or 306% from $0.8MM in Q1 2020. Wholesale revenue growth (98% occurring in the US market) is a result of the Company establishing partnerships with several chain retailers across the US, and aggressively building out its wholesale and distribution network to service smaller retailers en masse.
- **Ecommerce** revenue for Q1 2021 was $0.4MM, a decrease of $0.5MM or 52% from $0.9MM in Q1 2020. 80% of all Ecommerce sales originated from the US in Q1 2021 versus 92% in Q1 2020. The drop in Q1 2021 was an outcome of the deliberate reduction of paid media and influencer spend as the Company focused its efforts on wholesale expansion as the channel is better suited to the Company's current product portfolio.
- **Royalty** revenue was minimal in Q1 2021 (similar to Q1 2020) as the Company has transitioned its Canadian THC operations to a new partner in late 2020 and was out of market through to the end of the quarter.

Gross profit in Q1 2021 was $1MM or 28% of revenue, an increase of $0.4MM or 60% from $0.6MM or 37% of revenue in Q1 2020. The increase in gross profit is a result of higher revenues while the decrease in gross profit percentage of 10 PPT is a result of increases in shipping costs for products out of China due to the challenges of COVID-19, and change in sales channel mix as wholesale sales, which are lower margin, represented 88% of total sales in Q1 2021 compared to only 47% in Q1 2020.

OPERATING EXPENSES

General and Administrative Expenses:

General and administrative costs for Q1 2021 were $2.4MM, a decrease of $2.4MM or 49% compared to $4.8MM for Q1 2020. The decrease is mainly a result of reduction in staffing levels, limited use of external consultants, and the reduction of travel costs.

- ***Payroll and benefits*** for Q1 2021 totaled $1.5MM, a decrease of $1.5MM from $3MM in Q1 2020. The decrease is a result of the Company undergoing staffing reductions over the previous 12 months. The Company had not yet realized reductions in payroll and benefits Q1 2020 due reduction efforts commencing at the tail end of Q1 2020. In Q1 2021, the Company has realized full cost savings resulting from the reduction efforts.

- ***Office expenses*** for Q1 2021 totaled $0.3MM, a decrease of $0.2MM from $0.5MM in Q1 2020. The decrease is due to drop in expenses covering IT related services which were outsourced by the Company near the end of Q1 2020, and a decrease in office maintenance due to disposal of leased properties.

- ***Facilities expenses*** for Q1 2021 totaled $0.1MM, a decrease of $0.2MM from $0.3MM in Q1 2020. The decrease in costs is a result of the disposal of two lease properties of the Company in Q3 2020.

- ***Consulting and Advisory Fees*** for Q1 2021 totaled $0.1MM, flat to $0.1MM in Q1 2020.

- ***Professional fees*** for Q1 2021 totaled $0.2MM, a decrease of $0.2MM from $0.4MM in Q1 2020. The decrease is a result of higher expenditure in Q1 2020 mainly to support legal, accounting, and advisory costs associated with the Company's expansion in the United States, the United Kingdom, and Mexico.

- ***Travel and accommodation*** for Q1 2021 totaled $0.01MM, a decrease of $0.3MM from $0.3MM incurred in Q1 2020. The decrease is primarily a result of global travel restrictions which took place in late Q1 2020, a reduction in trade and marketing events due to COVID-19, and reduced travel requirements associated with reduced staffing.

Share-based payments:

For Q1 2021, the Company recorded a recovery in share-based payments of $0.4MM, a decrease of $1.4MM compared to $1MM cost in Q1 2020. The recovery in Q1 2021 was primarily a result of forfeitures due to employee turnover while the variance to prior year is also a result of a lower overall weighted average exercise option price; $0.65 in Q1 2021 compared to $2.27 in Q1 2020.

Marketing and promotions:

Marketing costs incurred were $0.4MM for Q1 2021, a decrease of $1.7MM from $2.1MM in Q1 2020. Costs in Q1 2021 were predominantly focused on supporting the wholesale channel expansion in the US through samples and point of sale materials. Q1 2020 costs were a result of significant marketing, promotional, and brand awareness

campaigns in concert with the launch of the Company's IGNITE branded products in the United States, Canada, Mexico, and the UK.

Depreciation and amortization expense:

Depreciation and amortization was $0.1MM for Q1 2021, a decrease of $0.8MM from $0.9MM Q1 2020. The decrease is due to the disposal of two properties leased by the Company in Q3 2020, and the related leasehold improvements, that were classified as right-of-use assets under IFRS 16.

Bad debt expense:

Bad debt expense was $0.1MM for Q1 2021, an increase of $0.1MM from $nil in Q1 2020. The increase is a result of higher sales subject to the Company's expected credit loss computation policy ("ECL").

OTHER INCOME AND EXPENSES

Other Income:

Other income was $2.1MM for Q1 2021, an increase of $2.1MM from $nil in Q1 2020. Current year mainly consists of $1.6MM associated with recognition of PPP loan forgiveness after management assessed and determined the Company met the required criteria, $0.3MM from expense recovery, and $0.2MM for gain on the sale of investments.

Interest expense and accretion:

The Company incurred interest costs of $0.5MM for Q1 2021, a decrease of $0.4MM from $0.9MM in Q1 2020. The decrease is largely attributed to the disposal of accreted interest related to two leases disposed of in Q3 2020, and accrued interest associated with various convertible debentures that were extinguished in Q2 2020 and Q3 2020.

TOTAL ASSETS

Total assets of the Company were $31.5MM at March 31, 2021, an increase of $5.1MM compared to assets of $26.4MM at December 31, 2020. The increase is largely attributed to the increase in inventory, which was partially offset by a decreased cash balance.

Cash and equivalents

Cash and equivalents totaled $3MM at March 31, 2021, a decrease of $2.5MM from $5.5MM at December 31, 2020. The decrease in cash is a result of increased inventory of $7.1MM, a decrease in accounts payable of $1.5MM, and increased deposits and pre-paid expenses of $0.6MM. Offsetting some of this was additional issuances of convertible debentures in the quarter providing proceeds of $5.2MM, proceeds from the sale of investments held by the company of $0.6MM, and collection of receivables of $0.8MM.

The Company does not have any unused lines of credit or other arrangements in place to borrow funds and has no off-balance sheet arrangements. The Company does not use hedges or other financial derivatives.

Receivables

Receivables were $0.8MM at March 31, 2021, a decrease of $0.8MM from $1.6MM at December 31, 2020. The decrease is attributable to collection of Q4 2020 sales coupled with lower Q1 2021 sales. The receivables balance includes a provision of $0.3MM for expected credit losses at March 31, 2021 compared to $0.2MM at December 31, 2020.

Inventory

Inventory was $19.6MM at March 31, 2021, an increase of $7.1MM from $12.5MM at December 31, 2020. The increase is largely a result of the Company's joint venture, Distribution Co which had in initial inventory purchases of $5MM received at the end of March 2021. The remaining increase is to support a broader SKU count as the Company continuing to expand selection of flavors and sizes primarily in nicotine vaping devices.

Deposits and pre-paid expenses

Deposits and pre-paid expenses were $2.9MM at March 31, 2021, and increase of $0.4MM from $2.5MM at December 31, 2020. The increase is a result of inventory pre-payments associated with longer production lead times for products sourced out of China, and a pending pre-market tobacco application ("PMTA") for nicotine vaping devices.

Long term receivable and option to purchase

Long-term receivables and option to purchase totaled $3MM at March 31, 2021, compared to $3MM at December 31, 2020. The decrease was minimal due to the US to CAD exchange rate dropping to 1.2575 at Q1 2021 end from 1.2732 at Q4 2020 period end. The Company recorded an increase in Q1 2021 of US$20K to long term receivables and other income in relation the discounting of the receivable (Q1 2020; $nil). The receivable is a result of the Company terminating a lease agreement which included an option to purchase at US$5MM and converting this to a long term receivable of US$2.5MM representing the minimum the Company is contractually entitled to when the underlying property is sold.

TOTAL LIABILITIES

Liabilities of the Company totaled $15.8MM at March 31, 2021, an increase of $1.2MM compared to $14.6MM at December 31, 2020. The increase is attributed to the issuance of convertible debentures, offset by the reduction of PPP Loans under IAS20 and a reduction in accounts payable and accrued liabilities as described below.

Debt related instruments

Debt related instruments include convertible debenture liabilities, long term loans, and notes payable which totaled $14MM at March 31, 2021, an increase of $2.7MM compared to $11.3MM at December 31, 2020. The Company issued additional convertible debentures during the period for gross proceeds of $5.2MM to secure inventory,

which was partially offset by a reduction in long term loans as a result of the recognition of the Company's PPP loan forgiveness into Other Income totaling $1.6MM. The remaining variance is attributed to discounting of the new consolidated instrument as per fair value accounting.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities totaled $1.8MM at March 31, 2021, a decrease of $1.5MM from $3.3MM at December 31, 2020. The decrease is a due to lower trade payables as the Company continues to incur lower operating expenses as a result of previously disclosed cost savings activities.

SHAREHOLDERS EQUITY

Shareholder's equity totaled $15.7MM at March 31, 2021, an increase of $3.9MM from $11.8MM at December 31, 2020. The increase comes mainly from non-Controlling interests of $3.2MM associated with the Distro Co joint venture.

WORKING CAPITAL

Working capital of the Company (defined as current assets less current liabilities) was $24.5MM at March 31, 2021, an increase of $11.1MM compared to $13.5MM at December 31, 2020. The Company consolidated its debt held with International Investments LLC at the end of Q1 2021 resulting in $5.2MM of short term debt converting to long term, while the remaining increase is mainly from additional debentures raised in the quarter totaling $5.2MM.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters:

Quarter Ended	Revenues	Cost of goods sold	Gross profit	Net income (loss)	Net income (loss) per share [1]
	$	$	$	$	$
March 31, 2021	3,651,029	2,648,288	1,002,741	118,786	0.00
December 31, 2021	10,078,631	5,736,460	4,342,171	3,011,790	0.01
September 30, 2021	1,729,843	1,238,578	491,265	(5,842,118)	(0.02)
June 30, 2021	3,170,827	2,305,591	865,236	(7,636,004)	(0.03)
March 31, 2021	1,694,658	1,066,191	628,467	(9,061,040)	(0.03)
December 31, 2020	2,673,368	2,722,783	(49,415)	(33,626,303)	(0.13)
September 30, 2020	3,388,238	2,571,821	816,417	(13,069,025)	(0.12)
June 30, 2020	2,074,819	1,271,543	803,276	(10,849,606)	(0.10)

[1] Fully diluted loss per share amounts are not shown as they would be anti-dilutive.

The Company has incurred significant operating costs relating to the start-up of its operations over the last eight quarters including expenses related to commercial activations, brand development and brand awareness initiatives. During the period ended March 31, 2021, the Company continued to generate revenues from sales of various Ignite branded products and through licensing the use of the Ignite trademark.

LIQUIDITY AND CAPITAL RESOURCES

During the period ending March 31, 2021, the Company generated negative cash flow from operations totaling -$10MM, a decrease of $1.8MM from -$8.2MM for the period ending March 31, 2020. The negative cash generation is primarily attributed to the increase of inventory which in large part comes form the joint venture entered into at the end of Q1 2021.

The Company's financial success is reliant on management's ability to identify and evaluate opportunities to expand its business operations which currently includes branding, marketing, licensing, sales and distribution across the United States, Canada, Mexico, South America, Malaysia, the United Kingdom, China, the Middle East, Australia, and other international jurisdictions.

NON-IFRS FINANCIAL MEASURES

Management uses net loss and comprehensive loss as presented in the consolidated statements of net loss and comprehensive loss as well as "EBITDA" as a measure to assess performance of the Company. EBITDA is another financial measure and is reconciled to net loss and comprehensive loss below under "Results of Operations".

EBITDA is a supplemental financial measure to further assist readers in assessing the Company's ability to generate income from operations before considering the Company's financing decisions, depreciation of property, plant and equipment and amortization of ROU and intangible assets. EBITDA comprises net income or loss for the period adding back depreciation and amortization, as well as non-cash expenses such as share-based compensation, interest accretions, and income tax.

EBITDA does not represent the actual cash provided by the operating activities nor is it a recognized measure of financial performance under IFRS. Readers are cautioned that this measure should not be considered as a replacement for those as per the consolidated financial statements prepared under IFRS. The Company's definitions of this non IFRS financial measure may differ from those used by other companies.

The Company calculates EBITDA as follows:

	Q1 2021	**Q1 2020**
	$	**$**
Net Loss for the Period	118,786	(9,061,040)
Less:		
Interest income	(1,400)	(1,844)
Add back:		
Interest expense	183,356	109,243
Interest Accretion	273,573	756,611
Depreciation and Amortization	50,868	884,248
Share based payments	(351,419)	1,038,147
EBITDA	**273,764**	**(6,274,635)**

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties as it conducts operations on a global scale. Please refer to the section entitled "Risk Management" in the Company's year-end audited MD&A ending December 31, 2020, which can be found under the Company's profile on SEDAR at www.sedar.com.

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CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Ignite International Brands, Ltd. hereby applies for the listing of the above-mentioned securities on the Canadian Securities Exchange. The foregoing contains full, true, and plain disclosure of all material information relating to Ignite International Brands, Ltd. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated this 31st day of May 2021.

/s/ Dan Bilzerian	*/s/ Paul Dowdall*
Dan Bilzerian	Paul Dowdall
Chief Executive Officer and Director	Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

/s/ Luciano Galasso	*/s/ Thomas Kofman*
Luciano Galasso	Thomas Kofman
Director	Director