

August 12, 2024

Scott Duffy, Class A Director, Board of Ionic Digital Inc.
Thomas DiFiore, Class A Director, Board of Ionic Digital Inc.

Scott and Tom,

We are writing to outline a proposed plan that would be sponsored by Figure Markets Holdings, Inc. ("Figure Markets") to help create sustainable value and provide liquidity for shareholders of Ionic Digital Inc. (the "Company" or "Ionic"). We believe this proposed plan may have significant support by the Company's shareholders and hope that as the Ionic board representatives of Celsius creditors-turned shareholders, you present this plan to the Company's board with your full support.

We believe that Ionic is facing multiple challenges today. The Company has no CEO and has had significant turnover at the board and executive level. The management contract with Hut 8 was improperly structured and does not align Hut 8 with success at Ionic. Ionic's operating plan is not sustainable nor value creating. We also understand that the Company amended its managed services agreement with Hut 8 which, among other things, removed the liquidity deadline provision which we believe is to the detriment of shareholders with no current path for liquidity.

Our proposal consists of the following points:

- Appoint [Redacted] as CEO of Ionic. [Redacted] is a seasoned executive in the power generation and infrastructure space, both as an investor and operator. Further, [Redacted] has a proven track record of maximizing value in distressed situations, including raising new institutional capital.
- Enforce the liquidity provision which was triggered on June 1, 2024. As part of the liquidity provision, the Company terminates the outsourced mining agreement with US Bitcoin/Hut 8 and work to replace the directors in the Class B board seats.
- Appoint Mike Abbate to the Chairman role, replacing Emanuel Aidoo. Appoint [Redacted] to one of the Class B board seats, replacing Mac Gardner and appoint an independent shareholder advocate for the second Class B board seat.
- Build and begin executing on a near term tactical plan, including the replacement of US Bitcoin/Hut 8 as the mining partner. We have multiple mining partners who are familiar with the Ionic assets and are willing to work with the Company on completing outstanding construction and bringing profitable rigs online and managing those rigs. The board can run an expeditious process to determine the best economic and aligned proposal.

- Create a long-term strategic plan. Migrate rig management internally. Complete the Cedarvale buildout. Pivot the focus of the business from monoline bitcoin miner to bitcoin mining, AI and creating an effective demand response / curtailment program with sufficient internal staffing as appropriate.
- Stand up a for profit carbon marketplace native on blockchain in which Ionic would both contribute to and purchase carbon credits to target agreed upon carbon footprints, as well as opening the marketplace to third parties.
- Within 90 days of appointing [Redacted], raise capital to provide liquidity to shareholders who wish to exit the business. Run a Dutch Auction to clear out day-one sellers at a fair price.
- Post auction, list Ionic on our Alternative Trading System (ATS) using the Dutch Auction price to open trading. Work to provide market making and commit to provide the ability to borrow against and/or use stock as collateral for trading on the Figure Markets exchange. Within four months of the close of the first fiscal year, the company will file a form 10 with the SEC and allow for the option to move to a national securities exchange should liquidity on the ATS be insufficient.
- In consideration for the value in creating the first public equity trading native on blockchain, Figure Markets will contribute 1B in Hash tokens [\$20M], with a two year option to buy another 1.5B in Hash tokens at \$0.05, to Ionic, for distribution to shareholders. Further, Figure Markets will allocate [3%] of its fully diluted stock [\$15M] for Ionic shareholders, distributed through its upcoming trade-to-earn contest.

We believe that there is a path for significant value creation at Ionic. Core Scientific has demonstrated a successful exit from bankruptcy into a \$2.5B market capitalization through diversifying its business beyond monoline bitcoin mining and into AI. Ionic can do the same and more with the right leadership and governance, and spearhead massive value creation in opening up public equities on public blockchain.

We would like to present this proposal in more detail to the board and answer any questions the board may have. We ask that you respond to us by this Friday, August 16th, 2024, if this is acceptable and, if so, provide us with dates during the following week that we may present to the board. Absent that, we will pursue shareholder consent for a special board meeting.

Sincerely,

Mike Cagney
CEO, Figure Markets
mcagney@figuremarkets.com