

IONIC BRANDS Positioned to Redefine Luxury Cannabis Scene

IONIC BRANDS Signs Letter of Intent to Acquire British Heritage Brand Astleys of London HK Limited

VANCOUVER, British Columbia, May 29, 2019 -- IONIC BRANDS Corp., formerly Zara Resources Inc. (CSE: IONC; FRA: IB3; OTC: ZRRRF) ("**IONIC BRANDS**" or the "**Company**") announces that it has entered into a Letter of Intent ("LOI") to acquire British heritage brand Astleys of London HK Limited ("Astleys of London" or "Astleys").

Astleys of London was founded in 1862 as a luxury tobacco pipe purveyor on London's Jermyn Street. A distinguishing mark of craftsmanship and pedigree, Astleys is one of the most revered British luxury tobacco pipe brands and is the epitome of sophistication and luxury. The Astleys brand has been revitalized and relaunched by its current management team as a contemporary cannabis vape brand. Astleys will instill the glamour, status and elegance of yesteryear and deliver it with a sensitivity and intelligence befitting the modern age. Astleys of London will elevate Ionic's existing brands through a strategic collaboration that will see high-quality Ionic cannabis oil used in Astleys' three vaporizer devices.

As part of the acquisition, IONIC BRANDS will purchase Astleys' portfolio of international intellectual properties and retain the brand's principal management team. Joe Batchelor, Astleys' CEO commented that: "This is a unique opportunity for Astleys of London to join forces with a leading premium cannabis brand. IONIC BRANDS has a great vision for the future of cannabis and cannabis-related products. Astleys of London will be an ideal vehicle for the drive towards true luxury within the cannabis sphere."

IONIC BRANDS is taking aim at the ultra-high-end luxury cannabis market with the launch of the Astleys of London brand, delivering a high quality and exclusive cannabis vape experience befitting the luxury consumer. IONIC BRANDS Chairman and CEO John Gorst states that: "While the Astleys of London brand is highly strategic to our overall position in the cannabis industry, we must also consider the deep economic benefits realized by the higher gross margins related to the Astleys luxury brand. We also expect a margin lift for Ionic's current premium product lines from the increase exposure of the Astleys historic brand."

Subject to definitive documentation, the purchase price will be US\$7.8 million ("Initial Purchase Price"), payable in cash and shares of the Company, and a further US\$10 million to be earned out ("Earn-Out") subject to achieving specific milestones as agreed upon in the definitive agreement, for a total purchase price of US\$17.8 million.

The payment of the Initial Purchase Price is based on a cash payment of US\$1 million on closing of the transaction ("Closing Date") and issuance common shares of the Company equal to US\$6.8 million value ("Initial Stock Issuance"). 10% of the common shares pursuant to the Initial Stock Issuance will be released on Closing Date; 30% of the common shares to be issued four months from the Closing Date; 30% of the common shares to be issued eight months from the Closing Date; and 30% of the common shares to be issued twelve months from the Closing Date. The Initial Stock Issuance price is valued at US\$0.59 (CA\$0.79) per common share of the Company, subject to approval of the Company's Board of Directors and the CSE. At the option of the vendors of Astleys, the vendors will have a one-time option to reset the price of the common shares of the Initial Stock Issuance any time after four months from the Closing Date ("Initial Stock Issuance Price Trigger"). Upon the Initial Stock Issuance Price Trigger, the price per common share shall be determined based on the daily volume weighted average trading price of the Company's shares ten trading days prior to the date on which the shares are released. All shares issued pursuant to the Initial Stock Issuance shall be issued for the updated price thereafter.

The US\$10 million Earn-Out is payable in two phases over time. Upon achieving certain milestones to be agreed upon in definitive documentation, the Company will pay US\$1 million in cash within 15 days of confirmation such conditions are achieved; and issue US\$4 million common shares of the Company ("Initial Earn-Out Issuance"). Upon achieving certain milestones to be agreed upon in definitive documentation, the Company will pay US\$1 million in cash within 15 days of confirmation such conditions are achieved; and issue US\$4 million common shares of the Company ("Secondary Earn-Out Issuance"). The Initial and Secondary Earn-Out Issuance price is valued at US\$0.59 (CA\$0.79). All share issuances are subject to approval by the Board of Directors and the CSE.

Further information on Astleys can be found on the website <https://www.astleysoflondon.com/>

About IONIC Brands Corp

IONIC BRANDS is a national cannabis holdings company based in Washington, 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. The cornerstone brand of the portfolio, Ionic, is an accomplished #1 vaporizer brand in Washington State has aggressively expanded throughout the west coast of the United States and is currently operating in Washington, Oregon and California. IONIC BRANDS' strategy is to be the leader of the highest-value segments of the cannabis market and expand nationally.

ON BEHALF OF THE BOARD OF DIRECTORS

"John Gorst"

John Gorst
Chairman and CEO

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The CSE does not accept responsibility for the adequacy or accuracy of this release.

All statements, other than statements of historical fact, included herein are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The risks are without limitations: the price for cannabis and related products will remain consistent and the consumer demand remains strong; availability of financing to the Company to develop the retail locations; retention of key employees and management; changes in State and/or municipal regulations of retail operations and changes in government regulations generally. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed from time to time with the Canadian Securities Exchange, the British Columbia Securities Commission, the Ontario Securities Commission and the Alberta Securities Commission.

Photos accompanying this announcement are available at

<https://www.globenewswire.com/NewsRoom/AttachmentNg/1dbe97a5-f47c-4d4c-bcc2-de00a433ba52>

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