

IONIC BRANDS

CSE: IONC | FRA: IB3 | OTC: ZRRRF

For Immediate Release

CORRECTION: IONIC BRANDS ENTERS LAS VEGAS, NEVADA WITH ACQUISITION OF VEGAS VALLEY GROWERS NORTH

VANCOUVER, BRITISH COLUMBIA, CANADA, June 12, 2019, IONIC Brands Corp., formerly Zara Resources Inc. (CSE: IONC; FRA: IB3) (“**IONIC BRANDS**” or the “**Company**”) is pleased to announce that it has completed the acquisition of Vegas Valley Growers North (“VVG”) located in Las Vegas, Nevada, previously announced on April 2, 2019. VVG is a vertically-integrated, cash flow positive opportunity with a projected 2019 revenue of US\$6.6 million, expected gross profits of US\$3.1 million and EBITDA of US\$2.0 million.

According to Arcview Market Research and Nevada State Department of Taxation, medical and adult-use spending on cannabis is projected to be over US\$400 million in 2019 and US\$500 million in 2020. Sales records were set during the first six months of 2018 where Nevada sold more than US\$195 million in cannabis products compared to US\$67 million in Washington State and US\$114 million in Colorado in the same period.

IONIC BRANDS Chairman and CEO John Gorst commented, “The Nevada cannabis market is one of the cornerstone markets in the U.S. for building cannabis brands. With over 42 million visitors to Las Vegas per year, the VVG acquisition will provide our Ionic™ vape and Zoots™ edibles brands valuable exposure to national and international cannabis consumers when they visit Las Vegas. The VVG acquisition includes the popular Nevada vape brand: “Vegas M Stick”. VVG offers Ionic Brands vertically integrated operations and distribution into over 75% of Nevada stores.” VVG’s CEO, Mitch Wilson commented that, “IONIC vape pens are the perfect complement to the Vegas M Stick. Together, these luxury brands are set to have a massive presence in the Nevada market for years to come.”

A 60,000 square foot cultivation and production (manufacturing) facility with expected completion date of Q4 2019. At closing, VVG will have a lease with an option to purchase that facility. A second 80,000 square foot facility is planned for Q4 2020.

The VVG acquisition also includes four state licenses in hand for cultivation and production (manufacturing) of both medical and recreational cannabis. VVG also holds a distributorship license issued by the State of Nevada, Department of Taxation. In 2018, VVG revenues were US\$2.6 million, with an EBITDA of US\$0.8 million. VVG’s flagship product is the Vegas M Stick and the Reno M Stick branded vape pens that have current market penetration of over 75% of stores in Nevada. The Company expects to increase sales of Ionic branded products by leveraging off VVG's existing distribution pipeline and introduce various Ionic product SKUs to this distribution channel.

The total purchase price for VVG is US\$8,870,000 (C\$11,885,800) which includes a cash payment of US\$7,620,000 (C\$10,134,600), and 2,814,180 common shares of the Company at \$0.5952 per share for an aggregate total value of USD \$1,250,000 (C\$1,675,000). The issuance of shares is subject to approval by the Board of Directors and the CSE.

Share Purchase Warrants

The Company also announces that, pursuant to the loan agreement with Top Strike Resources Corp. (“Top Strike”), it has issued 2,600,000 share purchase warrants to Top Strike upon repayment of the loan totaling C\$3.25 million and associated fees of C\$286,000. Each warrant is exercisable at C\$0.55 per share for a period of one year from the date of issuance.

Debt Settlement

The board of directors of the Company approved the settlement of C\$63,262 of an outstanding debt through the issuance of common shares of the Company to an arm’s length party (the “**Debt Settlement**”). Pursuant to the Debt Settlement, the Company would issue up to 140,582 common shares of the Company at a deemed price of C\$0.45 per share.

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
CEO and Director

For inquiries, please visit www.ionicbrands.com, by email info@ionicbrands.com or call investor relations at 253-248-7920 (option 4).

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.