

# IONIC BRANDS

CSE: IONC | FRA: IB3 | OTC: IONKF

*For Immediate Release*

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## **IONIC BRANDS ANNOUNCES AMENDMENTS TO ITS 2022 DEBENTURES AND PROPOSED AMENDMENTS TO ITS 2022 DEBENTURES AND 2022 WARRANTS AND CANCELLATION OF VEGAS VALLEY GROWERS ACQUISITION**

TACOMA, WASHINGTON, USA, December 20, 2019, IONIC Brands Corp. (CSE: IONC; FRA: IB3, OTC: IONKF) (“**IONIC BRANDS**” or the “**Company**”) announces today that the indenture dated May 16, 2019 between the Company and Odyssey Trust Company (the “**Trustee**”) governing the Company’s CAD\$19,739,000 8% unsecured, convertible debentures (the “**Debentures**”) due May 16, 2022 (the “**Maturity Date**”) was amended and restated (the “**Amended and Restated Indenture**”) to, among other things, (a) grant the Trustee, on its behalf and on the behalf of the Debentureholders, a security interest in all of the Company’s present and after acquired properties, including causing its material subsidiaries to grant to the Trustee security interests in each of the Company’s material subsidiaries’ present and after acquired properties; (b) cause certain shareholders of the Company to pledge to the Trustee, on its behalf and on the behalf of the Debentureholders, 50% of the common shares of the Company (the “**Common Shares**”) held directly or indirectly by such shareholders; (c) increase the interest rate from 8% to 10%; and (d) provide for the future payments of interest in kind, subject to certain conditions (collectively, the “**Amendments**”), all as further set out and subject to the Amended and Restated Debenture. A copy of the Amended and Restated Indenture is available on the Company’s SEDAR profile page at [www.sedar.ca](http://www.sedar.ca).

In addition to the above amendments, the Company is seeking to make the following proposed amendments (the “**Debenture Proposed Amendments**”) to the Amended and Restated Indenture: (a) decrease the conversion price of the Debentures from \$0.75 per Common Share to \$0.05 per Common Share; and (b) amend the acceleration clause such that if prior to the Maturity Date, the daily volume weighted average price of the Common Shares on the Canadian Securities Exchange for the preceding five consecutive trading days exceeds \$0.16 per share, the Company has a right to convert all of the principal amount of the Debentures into Common Shares at the conversion price of \$0.05 per Common Share.

The Company is also seeking to amend the warrant indenture dated May 16, 2019 between the Company and Odyssey Trust Company governing the common share purchase warrants of the Company issued on May 16, 2019 (the “**Warrants**”). The Company is seeking to (i) decrease the exercise price of the Warrants from \$0.90 to \$0.075 per Common Share, and (ii) include an accelerated expiry date, as per the policies of the Canadian Securities Exchange, whereby, if the closing price of the Common Shares on the Canadian Securities Exchange for the preceding ten consecutive trading days exceeds \$0.094 per share (the “**Accelerated Period**”), the expiry date of the Warrants will be accelerated to a date that is 30 days following the end of the Accelerated Period (collectively, the “**Warrant Proposed Amendments**” and with the Debenture Proposed Amendments, the “**Proposed Amendments**”).

The Proposed Amendments are subject to minority shareholder approval and approval from the requisite number of the holders of Warrants and Debentures, as applicable, and the Canadian Securities Exchange. The Company intends to call a special meeting of shareholders to approve the Proposed Amendments, and will seek the appropriate approvals from the holders of Warrants and Debentures.

A letter of transmittal will be sent by mail to registered Debentureholders advising that the Amendments have taken effect. The letter of transmittal will contain instructions on how registered Debentureholders can exchange their debenture certificates for new certificates containing the Amendments. No action is required by non-registered Debentureholders (holders who hold their securities through an intermediary).

### **Vegas Valley North Growers**

The Company will receive a termination cash consideration of US\$1.3M (a portion of the payment previously made for the interests in Vegas Valley Growers North) to be paid in installments over the next two months. Additionally, a greater portion of the shares issued for the proposed acquisition would be returned to the company's treasury immediately. “

### **About IONIC BRANDS Corp.**

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 one of the top three vaporizer and concentrate brands in Washington State and has aggressively expanded throughout the West Coast of the United States. The brand is currently operating in Washington and Oregon with licensing agreements in Illinois and Massachusetts. IONIC BRANDS' strategy is to be the leader of the highest-value segments of the cannabis market and expand nationally.

On behalf of IONIC BRANDS CORP.

John Gorst

Chief Executive Officer & Chairman

For further information, please contact John Gorst, Chairman & 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.*