

IONIC BRANDS

CSE: IONC | FRA: IB3 | OTC: IONKF

For Immediate Release

IONIC BRANDS FILES PROXY MATERIALS FOR SPECIAL MEETINGS OF SHAREHOLDERS, DEBENTUREHOLDERS AND WARRANTHOLDERS TO APPROVE CERTAIN AMENDMENTS TO THE DEBENTURES AND WARRANTS

TACOMA, WASHINGTON, USA, January 23, 2020, IONIC Brands Corp. (CSE: IONC; FRA: IB3, OTC: IONKF) (“**IONIC BRANDS**” or the “**Company**”) announces today that it has filed its management information circulars and related materials (collectively the “**Proxy Materials**”) with the applicable Canadian securities regulators for special meetings (the “**Meeting**”) of holders (the “**Shareholders**”) of the common shares of the Company (the “**Shares**”), holders (the “**Debentureholders**”) of 10.0% convertible senior secured debentures of the Company (the “**Debentures**”) and holders (the “**Warrantholders**” and with the Shareholders and Debentureholders, the “**Securityholders**”) of common share purchase warrants of the Company (the “**Warrants**”) issued on May 16, 2019 at which Securityholders will be asked to approve certain amendments to the Amended and Restated Debenture Indenture dated December 20, 2019 entered into between the Company and Odyssey Trust Company (the “**Amended and Restated Indenture**”) and the Warrant Indenture dated May 16, 2019 entered into between the Company and Odyssey Trust Company (the “**Warrant Indenture**”). The Meetings are scheduled for 10:00 a.m. (Vancouver time) on Wednesday, February 19, 2020 at Suite 1500 – 1055 West Georgia Street, Vancouver, BC, V6E 4N7.

The Proposed Amendments

The Company is seeking to make the following amendments to the Amended and Restated Indenture (the “**Debenture Proposed Amendments**”): (a) decrease the conversion price at which the Debentureholders may convert the outstanding principal amount of the Debentures into Shares from \$0.75 per Share to \$0.05 per Share such that each \$1,000 of outstanding principal amount under the Debentures will be convertible into 20,000 Shares; and (b) decrease the price per Share upon which the acceleration clause which gives the Company the right (but not the obligation) to convert the outstanding principal amount under the Debentures into Shares is triggered, such that if prior to May 16, 2022, being the maturity date of the Debentures, the daily volume weighted average price of the Shares on the Canadian Securities Exchange (the “**CSE**”) for five consecutive trading days exceeds \$0.16 per Share, the Company will have the right, at its option, to convert all of the principal amount of the Debentures into Shares at the conversion price of \$0.05 per Share.

The Company is also seeking to make the following amendments to the Warrant Indenture (the “**Warrant Proposed Amendments**”) and with the Debenture Proposed Amendments, the “**Proposed Amendments**”): (a) decrease the exercise price at which the Warrantholders may exercise their Warrants for Shares from \$0.90 per Share to \$0.075 per Share; and (b) include a clause to accelerate the expiry date of the Warrants,

as is required by the policies of the CSE, whereby, if the closing price of the Shares on the CSE for ten consecutive trading days exceeds \$0.094 per Share (the “**Accelerated Period**”), the expiry date of the Warrants will be automatically accelerated without any further action on the part of the Company or the Warrantholders to a date that is 30 days following the end of the Accelerated Period.

Board Recommendation

Ionic’s board of directors (the “**Board**”) believes that it is in the best interests of the Company to adopt the Proposed Amendments. The Board unanimously recommends that Securityholders vote **FOR** the Proposed Amendments.

Required Approval

The Debenture Proposed Amendments must be approved by holders of not less than 66⅔% of the aggregate principal amount of the Debentures, present or represented by proxy at the meeting of Debentureholders and voted upon on a poll.

The Warrant Proposed Amendments must be approved by holders of not less than 66⅔% of the aggregate number of Shares which could be acquired pursuant to all outstanding Warrants, present or represented by proxy at the meeting of Warrantholders and voted upon on a poll.

The Proposed Amendments must be approved by an affirmative vote of at least a majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting and entitled to vote thereat, other than votes attached to Shares of (a) all directors or executive officers of the Company, (b) any person or company who beneficially owns, or controls or directs, directly or indirectly, or a combination of both, the Shares, carrying more than ten percent of the voting rights attached to the outstanding Shares, and (c) any Shareholder who beneficially owns, or controls or directs, directly or indirectly, or a combination of both, the Debentures or the Warrants.

To be used at the Meeting, proxies must be received by Ionic’s transfer agent, Odyssey Trust Company, Attention Proxy Department, United Kingdom Building, 323-409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2, not less than 48 hours (excluding Saturdays, Sundays and Statutory holidays recognized in the Province of British Columbia) before the time and date of the Meeting or any adjournment or postponement thereof.

Your vote is important regardless of the number of securities you own. Ionic encourages Securityholders to read the Proxy Materials in detail and vote prior to the proxy voting deadline at 10:00 a.m. on Friday February 14, 2020. Electronic copies of the Proxy Materials are also available on SEDAR under the Company’s profile at www.sedar.com.

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 along with Zoots portfolio of high quality edibles, 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
Email: info@ionicbrands.com | Website: www.ionicbrands.com | Phone: 253-248-7927.

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.