

# IONIC BRANDS

CSE: IONC | FRA: IB3 | OTC: IONKF

*For Immediate Release*

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## **IONIC BRANDS REPORTS VOTING RESULTS OF SPECIAL MEETINGS OF SHAREHOLDERS, DEBENTUREHOLDERS AND WARRANTHOLDERS**

TACOMA, WASHINGTON, USA, February 19, 2020, IONIC Brands Corp. (CSE: IONC; FRA: IB3, OTC: IONKF) (“**IONIC BRANDS**” or the “**Company**”) held its special meetings earlier today in Vancouver, British Columbia (each, a “**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**”) of common share purchase warrants of the Company (the “**Warrants**”) issued on May 16, 2019. An aggregate of 27,697,163 Shares, representing approximately of 17.12% of the issued and outstanding Shares, \$15,600,000 principal amount of Debentures, representing approximately of 79.19% of the issued and outstanding Debentures, and 20,574,855 Warrants, representing approximately of 78.12% of the issued and outstanding Warrants, were represented in person or by proxy at the applicable Meeting.

The Company is pleased to report that the special resolutions to make the following amendments to the Amended and Restated Debenture Indenture dated December 20, 2019 entered into between the Company and Odyssey Trust Company:

- 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

were approved as follows:

<u>Votes For</u>		<u>Votes Against</u>	
<u>Number</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
15,600,000	100%	Nil	Nil

The Company is also pleased to report that the special resolutions to make the following amendments to the Warrant Indenture dated May 16, 2019 entered into between the Company and Odyssey Trust Company:

- 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

were approved as follows:

<u>Votes For</u>		<u>Votes Against</u>	
<u>Number</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
20,574,855	100%	Nil	Nil

The required approvals from the Shareholders were also received at the special meeting of Shareholders on February 19, 2020. The Company and Odyssey Trust Company will finalize the supplemental indentures to implement the amendments to the Debentures and the Warrants, which will be effective as of February 21, 2020.

Current certificates of the Debentures and Warrants remain valid as they are and are deemed to reflect the amended terms. However, should a Debentureholder or Warrantholder wish to exchange such Debentureholder’s or Warrantholder’s certificate, as applicable, for a certificate containing the amended terms, please contact Odyssey Trust Company at [corpstrust@odysseytrust.com](mailto:corpstrust@odysseytrust.com) or (587) 885-0960 .

### **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

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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.*