

IONIC BRANDS

IONIC BRANDS ANNOUNCES NON-BINDING LOI FOR A TRANSFORMATIONAL BUSINESS COMBINATION TO CREATE OPERATIONS FOCUSED INDUSTRY LEADER

Ionic has signed a non-binding LOI and is in discussion to merge with a Canadian licensed producer to create a new North American vertically integrated powerhouse

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Vancouver, BC December 23, 2021 – Ionic Brands Corp. (“Ionic” or the “Company”) (CSE: IONC / FRA: IB3 / OTC QB: IONKF) is pleased to announce that they have signed a non-binding letter agreement (the “Interim Agreement”) pursuant to which Ionic has agreed to an all-stock reverse takeover transaction (the “Transaction”) with a Canadian LP (the “LP”). Subject to the approval of the Canadian Securities Exchange (the “CSE”), the resulting company will continue to trade on the CSE. The Interim Agreement will be superseded by a definitive agreement (the “Definitive Agreement”) governing the Transaction.

The resulting company will represent a new standard for operational excellence and integrity in both the US and Canada under one umbrella within the cannabis industry. It will be comprised of a proven management team with operational experience in cultivation, extraction, and derivative products.

The resulting company will own, operate and manage multiple existing cultivation and production facilities in Oregon and Canada while working with exclusive partners in Washington to sell and distribute the resulting company’s brands.

Pursuant to the Interim Agreement, the shareholders of LP will be entitled to receive a fixed ratio of Ionic common shares such that the shareholder ratio will proportionally equal 1:11.5 Ionic shareholders to LP shareholders on closing of the business combination. It is also expected that Ionic would consolidate its shares prior to the closing of the contemplated Transaction.

Upon closing of the Transaction, the board of directors of the resulting company is expected to comprise of five (5) directors.

The Transaction will close according to the terms of the Definitive Agreement. Closing of the Transaction is subject to the receipt of applicable regulatory approvals and the shareholder approvals. There can be no assurances that the Transaction will be completed as proposed or at all.

Ionic is being advised by McMillan LLP and Clarus Securities Inc.

About Ionic Brands Corp.

IONIC BRANDS Corp. is dedicated to building a regionally based multi-state consumer-focused cannabis concentrate brand portfolio with strong roots in the premium and luxury segments of vape concentrates and edibles. The cornerstone brand of the portfolio, IONIC, is a top vaporizer brand in Washington State along with its economy brand Dabulous and has aggressively expanded throughout the Pacific Northwest

of the United States. The brand is currently operating in Washington and Oregon. IONIC BRANDS' strategy is to be the leader of the highest-value segments of the cannabis market.

Ionic Brands Corp.

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This news release was prepared by management of Ionic, which takes full responsibility for its contents. The CSE has not reviewed this news release, and neither it nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

Forward Looking Statements

This news release may contain forward-looking information within the meaning of applicable securities legislation, including statements with respect to: the anticipated benefits of the Transaction; the anticipated entry into the Definitive Agreement; and the anticipated receipt of required regulatory approvals and shareholder approvals. Forward-looking information may in some cases be identified by words such as “will”, “anticipates”, “expects”, “intends” and similar expressions suggesting future events or future performance.

Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond Ionic’s control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to: general global economic, market and business conditions; governmental and regulatory requirements and actions by governmental authorities; relationships with employees, customers, business partners and competitors; diversion of management time on the transaction; and outbreaks of epidemics or pandemics and the response of governments to actual and potential epidemics or pandemics, including the current outbreak of COVID-19. There are also risks that are inherent in the nature of the Transaction, including failure to enter into the Definitive Agreement, failure to satisfy the conditions to the completion of the Transaction and failure to obtain any required regulatory and other approvals (or to do so in a timely manner).

Readers are cautioned not to place undue reliance on the forward-looking information. Ionic undertakes no obligation to revise forward-looking information to reflect subsequent events or circumstances except as required by law. The forward-looking information contained herein is made as of the date hereof, is subject to change after such date, and is expressly qualified in its entirety by cautionary statements in this press release.