

# IONIC BRANDS

CSE: IONC | FRA: IB3 | OTC: IONKF

*For Immediate Release*

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## **IONIC BRANDS ENTERS INTO US\$2 MILLION PROMISSORY NOTE**

VANCOUVER, BRITISH COLUMBIA, CANADA, May 24, 2022, IONIC Brands Corp. (CSE: IONC; FRA: IB3, OTC: IONKF) (“**IONIC Brands**” or the “**Company**”) announces that, further to its news release on April 20, 2022, YourWay Cannabis Brands Inc. (“**YourWay**”) has agreed to advance to the Company, from time to time, a loan of up to US\$2,000,000 (the “**Loan**”), and the Company has agreed to issue to YourWay an unsecured, non-convertible, demand promissory note (the “**Note**”) to evidence the Loan.

The Note bears interest at 7% per annum. The principal and all accrued and unpaid interest under the Note become due and payable on demand. The Company intends to use the proceeds of the Note towards capital and operating expenditures.

No regulatory approvals are required in connection with the execution or delivery of, or the performance of either party’s obligations under the Note.

As previously announced on April 20, 2022, YourWay and Ionic entered into an arrangement agreement dated April 20, 2022 pursuant to which YourWay has a right to acquire all of the issued and outstanding common shares of the Company (the “**Ionic Brands Shares**”) including all Ionic Brands Shares issuable on conversion of Ionic Brands’ issued and outstanding preferred shares in accordance with the terms thereof. As a result, YourWay is considered a related party of the Company and the Loan constitutes a “related party transaction”, as such term is defined in Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). Pursuant to Section 5.5(b) of MI 61-101, the Company is exempt from obtaining a formal valuation as the common shares of the Company are not listed on a specified market as a result of being listed on the CSE. Pursuant to Section 5.7(1)(f) of MI 61-101, the Company is exempt from obtaining minority approval of the Company’s shareholders in respect of the Loan because the Loan was obtained on reasonable commercial terms that are not less advantageous to the Company than if the Loan was obtained from a person dealing at arm’s length with the Company. Further, the Loan is not convertible into, or repayable in, equity or voting securities of the Company or a subsidiary of the Company or otherwise participating in nature, or repayable as to principal or interest, in equity or voting securities of the Company or a subsidiary entity of the Company. The Company will file a material change report in respect of the Loan. However, the material change report will be filed less than 21 days prior to the closing of the Loan, which the Company deems is reasonable in the circumstances in order to avail itself of the proceeds of the Note in an expeditious manner.

## **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 more information visit [www.ionicbrands.com](http://www.ionicbrands.com) or contact:

To stay better informed with the current events of the company you can join our investor community at <https://www.ionicbrands.com/investor-community>

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## ***The CSE does not accept responsibility for the adequacy or accuracy of this release.***

*Certain statements contained in this news release may constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", and similar expressions. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company's actual results could differ materially from those anticipated in this forward-looking information as a result of regulatory decisions, competitive factors in the industries in which the Company operates, prevailing economic conditions, changes to the Company's strategic growth plans, and other factors, many of which are beyond the control of the Company. The Company believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon. Any forward-looking information contained in this news release represents the Company's expectations as of the date hereof, and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.*