

March 8, 2021

IONICBRANDS

Ionic Brands Announces Closing of the Acquisition of Cowlitz County Cannabis From Lobe Sciences, Completing the Series of Transformational Corporate Transactions

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TACOMA, WA / ACCESSWIRE / March 8, 2021 / IONIC BRANDS CORP. (CSE:IONC) (OTC PINK:IONKD)(FRA:IB3A) ("IONIC BRANDS" or the "Company"), a regional manufacturer of innovative cannabis consumables and concentrate extract products, is pleased to announce the closing of the acquisition of the cannabis assets relating to Washington-based Cowlitz County Cannabis Cultivation Inc. ("Cowlitz") held by Lobe Sciences Ltd.'s ("Lobe") subsidiary vendor (the "Transaction"). The total consideration of the Transaction is valued at approximately CAD\$32 million payable in cash of CAD\$1.75 million, issuance of 100,406,701 Series E non-voting preferred shares (each, a "Preferred Share"), 4,000,000 warrants of the Company and a US\$50,000 secured promissory note, all as described in the Company's news release dated February 23, 2021.

The Preferred Shares are exchangeable into one common share of the Company (each, a "Common Share") on a one-for-one basis (subject to adjustment, and provided that the holder's share ownership of the Company remains below 10% at the time of conversion) and carries an annual dividend equal to 13% for a period of two years from the date of issuance, with the Preferred Shares automatically converting to Common Shares four years from the issuance date.

In connection with the closing of the Transaction, the Company amended the terms of the asset purchase agreement governing the Transaction. The Company covenanted in favor of Lobe's subsidiary vendor to convert, within 60 days following the date hereof, at least 90% of the principal amount of the outstanding secured convertible debentures of the Company due May 16, 2022 (the "Debentures"), resulting in obligations outstanding (including principal and accrued interest, if any) of no more than \$1,800,000 as of the date of conversion. Furthermore, the Company agreed to certain minority board nomination in favor of Lobe. Furthermore, the company has entered into consulting agreements with certain managers of Cowlitz County Cannabis to provide advisory services to our US operating company Blacklist Holdings Inc. for the purposes of expanding our newly acquired brands to other US markets. The consideration paid is in the form of two million warrants priced at a premium to the closing price on March 8th, 2021.

The Company announced on March 2, 2021 that it had secured the support of certain holders (the "Supporting Debentureholders") of the Debentures, representing approximately

80% of the principal amount of Debentures outstanding. The Supporting Debentureholders have agreed to support the conversion of 91.5% of the outstanding principal amount of Debentures, including accrued and unpaid interest, into Series D Voting Preferred Shares (the "Proposed Conversion"). The Proposed Conversion is subject to the Company obtaining the required approvals under the amended and restated indenture between the Company and Odyssey Trust Company dated December 20, 2019, as supplemented. The Proposed Conversion is a significant milestone for the Company as it potentially removes approximately CAD\$18 million of debt from the Company's balance sheet.

In addition, the Company also announced on March 2, 2021 the closing of its oversubscribed non-brokered private placement (the "Financing"), raising gross proceeds of over CAD\$14.7 million.

The completion of the Cowlitz County Cannabis transaction now completes the last step of a series of significant transactions restructuring and recapitalizing IONIC BRANDS, setting the Company to be a major player in the Pacific Northwest markets of Washington and Oregon cannabis market and the Pacific Northwest of the United States.

Calibre Capital Corp. and associate consultants (the "**Calibre Group**") acted as financial advisors to IONIC BRANDS in connection with the series of transactions with respect to the acquisition, restructure, and corporate financings of the Company.

John Gorst, Ionic Brands' CEO and Chairman commented, "We are beyond words on successfully completing the final step in the series of transformational transactions that will form IONIC BRANDS 2.0. I would like to personally extend my appreciation to the Philip Young, Lobe CEO and Jonathan Gilbert, Lobe Chairman, for making this transaction happen. We welcome their continued involvement on the board and as significant shareholders of IONIC BRANDS. We believe our existing expertise in the Pacific Northwest, markets of Washington and Oregon market, combined with our branding power and strategies will catapult both Cowlitz and Ionic product sales. This transaction has been in the making for over a year and during this time, the Company overcame some serious challenges. I am pleased to say that we are now ahead of this curve, and have come out stronger, with some even stronger partnerships and relationships."

None of the securities acquired in connection with the Financing will be registered under the United States Securities Act of 1933, as amended, and no such securities may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

IONIC BRANDS

About Ionic Brands Corp.

The Company 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 consumables. The cornerstone Brand of the portfolio, IONIC, is a top concentrates 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.

On behalf of IONIC BRANDS CORP.

John Gorst
Chairman & Chief Executive Officer

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

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.

SOURCE: IONIC Brands Corp.

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