

**SUNORA FOODS INC.**

**SUNORA COMPLETES GOING PRIVATE TRANSACTION**

**For Immediate Release**

**February 7, 2022**

**Calgary, Alberta – Steve Bank**, President and CEO of Sunora Foods Inc. (the "**Corporation**" or "**Sunora**") (TSXV - "SNF"), announces the completion of its previously announced going private transaction pursuant to which, 2326230 Alberta Ltd. (the "**Purchaser**") acquired all of the outstanding common shares of the Corporation from participating shareholders, pursuant to a statutory plan of arrangement (the "**Arrangement**") and the terms of an Arrangement Agreement between the Corporation and the Purchaser dated October 22, 2021.

The Arrangement was completed following the approval of the Court of Queen's Bench of Alberta on December 7, 2021 and the satisfaction of various conditions precedent to the Arrangement. The Purchaser acquired 35,294,117 common shares, representing 87.12% of the outstanding common shares, at a price of \$0.17 per common share, for an aggregate of \$6,000,000 (the "**Cash Consideration**"). Payment to shareholders of the Cash Consideration, being \$0.17 per common share held, will be made by the Depositary, TSX Trust Company.

The Purchaser acquired the remaining balance of 5,221,215 common shares, representing 12.88% of the outstanding common shares, held by the Corporation's two Major Shareholders (as defined in the information circular of the Corporation dated November 2, 2021) in exchange for \$887,606.00 (the "**Redemption Amount**") worth of Series I Preferred Shares from the Purchaser. The Redemption Amount shall be paid in full by the Corporation to the Major Shareholders on the date that is five years from the closing date of the Arrangement. The Series I Preferred Shares shall be non-voting and be a secured subordinated obligation of the Purchaser secured by a general security agreement over all assets of the Purchaser and the Corporation (post-closing). As additional security for payment of the Redemption Amount, the Purchaser has also provided corporate and personal guarantees to the Major Shareholders. The holders of the Series I Preferred Shares shall be entitled to receive a deferred dividend per annum equal to 5% of the Redemption Amount, payable quarterly on a pro rata basis to the Major Shareholders. Payment of the deferred dividends shall commence on the date that is two years from the closing date.

Registered shareholders of common shares are required to complete and sign the letter of transmittal that was previously mailed to shareholders and deliver it to the Depositary, together with any share certificates they may hold and the other required documents. Shareholders who hold their common shares through a broker or other intermediary may contact that broker or other intermediary for instructions and assistance in receiving the consideration for their respective common shares. Further information concerning these processes is outlined in the Corporation's management information circular dated November 2, 2021, a copy of which is available, along with the letter of transmittal, under the Corporation's profile at [www.sedar.com](http://www.sedar.com).

Any questions regarding the cash consideration, including any request for another letter of transmittal should be directed to TSX Trust Company, at its North American toll-free number: 1-866-600-5869 or via email to [TSXTIS@TMX.COM](mailto:TSXTIS@TMX.COM).

In connection with the completion of the Arrangement, the Corporation has applied to have the common shares of the Corporation de-listed from the TSX Venture Exchange and expects that the common shares will be delisted effective at the close of business on or about February 10, 2022. The Corporation will also apply to cease to be a reporting issuer under applicable Canadian securities laws.

**For further information, please contact:**

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Caution Regarding Forward-Looking Information Forward-looking statements - Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. Forward-looking statements are often, but not always, identified by words such as “believes”, “may”, “likely”, “plans”, or similar words. Forward-looking statements included in this news release include statements with respect to (i) the Corporation’s plan to not have any public shareholders; (ii) the Corporation’s plan to de-list from the TSX Venture Exchange; (iii) the Corporation’s plan to apply to cease being a reporting issuer; (iv) expectations regarding the Consideration to be paid to the shareholders; and (v) expectations about the Arrangement’s Effective Date. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Corporation, including, but not limited to the impact of general economic conditions, industry conditions, currency fluctuations, and dependence upon regulatory approvals. The Arrangement is subject to several conditions described in the news release as well as other customary conditions and there is no guarantee all of these conditions will be satisfied. If any of the conditions to the Arrangement are not satisfied, the Arrangement may not be completed. Readers should not assume that any or all of the conditions will be met or that the Arrangement will be completed by the target date. Readers are cautioned that the assumptions used in the preparation, may prove to be imprecise and, as such, undue reliance should not be placed on the forward-looking statements. The Corporation does not assume any obligation to update the forward-looking statements to reflect changes in assumptions or circumstances other than as required by applicable law.