

Sunora Foods Announces Letter of Intent with Folspire Inc.

January 21, 2021 – CALGARY, ALBERTA. **Sunora Foods Inc.** (the “**Corporation**”) (TSX-V: “SNF”) announces the signing of a Letter of Intent (“**LOI**”) with Folspire Inc. (“**Folspire**” or “**Buyer**”), an arm’s length entity controlled by Mr. Charles Eghobamien. The transaction will involve the purchase of up to 100% of the Corporation’s outstanding common shares for an aggregate purchase price of \$6,893,131.44 or \$0.17 per common share (the “**Transaction**”). The net effect of the Transaction will be that the Corporation will not have any public shareholders. The Corporation plans to delist from the TSX Venture Exchange on the effective closing date and will apply to the applicable securities commissions to cease being a reporting issuer. Each shareholder of the Corporation would receive \$0.17 (the “**Consideration**”) in cash for each common share held immediately prior to the Transaction becoming effective, representing a 70% premium from the last closing price of \$0.10. The Transaction is arm’s length.

The Corporation wishes to complete the Transaction in order to provide its shareholders with the opportunity to realize some value for their common shares, having regard to COVID 19 related economic uncertainty, the significant cost of maintaining a public listing, and the common shares are thinly traded. Based on the significant premium to the last trading price and the value of the Consideration, the Board of Directors of the Corporation believe the Transaction is in the best interest of the company and all stakeholders. The Corporation will include an analysis and conclusions, from a financial point of view, of the Consideration to be paid to the shareholders, in the Corporation’s management information circular for the Meeting, as defined below, a copy of which will be mailed to each of the Corporation’s shareholder and will also be available under the company’s profile at www.sedar.com.

The Transaction is also subject to shareholder approval by 2/3rds of the voting common shares voted at a special meeting (the “**Meeting**”) of the Corporation, which is expected to be held in April of 2021.

Pursuant to the LOI, the Buyer shall have a period of sixty (60) days to complete its due diligence. The Corporation and the Buyer will work to complete the transaction by April 1, 2021 or such later date as the parties may agree to in writing. The Corporation will give the Buyer exclusivity for a period not to exceed seventy-five (75) days from the date of the LOI. The Buyer has provided a refundable deposit of \$100,000 in connection with the Transaction.

The Transaction is subject to the following conditions:

1. completion of satisfactory due diligence by the Buyer;
2. execution of a definitive purchase and sale agreement;
3. negotiation of an agreement for key management and key employees’ continuation of employment after the completion of the Transaction;
4. shareholder approval;
5. TSXV approval; and
6. lease assignment.

The Transaction will also eliminate the burden of continuing as a reporting issuer. Under applicable securities laws a broad range of regulatory obligations are imposed on companies with public shareholders, including the provision of quarterly financial statements and information to shareholders, mandatory solicitation of proxies for annual meetings, increased insurance costs, transfer agent and stock exchange fees and compliance cost, and shareholder communication costs. These regulatory requirements necessitate the employment of independent accountants, financial consultants, printers, lawyers and other skilled personnel. Management of the Corporation believes that the present and anticipated time and costs entailed in meeting the additional disclosure and other regulatory obligations to which public companies are subject cannot be justified in view of the economic uncertainty and limited upside to shareholders in the future.

Additional information will be dissemination with the execution of the definitive agreement. The Transaction will result in the sale of 100% of the outstanding common shares of the Corporation and the Corporation’s common shares are expected to be delisted shortly after closing the Transaction. The Transaction remains subject to all applicable regulatory and TSXV approvals.

About Sunora Foods

Sunora Foods is a Calgary, Alberta based food oil entity, trading and supplying canola oil, soybean oil, olive oil, and specialty oils in Canada and internationally under the “Sunora”, “Sunera” and numerous private label brands.

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Neither the TSX Venture nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture) accepts responsibility for the adequacy or accuracy of this release.

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 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 Transaction’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 Transaction is subject to several conditions including (i) respective board approval from the parties; (ii) TSXV and shareholder approval; and (v) completion of the Transaction by April 1, 2021.

There is no guarantee all of these conditions will be satisfied. If any of the conditions to the Transaction are not satisfied, the Transaction may not be completed. Readers should not assume that any or all of the conditions will be met or that the Transaction 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.