

FEEL FOODS LTD. SIGNS DEFINITIVE AGREEMENT TO ACQUIRE VEGAN CHEESE COMPANY "BLACK SHEEP VEGAN CHEEZE"

VANCOUVER, BRITISH COLUMBIA - SEPTEMBER 13, 2021 - FEEL FOODS LTD. (the "Company" or "Feel Foods") (CSE: "FEEL") (OTC: "FLLLF") is pleased to announce that it has entered into a share exchange agreement (the "Agreement") with Black Sheep Vegan Cheeze Company Corp. ("Black Sheep"), a British Columbia vegan cheese company, and the shareholders of Black Sheep to acquire all of the issued and outstanding common shares of Black Sheep (the "Acquisition").

Black Sheep was co-founded in 2017 by a vegan husband and wife team from Armstrong, British Columbia, Canada's cheese capital with a mantra that; eliminating dairy is not only for the numerous health benefits but also because of the cruelty that happens in the dairy industry, not to mention the environmental impact. A variety of 10 unique vegan dairy substitute products are currently available in over 30 retail locations, including select locations at IGA, Nesters The Very Good Butchers, Pomme natural, Natures Fare, Vegan Supply and many other fine retailers across 16 cities throughout BC as well as online and in person at farmers markets. Feel Foods intends to finance and support a North America wide expansion of this best-in-class brand while working closely with the Black Sheep founders to develop additional exceptional products for the plant-based community.

For more information on Black Sheep's products and story, visit: <http://blacksheepvegancheeze.com/>

The plant-based food market is expected to grow at a CAGR of 11.9% from 2020 to 2027 to reach \$74.2 billion by 2027.* The growth of this market is mainly attributed to the factors such as increasing incidence of intolerance for animal protein, growing urbanization with new consumer aspirations, increasing vegan population, and significant venture investments in this sector.*

Feel Foods CEO David Greenway states: "The acquisition of Black Sheep is exciting for the growing Feel Foods family as we continue to increase our footprint in plant-based foods, thereby reducing our ecological footprint on the Planet. We look forward to working closely with Black Sheep and its founding team to expand and develop excellent new products and make them available to everybody looking to enjoy plant-based foods. We are on a mission to transform plant-based food, with no compromises on taste or quality while reducing global environmental impact. Together, by shifting our collective approach to food, we can improve the health of our World, the lives of animals, and preserve valuable resources for generations to come."

Black Sheep offers great tasting non-dairy cheese alternatives so that cheese lovers can be part of a movement towards a plant-based world, get the benefits for their health, the environment and most importantly, the animals. The transition is easy once you discover products you like and enjoy.

Terms of the Transaction

Pursuant to the terms of the Agreement, on closing of the Acquisition (the "Closing"), the Company will acquire all of the issued and outstanding common shares of Black Sheep (the "Black Sheep Shares") in consideration for (together, the "Purchase Price") the issuance 3,400,000 common shares (each, a "Share") of Feel Foods and a cash payment of \$750,000. Each Share issued in connection with the Purchase Price is subject to a contractual lock-up whereby the shareholder shall not offer, issue, pledge, sell such Share except in accordance with the following release schedule: 10% on the date of closing (the "Closing Date"); 30% on the date that is 6 months after the Closing Date; 30% on the date that is 12 months after the Closing Date; and 30% on the date that is 18 months after the Closing Date.

In addition, Feel Foods has agreed to pay the shareholders of Black Sheep up to an aggregate of \$500,000 upon the achievement, by Black Sheep, of at least an aggregate of \$500,000 or greater in net sales during the

12 month period starting on the date that is 7 months from the Closing Date and ending on the date that is 18 months from the Closing Date (the “**Performance Milestone Deadline**”), payable by way of:

- (i) issuance of \$125,000 worth of Shares and \$125,000 in cash upon the achievement by Black Sheep of \$250,000 or greater in net sales on or before the Performance Milestone Deadline; and
- (ii) issuance of \$125,000 worth of Shares and \$125,000 in cash upon the achievement by Black Sheep of an aggregate of \$500,000 or greater in net sales on or before the Performance Milestone Deadline.

All Shares issuable to the shareholders of Black Sheep pursuant to the terms of the Share Exchange Agreement will be issued pro rata at a deemed price equal to the lowest price per Share permitted by the policies of Canadian Securities Exchange (“CSE”).

Concurrent to and as a condition to closing, it is expected that each of James and Jenna Johnson, the co-founders of Black Sheep, and Ashala Carlsen will enter into consulting agreements (collectively, the “**Consulting Agreements**”) with Feel Foods pursuant to which they will provide certain consulting services to the Company all on the terms the Consulting Agreements, as applicable.

The Acquisition is subject to certain conditions, including: (i) the completion of satisfactory due diligence; (ii) the receipt of all necessary consents, waivers and approvals, including the approval of the CSE, as applicable; (iii) the entry of the Consulting Agreements; (iv) the production, and satisfactory review by Feel Foods, of the audited financial statements of Black Sheep for the fiscal years ended July 31, 2021 and July 31, 2020; (v) there having been no material adverse effect occurring with respect to the Company or Black Sheep; and (vi) other closing conditions customary for transactions of this nature.

Following the closing, Black Sheep will become a wholly owned subsidiary of Feel Foods Ltd.

About Feel Foods Ltd.

FEEL is an agri-food holdings company focused on innovative products and technologies in the food services industry including its wholly owned BE Good plant-based foods line of plant-based chicken, pork and beef products as well as is currently investing in the research and development of keto-friendly plant-based candy products.

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Statistics Reference: * <https://www.prnewswire.com/news-releases/global-plant-based-food-market-report-2020-2027-rising-industry-concentration-with-growth-in-mergers-and-acquisitions-in-the-plant-based-products-space-301268737.html>

Disclaimer for Forward-Looking Information

Certain statements in this release are forward-looking statements, which reflect the expectations of management regarding the Company. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future, including with respect to: the entry



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of the Consulting Agreements, the completion of the Acquisition and the acceptance of the Acquisition and terms thereof by the CSE, and Feel Foods' ability to finance and achieve North American-wide expansion of Black Sheep's products. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements, including risks related to factors beyond the control of the Company. The risks include the following: the unknown magnitude and duration of the effects of the COVID-19 pandemic, the inability of Feel Foods to close the Acquisition and other risks that are customary to transactions of this nature. There can be no assurance that any forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader should not place any undue reliance on forward-looking information or statements. Feel Foods undertakes no obligation to update forward-looking information or statements, other than as required by applicable law.

This press release is not an offer of the securities for sale in the United States. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from registration. This press 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 state in which such offer, solicitation or sale would be unlawful.

The CSE (operated by CNSX Markets Inc.) has neither approved nor disapproved of the contents of this press release.